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# Standing facilities

National Bank of Moldova offers to licensed banks 2 types of standing facilities:

- Overnight deposit facility;
- Overnight credit facility.

Standing facilities are granted by the NBM to banks for the purpose of absorbing and providing short-term liquidity (with overnight maturity) and narrowing the short-term interest rates fluctuations on the interbank monetary market through the corridor set by the NBM on interest rates related to deposit and credit facility.

The licensed banks may resort, upon their own initiative, to standing facilities offered by the NBM:

- *Deposit facility* - allows banks to place an overnight deposit with the NBM (with overnight maturity), at a pre-established interest rate (deposit facility rate usually represents a floor of overnight interest rate on the interbank monetary market);
- *Credit facility* - allows banks to get an overnight credit with the NBM (with overnight maturity), for the purpose of covering the overdraft at the end of the operational day, as well as for filling the liquidity gap, guaranteed with securities pledged with the NBM, at a pre-established interest rate (this interest rate usually represents a ceiling of overnight interest rate on the interbank monetary market).

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