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*Banco de la República* (the Central Bank of Colombia) sets the monetary policy interest rate at a level consistent with the aim of reaching the 3.0% inflation target.

*Banco de la República* (the Central Bank of Colombia) supplies or withdraws liquidity from the economy to ensure that the Benchmark Interbank Rate (IBR in Spanish) is close to the monetary policy interest rate. For example, if the demand for liquidity (monetary base) is greater than its supply, the Bank will supply the necessary liquidity so that the IBR does not exceed the monetary policy interest rate. On the contrary, if the demand for liquidity is lower than its supply, the Bank will collect the additional monetary base for an amount that adjusts the IBR to the level of the monetary policy interest rate.

Liquidity is supplied or withdrawn through the following mechanisms, for which the monetary policy interest rate serves as a reference:

- [Temporary Open Market Operations \(OMOs\)](#) (Only in Spanish)
- [Permanent OMOs - private debt purchase](#) (Only in Spanish)
- Standing facilities

Expansion and contraction windows allow institutions to receive or deposit resources at the end of the day, and this properly manage their liquidity.