

September 21, 2012
Circular No. SBP-FECI-0088-2012

General Manager

Subject: Entry into force of the amendment to the
FECI Interpretation Criteria on Factoring
Agreements

Dear General Manager:

We deem it necessary to make some clarifications on the amendment made to Interpretation Criteria 35 for the Special Interest Compensation Fund (FECI, for its acronym in Spanish).

The Criteria, approved by the FECI Commission, was provided to you by means of Circular SBP-FECI-0056-2012 dated May 21, 2012 and communicated to Banks on the same date.

The new Interpretation Criteria 35 was enacted as of its promulgation, i.e. May 21, 2012. As a result, the Criteria, as amended, must be applied to any new factoring agreement to be entered into or that was entered into on or after that date.

Also, pursuant to the provisions of Article 2 of Law 4 of 1994, the Criteria must be applied to all extensions, payment arrangements, refinancing or renewals made to contracts that were valid at the time the above Criteria entered into force.

Any situation confirmed before May 21, 2012 under the previous version of Interpretation Criteria 35 will be deemed valid under the Criteria that were valid on that date.

We greatly appreciate your providing instructions to your staff for the adjustments required for the implementation of the Criteria noted above.

Best regards,

Alberto Diamond R.
Superintendent

/cga