

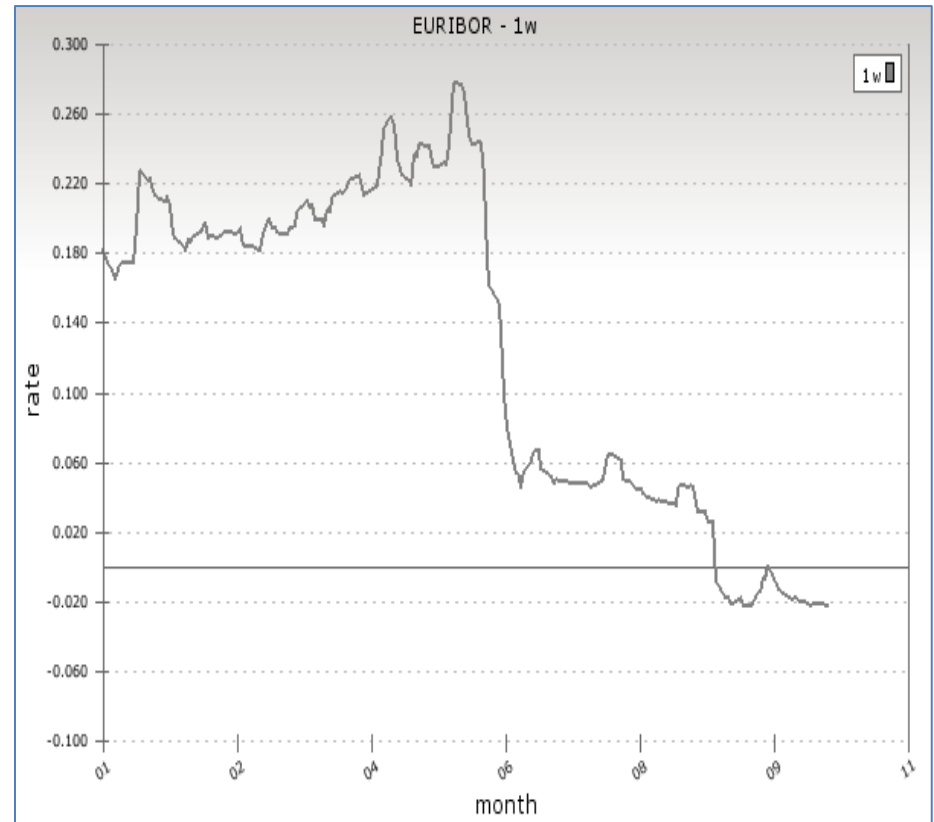
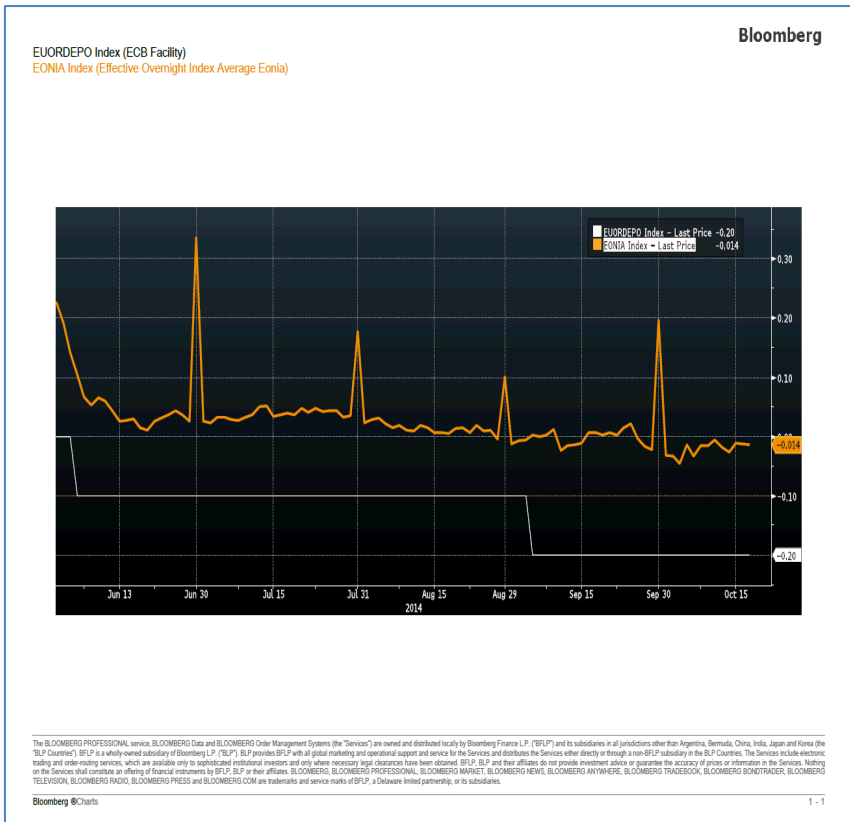


# Negative interest rates

Fernando Conlledo  
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## New interest rates scenario: negative rates



### Monetary policy (ECB):

- **Interbank deposit market**

### Legal documentation in international financial markets:

- **LMA for international syndicated loans**
- **ISDA for derivative transactions**
  - **2006 ISDA definitions**
  - **2013 Best Practices for the OTC Derivatives Collateral Process**
  - **2014 ISDA collateral agreement negative interest protocol**

## Retail markets (Spain):

- **Public Debt.** The Spanish Treasury has established that retail bids in Treasury auctions when the average interest rate is negative shall be considered as not made
- **Commercial Loans:**
  - Commercial Code loans are deemed to include remuneration by way of interest
  - Lender should receive the same amount of money lent
  - Therefore, negative interest may not be claimed from lender
- **Situation of loans with an added margin**
  - The negative interest rate decreases the margin?
- **Retail banking deposits :**
  - Obligation of the bank to return the same amount
  - Interest is a remuneration of the deposit. Therefore, negative interest may not be claimed from the depositor

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