



August 26, 2014
Circular N° SBP-FECI-0103-2014

General Manager

Subject: Request for information. Prepaid interest
Loans

Dear General Manager:

As you are aware, we informed banks and finance entities that Articles 10 and 19 of Executive Decree 29 of 1996, which regulates the Special Interest Compensation Fund (FECI, for its acronym in Spanish), were amended by means of Circular SBP-FECI-0065-2014 dated 4 June 2014, pursuant to Executive Decree 181 dated 16 April 2014..

As a consequence of the above amendments, as well as the amendment to Article 2 of Law 4 of 1994 by means of Law 110 dated 26 November 2013, we wish to inform you that FECI Interpretation Criterion No. 35 is rescinded.

Additionally, we request each bank and finance entity conducting with-recourse factoring operations using a prepaid interest procedure submit a detailed report on all loans granted from 21 May 2012 to 31 July 2014 to the Superintendency.

For this purpose, we have attached the FECI-FCR form, which must be submitted once the review mentioned above is completed but no later than **fifteen (15) business days** from the date of this circular, along with the relevant 1% withholding.

The Superintendency reserves the right to conduct inspections to verify the relevant information.

We would greatly appreciate your providing your staff with the necessary instructions for compliance with the provisions of this Circular.

Sincerely,

Alberto Diamond R.
Superintendent

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