

Banking and Finance News

The Organic Law of the Central Bank is amended in order to modify the exceptions to the duty of secrecy

On 21 April 2023, Law No. 7066/2023, "Modifying Article 7 of Law No. 489/1995 "Organic Law of the Central Bank of Paraguay", as amended by Law No. 6104/2018", was published in the Official Gazette. Pursuant to Article 6 of the Organic Law of the Central Bank of Paraguay (Banco Central del Paraguay – BCP, by its Spanish acronym), the information, data and documents of third parties held by the BCP, by virtue of its functions, are confidential, unless otherwise provided by law. Any person who performs or has performed duties at the BCP and has or has had knowledge of confidential information, data and documents of third parties is obliged to maintain the secrecy of such information. Failure to comply with this obligation shall imply criminal and other liabilities provided for by law. These persons may not give any statement or testimony, nor may they publish, communicate or exhibit information, data or documents of third parties, even after having left their service at the BCP, unless expressly mandated by law. With regards to the aforementioned duty of secrecy, Law No. 7066/2023 amends and incorporates certain provisions related to the exceptions allowed to disclose confidential information to which they had access, as detailed below:

- It clarifies that the exception to disclose information on credit institutions declared judicially insolvent shall not apply to the operations of their clients.
- It expands on the information that can be requested by congressional chambers and investigation commissions, such requests for information will be granted only in relation to financial institutions, but not about the operations of their clients. The BCP shall put in place appropriate measures to ensure that information on the operations of clients of financial institutions is not disclosed.
- The information requested by the Ministry of Finance shall be made through the Undersecretariat of State for Taxation, in the exercise of its functions.
- Requests for information made by the Secretariat for the Prevention of Money or Asset Laundering, the State Prosecutor's Office and the prosecutors of the Prosecutor's Office must be justified and refer to a specific person, who must be subject to any investigation or proceedings initiated by the aforementioned institutions.

The amendments and additions made by Law No. 7066/2023 provide protection to the users of the financial system and oblige both the BCP and the recipients of such sensitive information to guarantee the inviolability of the data provided.

For further information please contact our team.



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