

Banking and Finance News

The Central Bank of Paraguay establishes the Regulations for the Export and Import of Physical Foreign Exchange

Through Resolution No. 06 Minute No. 02 dated January 17, 2024 (the "Resolution"), the Board of Directors of the Central Bank of Paraguay ("BCP") approved the Standards of Procedures and Minimum Conditions for the Export or Import of Physical Currency.

In this sense, the export or import of physical currency in the Republic of Paraguay must be carried out through transportation and stockpiling companies authorized by the National Police and registered before the Secretariat for the Prevention of Money or Asset Laundering ("SEPRELAD").

Once the Superintendency of Banks ("SIB") verifies that the banking and exchange entities comply with the minimum conditions established in the Resolution, it will grant a general authorization to operate with a specific counterparty and/or foreign banking correspondent in charge of the settlement and payment of the countervalue in a bank account.

Among the minimum conditions established to obtain the SIB's authorization are: (i) Identification of the correspondent banking entities and/or foreign counterparties; (ii) Specification of the countries and cities in which the foreign entities are domiciled; (iii) Submission of evidence that the foreign counterparty entity and the banking correspondent in charge of the settlement of the transactions, are duly authorized; (iv) The foreign correspondent entities and/or counterparties must be subject to a supervision similar to the local one or to the satisfaction of the SIB; (v) Proforma of the contract to be used between the parties where at least the mutual obligations of the parties and the conditions for the provision of the service are established; and, (vi) The banking and exchange entities must prove that both their foreign counterpart and the entity responsible for the settlement of the operations have adequate policies and procedures for the prevention of money laundering, financing of terrorism and proliferation of weapons of mass destruction in their operations. The countries where such entities are domiciled must belong to the Financial Action Task Force or other similar organization.

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