

Banking and Finance News

The National Securities Commission introduces amendments to the General Securities Market Regulations

The National Securities Commission (CNV) issued on July 31, 2023 Resolution No. 39/23, by which it introduces amendments to the General Securities Market Regulations (the "Regulation"), addressing key areas related to the valuation of investments and registration requirements for issuing corporations (the "SAEs").

Valuation of Investments and Accounting Criteria

One of the main amendments made by Resolution No. 39/23 is the modification of Article 1 of Chapter 7 and Annex D of Title 19 of the Regulation with respect to Investment Management Companies and Equity Funds. This amendment establishes that the valuation of investments of equity investment funds shall follow internationally accepted parameters and shall be included in the internal regulations of the relevant entities. In addition, the valuation of real estate investments must be shown in the fund's financial statements at their historical cost value, excluding any adjustment based on technical revaluations.

The CNV also reserves the power to evaluate and issue instructions regarding the form of valuation of the fund's investments. This provision seeks to ensure that investments are valued accurately and transparently, fostering investor confidence in the market.

Modification to the Registration Requirements for SAEs

Another important aspect of Resolution No. 39/23 relates to the registration requirements for SAEs. Said resolution modified in particular paragraph j) of Article 1 of Chapter 1 of Title 4 of the Regulation, deleting the obligation of the SAE to add to its bylaws the clause previously required to register as such before the CNV, which stated: "The company may issue shares and securities for trading in the stock market, through the Bolsa de Valores y Productos de Asunción S.A. or other entities that may be created, prior authorization of the Comisión Nacional de Valores and in accordance with the laws that regulate the matter. In case of discrepancy between these bylaws and the laws regulating the public offering and the stock market, the provisions of the rules governing the public offering and the stock market shall prevail".

Notwithstanding the above, it is worth noting that such provision remains in force for the SAEs.

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