

TRANSLATION



September 7, 2011
Circular FECl No. SBP-DJ-0052-2011

General Manager

Subject: New FECl Interpretation Criteria on loans granted to finance Breeding of Lower Organisms. (Law 24 of 7 June 1995, Executive Decree No. 43 of 7 July 2004, Executive Decree No. 123 of 14 August 2009, Resolution AG-0138-2004 of 6 May 2004).

Dear General Manager:

Hereby, we refer to the provisions set forth in Article 3 of Executive Decree No. 29 of 1996, amended by Executive Decree No. 33 of 30 March 2010, which provides the following:

“ARTICLE 3: It is the duty of the FECl Commission to provide the necessary measures to execute Law 4 of 17 May 1994 and its by-laws.

Also, it is the duty of the FECl Commission to inform the public the fixed discount and apply the necessary technical reserves for the smoothly functioning of FECl.

Besides the discount mentioned in Article 1 of Law 4 of 1994, FECl Commission is entitled to fix a higher discount amount to finance the following foodstuff:

*Rice, corn, beans, industrial use tomato, meat (poultry, swine, and cattle), plantain, fresh milk, coffee, pineapple, cucurbits, radishes, cabbage, scallions, lettuce, celery, house use tomato, paprika, potato, onion, other vegetables and tubers, sugarcane, melons, watermelon, banana, citrus, sheep, goats, and **lower species** (the highlighted is ours).”*

Any other item could be considered to grant a higher discount amount from FECl Commission, prior motivated resolution from the Ministry of Agriculture.

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PARAGRAPH: *To grant a higher discount amount when funding the production of Rice, corn, beans, industrial use tomato, meat (poultry, swine, and cattle), plantain, fresh milk, coffee, pineapple, cucurbits, radishes, cabbage, scallions, lettuce, celery, house use tomato, paprika, potato, onion, other vegetables and tubers, sugarcane, melons, watermelon, banana, citrus, sheep, goats, and lower species, as well as other items to be recommended by the Ministry of Agriculture, shall be taken into consideration the following:*

1. *Corn includes sorghum and beans include red beans.*
2. *In case of funding to purchase machinery or equipment to produce indistinctly two or more products, as described for in Article 6 of this Executive Decree 29 of 1996, will apply a higher discount."*

In this regard, FECl Commission will add a new FECl Interpretation Criteria, to discount interests, which states as follows:

26. "Lower species" refer to product of those pecuniary exploitation characterized by employing animal species lower than cattle or equine. These species refer to those that must be technically enhanced to ease their handling and production, in order to obtain, from one hand, easy marketing and, on the other, economic benefits to the producer.

To the effects of FECl, are considered as "lower organisms" the following: quails, partridges, pigeons, rabbits, peccaries, guinea pigs, agoutis, frogs, iguanas, bees, sheep and goats"

Each Bank or financial entity is responsible for checking also what the different enabled laws referring to protect these species

In the event of home improvements to the main household of the loan beneficiary, the 1% FECl withholding must be applied.

We highly appreciate to inform these instructions to your staff in order to fully comply with this circular

Very truly yours,

Alberto Diamond R.
Superintendent

/cga