

## Banking and Finance News

### **Creation of the Superintendency of Securities in Paraguay**

On September 2, 2023, Law No. 7162/23 "That creates the Superintendence of Securities in substitution of the National Securities Commission and grants it greater powers" was enacted, whereby the National Securities Commission ("CNV") is replaced by a new entity called the Superintendence of Securities, which will have a more robust and autonomous role in the supervision and regulation of the stock market.

The most relevant provisions implemented by Law No. 7162/23 are:

#### **Chapter I: Creation and Structure of the Superintendency of Securities**

As mentioned above, this law establishes the creation of the Superintendence of Securities, which will assume the responsibility of regulating, supervising and controlling the securities market in substitution of the CNV. Although this new entity will be part of the Central Bank of Paraguay ("BCP"), it will have functional autonomy to perform its functions.

As part of this change, the law provides that the Superintendence of Securities will be headed by a Superintendent of Securities, whose appointment will be the responsibility of the Executive Branch. The Superintendent will have a term of office of five years, with the possibility of being re-elected.

The selection of the Superintendent of Securities will be based on criteria of Paraguayan nationality, university degree and proven experience in areas related to economics, finance, law or other related fields.

The regulations prohibit the appointment of persons who have direct links with the entities supervised by the BCP, as well as those who may present conflicts of interest in relation to the decisions of the Superintendency of Securities. In addition, restrictions are established for persons with a history of fraudulent bankruptcy, convictions for financial crimes, among others.

#### **Chapter I: Functions and Attributions of the Superintendency of Securities**

In addition, the Law No. 7162/23 exclusively attributes to the Superintendency of Securities several functions and powers, including the supervision and inspection of the entities under its jurisdiction, the oversight of compliance with securities market regulations, the promotion of competition and transparency in the market, as well as the protection of investors.

The law also establishes that the Superintendency of Securities will assume the same functions and attributions previously held by the CNV, including those set forth in previous laws. In addition, all the properties, rights and powers that the previous laws granted to the CNV will be transferred to the BCP.



The internal structure and operational functioning of the Superintendency of Securities will be defined by the Board of Directors of the BCP.

#### Chapter II: Access to and Exchange of Information

In relation to the access and exchange of information, the Law No. 7162/23 establishes the powers of the Superintendency of Securities. This includes the ability to request, obtain and share information related to activities affecting the securities market, both nationally and internationally. In addition, confidentiality conditions are imposed on the information shared.

#### Chapter III: Securities Advice

It is also important to emphasize that the Law No. 7162/23 also introduces regulations in relation to stock advisory services within the Paraguayan territory. Those persons interested in providing this service must register in the records of the Superintendence of Securities and be subject to the regulations issued by this entity. Criminal penalties are established for those who provide advice without the proper registration.

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