Discussion of: **Assessing the impact of credit de-dollarization measures in Peru**

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Comments

- This is the kind of paper that makes you want to learn more about the topic. It will surely add to the literature, akin to papers such as Catão and Terrones (2016).

- The authors have access to a rich database on bank credit to private firms, by segment, sector and size. They shrewdly exploit it to improve our understanding of the implementation of macroprudential policies supporting a de-dollarization process.

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Criticisms

- On the **model:**
  - The authors underscore **local factors**, but should also consider **global factors** such as interest rate *levels*, commodity prices, and global risk aversion. This could swap the signs of some of the coefficients, e.g., the interest spreads.
  - Also, endogeneity might be some of a concern.
- On the **hedges against currency risk:**
  - The so-called **natural hedge** to currency risk might be limited in that a global shock could affect most EMEs.
  - On the **financial hedge**, on the aggregate it is important to understand who writes the derivatives. A policy maker should be concerned about all positions.
  - Relatedly, significant currency changes might lead to some financial stress. In effect, **hedging is not perfect and less so in illiquid markets**.

Questions

- Do the authors think that the construction of their **dummy variable** is the most adequate? Have they tried other constructions, e.g., just based on the initial periods after the announcements?

- Do the authors think that they have a strong case for the **economic significance** for their panels' coefficients?

- Is it completely clear for the authors, to what extent considering the level and composition of credit is sufficient to **assess systemic risks**?