

Transparency

The Central Reserve Bank of Peru (BCRP) takes an active role in disseminating information on its monetary policy framework. Under the Inflation Targeting Scheme, the Bank informs the public through different media about its monetary decisions and the reasons for adopting said decisions in order to reinforce their effectiveness.

Monetary policy decisions: The Board informs the public about monetary policy decisions through monthly communiqués or Informative Notes on the Monetary Program. The Board's decisions regarding the bank's reference interest rate and the rates on other monetary policy instruments (interest rates on rediscount operations, on overnight deposits, and reserve requirement rates), as well as changes in the limits of investments that Private Administrators of Pension Funds can make abroad are announced through these communiqués. They are published on the BCRP's website (www.bcrp.gob.pe) in both Spanish and English and also disseminated through press releases. This information is also sent to subscribers via electronic mail. Moreover, web conferences and telephone press conferences are also held with banks' representatives and with the media respectively.

A detailed explanation of the evolution of inflation and the macroeconomic variables influencing this evolution, as well as inflation forecasts, is offered three times a year through the **Inflation Report**. This report, which contains information as of January, May, and September, is discussed in meetings and conferences with bank representatives, economic analysts, academics, the media, business associations, and authorities both in Lima and in other cities of Peru.

Together with the **Inflation Report** of September 2007, a video on the press conference with the media was also disseminated for the first time through the Bank's web page this year. This video (in spanish only) is an additional element that contributes to promote a better understanding of monetary policy decisions, inflation forecasts, and the macroeconomic context.



The Bank's web page is also used to permanently and transparently inform the public about the administrative and budgetary management of the BCRP (especially through the section called Transparency). Moreover, the Bank's financial statements, which are audited by internationally recognized independent auditing firms, are also published in this section.

Additionally, Governor Julio Velarde spoke in **Congress** on several occasions in 2007. He participated twice in sessions of the General Budget and Accounts Commission to explain the macroeconomic assumptions of the 2008 budget and the auction of foreign currency carried out by the regional government of Ancash. He also discussed economic forecasts and the operational limits for Private Pension Funds' placements and the yield on these placements before the Commission of Economy, Banking and Finance. Likewise, Governor Velarde explained the limits for investments abroad by Private Administrators of Pension Funds to the members of the Commission on Social Security, as well as the evolution of exchange and its impact on foreign trade and the export sector to the Foreign Trade Commission.

Information was also provided in response to 32 transparency-related queries regarding economic and statistical data of public domain. All these queries were duly answered on a timely basis.

