

Decree-Law 13,126 / 1957

CENTRAL BANK OF ARGENTINA NATURE AND PURPOSE. CAPITAL. AUTHORITIES. OPERATIONS

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SEEN Decree-Laws 13,125 / 1957 and 13,127 / 1957, which provide, respectively, normalization of the regime of bank deposits and the general provisions governing the operation of banks, and

WHEREAS:

It is essential to ensure a healthy and effective gravitation of the Central Bank in the banking system to ensure the effective implementation of monetary and credit policy, according to the fundamental policies of the national government.

It is also necessary to provide the Central Bank of the instruments and the powers required to carry out their specific functions volume control credit and overall guidance and supervision of the activities of the banking system, without prejudice to the freedom and responsibility of banks to decide their own operations.

It is desirable to clearly delineate the functions and powers of its own authorities, and ensure the institution sufficient autarky, to carry out effectively the important functions assigned this decree law.

Which for these purposes corresponding update its Charter, harmonizing it with the new banking regime and with the provisions governing banking institutions.

Therefore,

The interim President of Argentina in exercise of the Legislative Decrees with force of law:

#### CHAPTER I NATURE AND PURPOSE

Article 1 .- The Central Bank of Argentina is an autonomous institution of the nation whose major powers in accordance with the basic guidelines of the National Government's economic policy will be:

- a) Adjust the volume of bank credit and the money supply in order to maintain the purchasing power of the currency and promote the orderly development of savings and investment, and encourage the orderly and persistent growth of national income to the maximum possible occupation of productive factors.
- b) Concentrate and mobilizing gold and currency reserves of the country in order to moderate the effects on the value of the currency and economic activity may have fluctuations balance of payments.
- c) To promote liquidity and smooth functioning of bank credit.

In addition, it will act as the Executive Branch financial financial agent of the state, economic adviser and as depository and fiscal agent of the country before international monetary, banking and financial institutions to which the Government has acceded.

The Nation guarantees the operations of the Central Bank of Argentina.

Article 2 - The Central Bank also perform the following functions:

- a) Apply the Law on Banks and monitor compliance;
- b) To supervise markets in accordance with arrangements made by the executive and the decisions of the Ministry of Finance;
- c) apply the laws and decrees, and resolutions and other provisions issued by the Ministry of Finance on foreign exchange.

Article 3 - The Bank will be domiciled in the City of Buenos Aires. By resolution of its Board of Directors may establish branches and agencies and appoint correspondents in the country and abroad.

#### CHAPTER II CAPITAL

Article 4 - is fixed on m \$ n. 1,000,000,000 (billion pesos national currency) the Bank's capital.

#### CHAPTER III AUTHORITIES

Article 5 - The Bank shall have a Board composed of a President, a Vice President and five Directors, assisted by an advisory board of twelve members will have voice but no vote. They must be Argentine.

Article 6 - The President and Vice President shall have recognized banking and financial experience. The National Executive shall appoint, with the Senate. They will last seven years and may be reappointed.

The President and Vice President shall devote all its activities exclusively for the Bank and can not take another charge, paid or not.

They may only be removed from office for malfeasance, crime in the exercise of their functions or common crimes, according to the procedure for impeachment.

Article 7 - The Vice President shall perform the duties of the Chairman in cases of absence, temporary impairment or disqualification and the vacancy until the position is provided. In addition, you can perform the functions of the President, within themselves, may be assigned.

If the President or Vice President shall cease to hold office for any reason, another person will be appointed in the manner prescribed in article 6 to complete the term.

Article 8 - Integrate the Board, the President and the Vice President of the Banco de la Nacion Argentina and four members appointed by the Executive on the proposal of the Ministry of Finance, appointed from among persons of recognized experience in economic and banking matters.

Article 9 - The members of the Advisory Board are:

- a) The President of the National Mortgage Bank.
- b) The President of the Industrial Bank of Argentina.
- c) The Chairman of the National Postal Savings Bank.
- d) A representative of the officers and mixed banks within the Republic.
- e) A representative of the private banks in the Federal Capital.
- f) A representative of the private banks in the rest of the country.
- g) A representative of each of the following sectors: Agriculture, Industry, Trade and Labor Unions.

Representatives of the banks referred to in subsections d), e) and f) shall be elected by assemblies of the institutions of each of these sectors, which will be according to the regulations issued.

The representatives of the Agriculture, Industry, Trade, Cooperatives and Labour shall be appointed by the Executive Branch according to lists proposed by the relevant representative bodies. None of these six people may be a director or employee of the Bank. The Advisory Board will have the function of advising the President and the Board on issues brought before it in consultation or in which the Council believed convenient. This meeting will be convened once every three months at least, and in every other opportunity that the President deems useful.

Article 10 - The directors proposed by the Ministry of Finance and the Advisory Council referred to in subparagraphs e), f) and g) of Article 9 shall be appointed by the Executive Branch for four years, renewed by half every two years. If any of these representatives dies or ceases to hold office before expiry of the period for

which he was appointed, another person will be appointed in the manner provided in Articles 8 and 9, to complete the term.

Article 11. - There may occupy the posts of Directors or Advisory Board members:

- a) Employees or officials of any distribution of the government and those who had other charges paid or leased or in any other manner that depended directly or indirectly on the national, provincial or municipal governments, including the legislative and judicial powers posts. They do not meet the provisions of this subsection the President of the Banco de la Nacion Argentina, representatives of the Executive and visiting scholars.
- b) forming part of the management or administration, or that depend on the entities to which it will apply the Banking Act, except the President of the Banco de la Nacion Argentina and Advisory Council members representing banks according with the provisions of Article 9.
- c) Failed or civilly bankrupt and defaulting debtors of banks; and
- d) Those convicted of common crimes.

Article 12 - The remuneration of the President and Vice President will be established in the Bank's budget given its exclusive functions of the Bank, in accordance with article 6 consecration. The remuneration of Directors and Advisory Board members will also look into the budget of the Bank. Those who are officials not receive allocations for salaries.

#### THE PRESIDENT

Article 13. - The President is the first executive authority of the Bank, acting on behalf of the Board and chair its meetings and the Consultative Council. also, It is the legal representative of the Bank in its relations with third parties. The President shall ensure strict compliance with this Charter, the resolutions of the Board, laws and decrees and resolutions and provisions issued by the Ministry of Finance, to be implemented by the Bank. It is authorized to act and resolve all matters that are not specifically reserved to the Board's decision. When required for reasons of urgency, which shall be based in each case it may also resolve matters reserved to that body, in consultation with the Vice President and at least one of the directors must inform the Board at the earliest opportunity of the resolutions adopted in this way.

The President also exercise functions of Superintendent of Banks, in accordance with the laws and regulations issued by the Executive.

Article 14. The President or in his absence the Vice President, shall convene Board meetings at least twice a month and also whenever it sees fit. Five members constitute a quorum and resolutions shall be adopted by a simple majority vote of those present. In case of a tie, the person exercising the presidency will have two votes.

#### DIRECTORY

Article 15. - The Bank Board is not an executive but general direction and supervision of the Bank's operations body. Its functions will include:

- a) issue the rules and regulations necessary for the implementation of the functions of the Bank;
- b) To approve the annual budget of salaries and expenses and the calculation of resources and elevate them to the Ministry of Finance;
- c) To appoint, promote and separate Bank staff proposal of the President. He may delegate this authority to the President to the ranks of staff;
- d) Drawing the general policy of the Bank in accordance with the fundamental policies of the national government and establish rules, limits and conditions of the transactions conducted by the Bank in compliance with this policy, determining

the special circumstances in which prior approval will be required directory to perform;

e) Set and modify, when it deems appropriate, the mandatory minimum percentages of cash that banks must maintain for the various classes of deposits and other obligations determined by the Central Bank may establish up to 100 percent of any increase in thereof;

f) Set the rediscount and interest rates on the loans granted and obligations decides to issue, and establish conditions for the Bank's operations.

g) Set the minimum and maximum interest rates that banks can charge for different types of loans; the maximum rates that may be paid on deposits and fees that may be charged by the other banking services;

h) To authorize the opening of new banks and branches, agencies and correspondents;

i) Determine the values and characteristics of notes and subsidiary coins issued by the Bank on the basis of national peso currency, its multiples.

j) To establish and close branches and agencies and appoint correspondents;

k) To approve within the first thirty days of each year the Bank's balance sheet and the income statement and in the first quarter the memory of last year, all of which will be elevated immediately to the attention of the Executive and given simultaneously advertising;

l) To approve the corresponding sums allocated to depreciation, penalties, provisions and reserves in accordance with Article 36;

m) To acquire the necessary properties to the Bank's management, and sell it;

n) To appoint the General Manager and Deputy General Managers of the Bank, at the proposal of the President;

o) To regulate all matters related to the career staff of the Bank, setting the terms of their income, pay, promotion, licensing and separation.

The Board shall also be kept continuously informed, through its members and the services and technical tools of the Bank, the monetary situation, banking, currency and securities, with particular reference to the operations and responsibilities of the Central Bank; and shall also follow closely the economic and financial situation in the country in order to draw the general policy of the Bank and perform the functions that correspond to it as economic and financial advisor to the Executive.

#### CHAPTER IV GENERAL MANAGEMENT

Article 16 - The Bank's management will be exercised through the General Manager with the assistance of one or more Deputy General Managers and other senior officials established by the President of the Bank. The General Manager and Deputy General Managers must be Argentine and not be included in some of the cases provided for in Article 11.

Article 17 - The General Manager and Deputy General Managers are the immediate advisers to the President and Directors. In that capacity the first and if the General Assistant Managers, attend Board meetings.

They are responsible for compliance with the rules, regulations and resolutions of the Board and adopted by the President, for whose implementation may adopt such provisions as they may be necessary.

The General Manager or the Deputy General Managers where appropriate, keep informed the President on the progress of the Bank.

The General Manager and Deputy General Managers may only be removed from office for misconduct or have committed some of the disqualifications provided in Article 11, paragraphs

c) and d).

#### CHAPTER V BANK OPERATIONS

Article 18. - The Bank is authorized to perform the following operations:

a) issue banknotes and coins subsidiaries;

b) buy and sell gold and foreign exchange;

- c) To issue securities, bonds, certificates of participation securities held in portfolio and other obligations with or without special safeguards;
- d) documents rediscounting banks from their lending operations. If the documents emanated from commercial, industrial or public utility belonging wholly or partly to the Federal Government or the provinces, municipalities or companies, the rediscount only be made when such companies have an independent heritage of those, have the resources to make payments and have taken the necessary precautions to perform them in the manner agreed or set;
- e) Receive deposits in local and foreign currency;
- f) To grant advances account and other loans to banks, with deposit of government securities or other securities or guarantees or special or general impairment of certain assets;
- g) To grant advances to banks secured by gold coins or bars;
- h) To receive gold in custody;
- i) act as agent or correspondent of other central banks, and represent or be part of any international entity existing or to be created for purposes of banking, monetary, exchange and financial cooperation;
- j) To execute operations and perform the acts necessary for the fulfillment of obligations under international agreements signed by the Government with regard to payments;
- k) Grant guarantees in national or foreign currency in favor of banks or financial institutions abroad and international organizations of that nature;
- l) To take charge of the issue, purchase and sale of government securities. These operations are done exclusively by the national, provincial or municipal government that requests it and without the Bank may attend as an underwriter of such securities or guarantee placement;
- m) buy and sell government securities with the sole purpose of market regulation. Own resources the Bank may invest in the establishment of a Securities Regulation Fund, shall not exceed 15% (fifteen percent) of the outstanding amount of all securities that the Bank decides to regulate, but this limit may be extended by the allocation of special reserves, or in emergencies, with the unanimous vote of the Board;
- n) Manage existing Clearinghouses and to be installed in the future anywhere in the country.

Article 19. - It is forbidden to the Bank:

- a) grant loans to the national government, provincial or municipal governments or departments dependent on them and ensure autarkic or endorse bills or other obligations thereof, without prejudice to the operations authorized under Articles 18, subsection m), 27 and 49;
- b) to grant loans to individuals, whether visible or ideal existence;
- c) To grant advances or extend credit unsecured overdrawn, except in the case of agreements entered into swaps with other central banks;
- d) Purchase shares, except those for international entities Article 18 refers to point i);
- e) Buy real estate, except that they were necessary for their own use;
- f) To participate directly or indirectly in any commercial, agricultural, industrial or other enterprise and loans secured by shares of any kind.

## CHAPTER VI

### ISSUE OF CURRENCY AND GOLD AND FOREIGN EXCHANGE RESERVES

Article 20. - The Bank is the exclusive manager of ticketing and subsidiaries currencies of Argentina and any other body of the Government, nor the governments of the provinces or municipalities, banks or any other institutions may issue notes or coins, and other instruments that were likely to circulate as paper money.

Article 21 - The Bank notes and coins will be legal tender throughout the territory of Argentina, by the amount expressed in them.

Article 22. - Tickets must be expressed in its text the amount of national currency they represent and bear the facsimile signature of the Chairman and CEO or those who replace them in functions.

Article 23 The Bank shall maintain at all times gold and foreign exchange reserves, including loans authorized by Article 25, equivalent to 25% at least of its banknotes in circulation and demand deposits.

Gold, currencies and referred placements must be free from all liens and property belonging to the Bank without restriction, and are only included as net reserve balance, ie the free remaining after deducting all its liabilities in gold and currencies .

Article 24 The Bank is obliged to switch to the sight of their notes for gold or currency; at its option. This obligation does not apply to amounts less than the equivalent in national currency of a typical gold bar

of 12,441 kilograms (400 ounces "troy"). The rate shall apply to the exchange of banknotes by currency and vice versa, may not vary by more than 1% above or below par.

Article 25. - The Bank may keep interest in bank deposit institutions abroad a safe part of their holdings in foreign currency. It may also invest in short-term papers recognized solvency and liquidity in foreign currencies.

Article 26. - Whenever the Bank check the violation of its exclusive function of issuing currency, communicate the fact with all the background to the Executive Branch for it to take appropriate action.

## CHAPTER VII

### RELATIONS WITH GOVERNMENT

Article 27. - The Bank may make temporary advances to the National Government, to an amount that does not exceed 15% of the cash resources it has obtained in the last twelve months. All advances made by this concept should be reimbursed within twelve months made. If any advance of this nature remain unpaid after that term can not be re-used this ability of the Bank until the amounts due have been reinstated. On these developments, the government will pay interest to agree with the Central Bank and not greater than the discount rate in force.

Article 28. - The Bank, directly or through banks responsible for conducting banking remittances and the national government, both inside the country and abroad; You will receive and hold funds from the National Government and all departments autarkic and make payments on behalf of them. The Bank will not pay any interest on the amounts deposited in the account of the Government nor receive remuneration for payments made on their own, but may charge the costs which in turn paid to the banks. The Central Bank on monetary or administrative reasons, may order the transfer to the bank deposits of the government and autonomous agencies. also instruct banks, you can carry out banking operations of any kind of government and agencies or state enterprises.

Article 29. - The Bank shall act on behalf of the National Government in placing government borrowing and term of any kind, and care services for internal and external public debt. You can place values in direct sales or in the bag or by the

acquiring bank holding firm to negotiate with the public. You can not be a member of the same, but they intervene to control its operation. This fee is charged by the above services, by charging them to the Ministry of Finance.

Article 30 - The Bank is empowered to agree with the prosecutors or payers, ad referendum of the Ministry of Finance, the measures it deems suitable for due attention, on behalf of the Government of the services of external public debt.

Article 31. - The Bank shall charge the Ministry of Finance the amount of the services of internal and external public debt attended on behalf of the Government, as well as the costs occasioned him such services. The National Government will make available to the Bank the funds needed for the care of these costs, but the Bank may overtake within the limitations set out in Article 27.

Article 32. - The Bank shall at any time officials designated by the Ministry of Finance control all actions relating to the placement of government loans and the attention of the public debt services, including the deactivation and destruction of values and will be subject to the inspection of the books, records and other documents relating to such operations. In addition, it will provide annually, the Ministry of Finance special information concerning the performance of its functions as financial agent of the National Government.

Article 33. - The Bank shall inform the Ministry of Finance regularly on the monetary and credit situation in the country and annually on the evolution of national income and balance of payments, making considerations in each case it sees fit to make.

Also, to meet their specific duties and with the economic and financial adviser of the government, the Central Bank properly organize a service of economic studies and analysis, careful not to duplicate, but complement, similar tasks performed other departments of the State . The Central Bank will be responsible for the collection and analysis and regular publication of the main monetary, credit and exchange statistics in the country, as well as the preparation and publication of estimates of national income and the balance of payments of the country.

Article 34 - Any sale or purchase of government securities made government banks, national departments, whether or not self-sufficient, and boxes national pensions, it must be made through the Bank. Also, will you previously consulted offers such dealings and boxes may desire present in tenders for the repayment of public debt.

Article 35 - Relations of the Central Bank with the Executive Branch will remain through the Ministry of Finance.

#### CHAPTER VIII PROFIT

Article 36 - The resulting liquid and realized at the end of each year after completion depreciation, utilities offs and provisions, will be used:

- a) 50% to the general reserve fund and the special reserves as determined by the Board, including the reserve referred to in Article 18 paragraph m).
- b) 50% increase, on behalf of the Government, the Industrial Bank capital of Argentina.

#### CHAPTER IX ACCOUNTS AND

Article 37 - The Bank's financial year will last one year and will close on December 31.

Article 38. - The Bank shall publish statements of their assets and liabilities to the main items on its balance sheet at the close of operations on days 7, 15, 23 and last of each month.

Article 39 - The audit of the Bank's operations will be headed by a trustee appointed from among the members of the Court of Accounts of the Nation by the National Executive. Accordingly, the Bank will not understand the provisions of the Accounting Act.

The Receiver will last two years in office and may be reelected; You have access to all operational documents, books and other receipts of the Bank's operations and accompany with his signature the year-end balances and general statements of profit and loss. It shall inform the Bank Board and the Executive Branch through the Ministry of Finance, on the operational management of the institution. The trustee charged for additional compensation tasks that set the Bank's Board.

#### CHAPTER X MISCELLANEOUS PROVISIONS

Article 40. - The Bank may at any time require banks, licensed financial institutions, houses, exchange agencies and brokers, exporters, importers and any other person or ideal existence that directly or indirectly involved in trading individual, exhibition of books and documents and supply all information and documents related to the operations that have been or where they had intervened. It is also empowered to investigating cases and impose sanctions for violations of the rules changes and to request, at any stage of the investigation or administrative or judicial proceedings, liens and other protective measures for the amounts deemed sufficient to ensure fines and refunds that may correspond. The information to be collected will be secret and shall apply to your connection, the provisions of Articles 30 and 31 Banking Act.

Article 41. - The Bank may examine the books and documents of the bags, markets and brokers, and require them all the information related to the operations had been carried out or in which they had intervened, for which apply the provisions on confidentiality under Articles 30 and 31 Banking Act. It is also empowered to investigating cases and apply sanctions for breaches of the existing rules in the matter.

Article 42. - The Bank may call upon the competent court orders and search warrants the help of the police force, which shall be issued without delay, under the responsibility of officials who request it.

Article 43. - The Bank is subject exclusively to national jurisdiction. Whenever an actor in the national competition will trial concurrent with that of the ordinary courts of provinces.

Article 44. - The President of the Bank in writing absolve positions in judgment, not being obliged to appear in person.

Article 45 - The office of the Bank and its branches shall be exempt from national, provincial or municipal taxes, as well as the transactions carried out directly or through authorized, on the part of the tax that was not run by banks the other participants.

#### CHAPTER XI TRANSITIONAL PROVISIONS

Article 47 - Suspéndese the life of the articles. 23 and 24.

Article 48 - During the period of application of Decree 2187/1957 and Its regulations, the Bank May grant advances to banks on mortgage loans Granted under the Decree. The Bank May Also be Placed in the public participation bonds On These advances.



Article 49. - While the government securities market is not restored, the Bank May Have in your portfolio government securities in an amount not Exceeding 10% of Existing deposits in all banks. In Such amount Shall Not Be Counted bonds and securities it has received the Bank to sanitation operations approved by Decree 13125/1957 nor the Fund Regulation provided for in Article 18 paragraph m).

Article 50 - To Comply with the Provisions of Article 4 of the present, will be taken from the reserves of the Bank The Necessary funds.

Article 51 - The provisions of Articles 41, 43 and 44 of Decree-Law 14570/1956 remain in force. Within 60 days the Central Bank will propose to the Ministry of Finance, the new provisions to be adopted in place of the above in accordance with subparagraphs b) and c) of Article 2 of this Decree-Law.

Article 52. - Revoke all provisions contrary to this Decree-Law.

Article 53 - This Decree-Law shall be endorsed by His Excellency Vice provisional Office, Secretaries and Ministers of State in the Departments of Finance, War; Navy and Air Force.

Article 54. - Communicate, etc.

Article 46 - The Ministry of Finance of the Nation shall provide to the Bank the following information for each quarter:

- a) Movement of inputs and outputs of the General Treasury of the Nation for their different concepts;
- b) Details of raising cash resources and the proceeds of the credit;
- c) Expenses committed, as permitted by the implementation of the respective accounting, and
- d) Status of consolidated and floating debt.

Besides this information, the Bank shall request the Ministry of Finance and other ministries and government departments, those which will be necessary or useful for the purpose of better performance of its functions.