## Negative interest rates and their implications

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*At its meeting held on 7 March 2013, the ECB Governing Council decided to keep the key ECB interest rates unchanged. Despite recent signs of stabilisation, analysts believe that unconventional solutions still remain at play. One of them are negative interest rates. Although they are not widely discussed at present by market participants and other professionals, their possible application remains in its latent phase. The article comments on the topic and uses the example of Danmarks Nationalbank that implements the negative deposit interest rate. Markets believe its application has also been considered by the Bank of Japan and the Bank of England. The article further outlines possible options for negative monetary policy rate settings, such as the negative deposit rate, i.e. the interest rate on the overnight deposit facility, and the negative interest rate on the main refinancing operations. (p. 2)*

## Inflation targeting vs. nominal GDP targeting

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*In this paper, we compare two monetary policy frameworks: inflation targeting and nominal GDP targeting. Currently, the inflation targeting regime is mostly used. However, there is an intense debate about its possible replacement by nominal GDP targeting. We compare these two frameworks and try to argue that nominal GDP targeting is slightly more advantageous than inflation targeting. The paper is divided into four sections. The first section deals with the current state of monetary policy. The second section describes inflation targeting, its concept and practical experience of its application for the last two decades. The third section describes nominal GDP targeting, its benefits and drawbacks, and compares it with currently used inflation targeting. The fourth section sums up the previous discussion and concludes why nominal GDP targeting could be a better option. (p. 5)*

## Alternative sources of financing and their use in the Slovak environment

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*The issue of raising funds belongs to those dealt with by almost all companies. Since the current economic environment changes very quickly, the funding of companies has shown up to be even more important and complex. Along with the dominating standard form of external financing (through bank loans), alternative methods have also become more widely used. The article focuses on these methods of financing, gives their brief characteristics and describes how they are employed in Slovakia. (p. 12)*

## Laws and decrees within the competence of Národná banka Slovenska in force from 15 March 2013

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*Full texts of these laws can be found on the NBS website www.nbs.sk/en/legislation. Only the Slovak texts published in the Collection of Laws of the Slovak Republic, and in the case of NBS decrees also in the NBS Journal, are considered authentic and legally binding. The date on which the laws and decrees were last amended is stated in their respective texts. (p. 17)*

## Substantial changes in the classification and measurement of financial instruments

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*Currently, the new financial instruments standard – IFRS 9 is being developed with the aim of replacing IAS 39, an older standard dealing with financial instruments. The International Accounting Standards Board (IASB) has decided to replace IAS 39 gradually, in the process of 3 phases: Phase 1 – Classification and measurement of financial assets and financial liabilities, Phase 2 – Impairment Methodology, and Phase 3 – Hedge Accounting. IFRS 9 will be mandatory for all IFRS reporters in 2015. The new standard classifies financial assets into two main categories of financial assets subsequently measured at amortized cost and those subsequently measured at fair value, while IAS 39 classified them into four categories. IFRS 9 thus brings certain simplification. Financial liabilities are classified under IFRS 9 into financial liabilities measured at fair value through profit or loss and other financial liabilities measured at amortized cost using the effective interest method. In this case, not much has been changed in comparison with IAS 39. Entities can designate financial assets and financial liabilities at fair value through profit or loss at their initial recognition, regardless of the category. (p. 24)*