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New CNB currency arrangement



On the eve yesterday of the ninth anniversary of the [Great Devaluation of the Czech Crown](#) on Nov. 7, 2013, ex-CNB Gov. [Jiří "Revaluation" Rusnok](#) openly criticized the interest-rate and intervention policy of his successor, Aleš Michl. The CNB is keeping the crown at around Kč 24.70/euro by selling euros instead of raising interest rates, and Rusnok said (at [13h25m](#)) that if this continues for a long period, it means we're entering a new currency regime. He left it at that, but what this means is that the CNB could quietly be moving from a "free-floating" arrangement to what the [IMF](#) refers to as a "managed" arrangement, which the country also had during the [41 months of the devaluation](#). By law, the [CNB must confer with the cabinet before stipulating a new exchange-rate regime](#). There is no public evidence that Michl did this. But then neither did Rusnok when he [went off the "managed" regime on April 6, 2017](#). And neither did Miroslav Singer when he [devalued the crown](#) nine years ago today.

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