
The following are the approved intervention mechanisms for *Banco de la República* (the Central Bank of Colombia).

1. Sale of put options (options to sell foreign currency to the Bank) or call options (options to buy foreign currency from the Bank).

- Sale of put or call options to control exchange rate volatility.
- Sale of put options with the purpose of accumulating foreign reserves.
- Sale of call options to reduce foreign reserves.

2. Purchase or sale of foreign currency.

- Purchase or sale of foreign currency directly in the foreign exchange market.
- Purchase or sale of foreign currency through competitive (bidding) auctions.

3. Spot sale of foreign currency through FX Swap contracts.

4. Forward contracts for the sale of dollars with financial compliance (non-delivery).

The characteristics of the instruments for foreign exchange intervention can be found in Regulatory Circular DOAM -143, corresponding to Subject 5: Intervention of *Banco de la República* in the foreign exchange market.