

MNB Decree No 11/2023. (III. 31.)
of the Governor of the Magyar Nemzeti Bank
on the interest rate payable on required reserves

Pursuant to the authorisation provided by Article 171 (1) (b) of Act CXXXIX of 2013 on the Magyar Nemzeti Bank (MNB Act), having regard to the decision of the Monetary Council,

in respect of Article 4(a), pursuant to the authorisation provided by Article 171 (1) c) of Act CXXXIX of 2013 on the Magyar Nemzeti Bank, and acting within the scope of my duties specified in Article 4 (1) of Act CXXXIX of 2013 on the Magyar Nemzeti Bank,

I hereby decree as follows:

Article 1 (1) The Magyar Nemzeti Bank (hereinafter: MNB) pays no interest on 25% of the minimum level of required reserves in accordance with the MNB Decree on the Calculation, Method of Allocation and Placement of Required Reserves (hereinafter: Required Reserve Decree).

(2) The MNB shall pay interest at the MNB central bank base rate on the minimum level of required reserves pursuant to the Required Reserve Decree exceeding the amount specified in paragraph (1).

(3) The MNB shall pay interest at 18% on the amount of the required reserves exceeding the amount specified in paragraphs (1) and (2).

Article 2 The MNB shall pay interest on the required reserves to the credit institution based on the following formula:

$$K_t = \frac{A_{1,t} \times n_t \times r_{1,t}}{100 \times 360} + \frac{A_{2,t} \times n_t \times r_{2,t}}{100 \times 360}$$

$$r_{1,t} = \sum_{j=1}^{n_t} \frac{i_{1,j}}{n_t}$$

$$r_{2,t} = \sum_{j=1}^{n_t} \frac{i_{2,j}}{n_t}$$

Where:

K_t = the amount of interest paid on reserves held in compliance with reserve requirements in maintenance period t ,

$A_{1,t}$ = the arithmetic average of the actual reserves held [settled account balances on the daily account statement and the sub-account balance pursuant to the Required Reserve Decree] calculated for calendar days in maintenance period t according to Article 1(2),

$A_{2,t}$ = the arithmetic average of the actual reserves held [settled account balances on the daily account statement and the sub-account balance pursuant to the Required Reserve Decree] calculated for calendar days in maintenance period t according to Article 1(3),

n_t = number of calendar days in maintenance period t ,

j = calendar day j of the maintenance period

$r_{1,t}$ = rate of interest paid on $A_{1,t}$ the required reserve holding in maintenance period t ,

$r_{2,t}$ = rate of interest paid on $A_{2,t}$ the required reserve holding in maintenance period t ,

$i_{1,t}$ = the interest rate specified in Article 1(2) on day j of the maintenance period,

$i_{2,t}$ = the interest rate specified in Article 1(3) on day j of the maintenance period.

Article 3 This Decree shall enter into force on the day following its publication.