

# Business Standard

## 5 things to know about negative interest rate policy

**Bank of Japan cut its benchmark interest rate below zero for the first time**

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In a surprise move, the Bank of Japan (BOJ) cut its benchmark interest rate below zero for the first time. The benchmark rate now stands at -0.1 per cent. Business Standard explains what this means. 1. What does negative interest rate mean? With the benchmark rate now at -0.1 per cent, it essentially means that the BoJ will charge commercial banks 0.1 per cent on some of their deposits. According to a report in The Financial Times, negative interest rates will be adopted on the basis of a three-tier system. The current account that each financial institution maintains at the ...