[33]**I.** Financial intermediaries' weighted offered rate **(in Spanish,** *Tasa Básica Pasiva* **or** *TBP***)**

[34] **A. Definition**

The financial intermediaries' weighted offered rate (*TBP*) is a weighted average of gross interest rates of term deposits in colones, of the different groups of financial intermediaries made up by Other Depository Corporations (ODCs).[35] This average will be rounded to the twentieth closest percentage point.

B. [36]**Calculation**

i. The financial intermediaries' weighted offered rate (*TBP*) will be calculated based on the information on gross interest rates negotiated for each one of the term deposit operations in colones, during the week prior to the calculation (from Wednesday through Tuesday), by financial intermediaries included in a sample selected by the Banco Central's Economic Division.

ii. The sample will be made up of those intermediaries supervised by the General Superintendency of Financial Entities (in Spanish, *Superintendencia General de Entidades Financieras* or *SUGEF*), whose total of deposits received amounts to at least 95% of the average balance of the last 6 months of term deposits in colones (defined in the monetary accounts) of ODCs. The selected entities will be classified by groups of financial intermediaries.

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[32]Amended through agreement of the Banco Central de Costa Rica's Board of Directors, pursuant to Article 10 of the minutes of session 4909-97, held on April 9, 1997. Published in the Official Newspaper La Gaceta No. 92 of May 15, 1997.
Amended through agreement of the Banco Central de Costa Rica's Board of Directors, pursuant to Article 8, of the minutes of session 5703-2015, held on October 13, 2015. Published in Insert 90 to the Official Newspaper La Gaceta No. 214, of November 4, 2015.

[33]Amended through agreement of the Banco Central de Costa Rica's Board of Directors, pursuant to subparagraph 1, Article 7, of the minutes of session 5375-2008, held on April 23, 2008. Published in the Official Newspaper La Gaceta No. 93, of May 15, 2008.

[34]Amended in session 5574-2012, Article 7, subparagraph 2, of December 12, 2012. Published in Insert 207 to the Official Newspaper La Gaceta No. 245 of December 19, 2012. In effect as of Wednesday of the following week after its publication.

[35]Made up of the following groups: Public Banks (including the Banco Popular), Private Banks, Savings and Credit Cooperatives (including the Caja de Ande), Non-Banking Financial Companies and Mutual Savings and Credit Institutions.
Amended through agreement of the Banco Central de Costa Rica's Board of Directors, pursuant to Article 8, of the minutes of session 5703-2015, held on October 13, 2015. Published in Insert 90 to the Official Newspaper La Gaceta No. 214, of November 4, 2015.

[36]Amended in session 5574-2012, Article 7, subparagraph 2, of December 12, 2012. Published in Insert 207 to the Official Newspaper La Gaceta No. 245 of December 19, 2012. In effect as of Wednesday of the following week after its publication.

Therefore, with the latest information available in the monetary accounts, four groups of financial intermediaries would be defined: public banks, private banks, cooperatives, and mutual savings and credit institutions.

This sample should be revised, at least in February of every year, and in the case that there is only a single entity in a group, it will become a part of the group with which it has similar characteristics, since by Law, the Banco Central de Costa Rica has to safeguard the confidentiality of individual information provided to it by physical persons and corporations.

Should any intermediary included in the sample stop operating, the calculation of the financial intermediaries' weighted offered rate (*TBP*) will be carried out using the information of those financial intermediaries that are authorized to operate, until it is replaced by another entity that can comply with the provisions in this paragraph.

iii. The financial intermediaries' weighted offered rate (*TBP*) will be calculated on Wednesdays of every week or the previous working day, if Wednesday is not a working day.

iv. According to the SUGEF's accounts, the operations referred to in the above paragraph i), would consist of the following accounts:

Account	Description
	Term deposit accounts
213.01.1	Term savings deposits
213.02.1	Term savings deposits with liens
213.12.1	Term deposits received from the public
213.13.1	Term deposits received from related parties
213.14.1	Term deposits with liens
232.01.1	Term deposits received from the country's financial entities
232.02.1	Term deposits received from foreign financial entities
232.13.1	Term savings deposits from the country's financial entities
232.14.1	Term savings deposits from foreign financial entities

v. A simple average will be calculated for each group of financial intermediaries, based on information on the gross effective interest rates for each one of the term deposit operations in colones, traded during the week before the calculation (from Wednesday through Tuesday).

vi. The above distribution is truncated by excluding those operations whose interest rates differ by at least two standard deviations from the group average.

vii. A simple average is calculated again for the truncated interest rates distribution obtained in paragraph vi) for each group of financial intermediaries. Four average rates T_j are therefore obtained for j = 1, 2, 3, 4.

viii. The moving average of the balance of the total of term deposits received in national currency during the last six months will be used as weights (according to availability of monetary accounts at the end of every month), for each group of financial intermediaries. Four weights ω_j are therefore calculated for j = 1, 2, 3, 4.

ix. With the averages obtained in paragraph vii) above, and the weights defined in paragraph viii), the following average for the financial intermediaries' weighted offered rate (*TBP*) is calculated, which will be called **T**:

$$T = \sum_{j=1}^{4} \omega_j T_j$$

T will be a weighted average of the rates of term deposits of the financial entities that make up the sample mentioned in paragraph ii).

x. Adding an adjustment term (**A**) to the weekly calculation of methodology (**T**), is a way to relax the transition from the calculation of the current financial intermediaries' weighted offered rate (*TBP*) to the methodology adopted in this case.

xi. The formula for calculating the financial intermediaries' weighted offered rate (*TBP*) according to the established methodology is:

$$\mathbf{TBP} = \mathbf{T} + \mathbf{A}, \text{ where:}$$

TBP = (financial intermediaries' weighted offered rate

$\mathbf{A} = \mathbf{D} * \left(1 - \frac{s}{50}\right)$, where s indicates the amount of weeks elapsed from the date the methodology was changed; the first week therefore assumes the value of 0, the following week assumes the value of 1, and in general every week is increased by a unit until the value of 50 is reached, allowing the transition to be carried out in a 51-day period. In this way,

$$A = \begin{cases} D * \left(1 - \dfrac{s}{50}\right) & for\ s = 0, 1, 2, \dots, 49 \\ 0 & for\ s \geq 50 \end{cases}$$

D is the existing difference between the *TBP* and T, as of the last Wednesday of January 2016, therefore:

$$D = TBP - T, on\ the\ last\ Wednesday\ of\ January, 2016$$

xii. All the rates included in the calculations will be expressed in gross terms (without excluding income tax), over a factor of 360 days, and will correspond to term deposit instruments received in colones.

xiii. The resulting rate will be rounded to the twentieth of the closest percentage point, will be released on the date the Banco Central de Costa Rica makes the calculation, and will become effective on Thursday of that week.

C. [37]Provision of information

To calculate the financial intermediaries' weighted offered rate (*TBP*) using the indicated methodology, the financial entities included in the sample should send the following information to the Banco Central de Costa Rica, beginning on January 6, 2016:

i. Daily details on deposits received in colones for each one of the terms of deposits received, with the corresponding negotiated interest rates, for the week ending on the working day prior to the calculation. Therefore, details on each and every term deposit operation carried out should be sent (operation by operation, with the date on which they were negotiated), and not a summary thereof, although they may have been at the same interest rate.

ii. The file with this information should be sent to the Banco Central de Costa Rica as indicated in the electronic standard for weekly interest rates on deposits and loans.

iii. Information should be sent on Wednesdays of every week or on the previous working day if Wednesday is not a working day, by no later than 12 midday. It should include deposits received per day, for the week ending on the day before the calculation is made.

The first calculation using this methodological change for the financial intermediaries' weighted offered rate (*TBP*) becomes effective as of the first Wednesday of February, 2016.

II. Effective rate in dollars (in Spanish, *Tasa en Dólares* or *TED*)[38]

A.   Definition

The effective rate in dollars (*TED*) is a weighted average of the gross interest rates on term deposits, in dollars, for each one of the terms offered by financial intermediaries and of external debts (term deposits from non-residents, direct loans, and credit lines), in dollars, of other depository companies (ODCs). This average will be rounded to the closest base point.

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[37]Added in session 5574-2012, Article 7, subparagraph 2, of December 12, 2012. Published in Insert 207 to the Official Newspaper La Gaceta No. 245 of December 19, 2012. In effect as of Wednesday of the following week after its publication.

[38]Added through Article 8 of the minutes of session 5703-2015, of October 13, 2015. Published in Insert 90 to the Official Newspaper La Gaceta No. 214, of November 4, 2015.

B. Calculation

i. The effective rate in dollars (*TED*) will be calculated based on information on gross interest rates of each and every term deposit received in dollars, and each and every external debt operation (deposits received from non-residents, direct loans from abroad, and foreign credit lines) in dollars, negotiated during the week before the calculation (from Wednesday through Tuesday), by the financial intermediaries included in a sample selected by the Banco Central's Economic Division.

ii. Given that external debt and the total of term deposits received in foreign currency from commercial banks make up around 95% of the average balance of other deposit corporations (ODCs) for the last 6 months, these intermediaries would constitute the sample of financial entities for the calculation of the effective interest rate in dollars (*TED*). Therefore, financial intermediary groups would consist of public banks and private banks.

This sample should be revised, at least in February of every year, and in the case that there is only a single entity in a group, it will become a part of the group with which it has similar characteristics, since by Law, the Banco Central de Costa Rica has to safeguard the confidentiality of individual information provided to it by physical persons and corporations.

Should any intermediary included in the sample stop operating, the calculation of the effective rate in dollars (*TED*) will be carried out using the information of those financial intermediaries that are authorized to operate, until it is replaced by another entity that can comply with the provisions of this paragraph.

xiv. The effective rate in dollars (*TED*) will be calculated on Wednesdays of every week or the previous working day, if Wednesday is not a working day.

xv. According to the SUGEF's accounts, the operations referred to in the above paragraph i), would be made up of the following accounts:

Account	Description
	Term deposit accounts
213.01.2	Term savings deposits
213.02.2	Term savings deposits with liens
213.12.2	Term deposits received from the public
213.13.2	Term deposits received from related parties
213.14.2	Term deposits received, with liens
232.01.2	Term deposits received from the country's financial entities
232.02.2	Term deposits received from financial entities abroad
232.13.2	Term savings deposits from the country's financial entities
232.14.2	Term savings deposits from financial entities abroad

Account	Description
	Accounts for loans and financing
232.11.2	Loans from financial institutions abroad
233.02.2	Financing from international organizations
233.03.2	Financing from foreign cooperation institutions
233.04.2	Financing from other non-financial entities from abroad
261.01.2	Subordinated debentures (only in cases of operations with non-residents)
262.01.2	Subordinated loans (only in cases of operations with non-residents)

iii. A simple average will be calculated for each group of financial intermediaries, based on information on the gross effective interest rates for local deposits received in dollars for each one of the terms, and for external debt (deposits received from non-residents, direct loans and credit lines) negotiated during the week before the calculation (from Wednesday through Tuesday).

iv. The above distribution is truncated by excluding those operations whose interest rates differ by at least two standard deviations from the simple group average.

v. A simple average is calculated again for the truncated interest rates distribution, obtained in paragraph vi) for each group of financial intermediaries. Two average rates R_j, are therefore obtained for $j = 1, 2$.

vi. The moving average of the term deposits received in dollars and of the total external debt in foreign currency (deposits received in dollars from non-residents, direct loans, credit lines, banker's acceptances, and current account overdrafts) for the last six months (according to availability of monetary accounts at the end of each month), will be used for each group of financial intermediaries. Two weights θ_j, are therefore calculated for $j = 1, 2$.

vii. With the averages obtained in the previous paragraph vii) and the weights defined in paragraph viii), the effective rate in dollars (*TED*) is calculated as follows:

$$TED = \sum_{j=1}^{2} \theta_j R_j$$

viii. All the rates included in the calculations will be expressed in gross terms (without excluding income tax), over a factor of 360 days, and they will correspond to term deposit instruments and external debt, in dollars.

ix. Rounding of calculation: to the closest base point.

C. Providing information

To calculate the effective rate in dollars (*TED*) according to the methodology established, financial entities should send the following information to the Banco Central de Costa Rica, beginning on January 6, 2016:

i. Daily details on deposits received in dollars for each one of the terms of the deposits, with the corresponding negotiated interest rates for the week ending on the working day prior to the calculation, and the daily amounts of foreign debt operations (deposits received from non-residents, direct loans, credit lines, in dollars). Therefore, details on each and every term deposit and external debt operation (operation by operation) should be sent, rather than a summary thereof, although they may have been at the same interest rate.

ii. The file with this information should be sent to the Banco Central de Costa Rica as indicated in the electronic standard for weekly interest rates on deposits and loans.

iii. Information should be sent on Wednesday of every week or on the previous working day if Wednesday is not a working day, by no later than 12 midday. It should include details of operations per day, for the week ending on the day before the calculation is made.

The first calculation of the effective rate in dollars (*TED*) becomes effective as of the first Wednesday of May, 2016.