

BANCO CENTRAL DEL URUGUAY

CHARTER

Approved by Law No. 16696 of March 30, 1995

CHAPTER I

**LEGAL NATURE, PURPOSES,
DOMICILE, REPRESENTATION**

ARTICLE 1. (Legal Nature) - Banco Central del Uruguay, created by Article 196 of the Constitution of the Republic, is a service within the commercial domain of the State, organized as an Autonomous Entity and endowed with technical, administrative and financial autonomy, as provided by the Constitution and this Charter, as supplemented and amended.

Whenever the expression "Bank" is used herein it shall be understood that reference is made to the public entity mentioned in this Article.

ARTICLE 2. (Legal Entity, Domicile, Branches) - The Bank is a legal entity, with capacity regarding all rights and obligations; it shall have its legal domicile and headquarters in the city of Montevideo. It may establish and close branches and agencies throughout the country, appoint agents and correspondent banks in the Republic and abroad, and act as agent or correspondent bank of foreign or international entities.

ARTICLE 3. (Purposes) - The purposes of Banco Central del Uruguay shall be:

- A) Ensure the stability of the local currency.
- B) Ensure the normal operation of internal and external payments.
- C) Maintain an adequate level of international reserves.
- D) Promote and maintain the soundness, solvency and proper operation of the domestic financial system.

When exercising these duties, the Bank shall seek coordination with the conduct of the economic policy, which is of the Executive Power's competence. Should the Bank consider that any decision in this matter substantially affects its purposes under this Article, it may maintain its criterion, informing the Executive Power thereof whenever relevant in accordance with the procedures laid down in Article 197 of the Constitution.

ARTICLE 4. (Legal Powers) - The Bank is empowered to perform all such legal acts and assume all such obligations conducive to the fulfillment of its duties under the Constitution of the Republic and the law.

ARTICLE 5. (Representation) - The representation of the Bank and of the Board of Directors shall be entrusted to its President, assisted by the Secretary General; regarding its net worth, such representation shall be exercised jointly by the President and the General Manager.

ARTICLE 6. (Guarantee by the State) - All the Bank's obligations shall be guaranteed by the State. Banco Central del Uruguay shall be exempt from all domestic taxes, with the exception of social security contributions, including those established in special laws.

CHAPTER II

MAIN POWERS

ARTICLE 7. (Powers) - The Bank's powers shall be conducive to the achievement of the purposes set forth in Article 3.

To that end, the Bank:

- A) Shall have exclusive responsibility for the issuance of banknotes, minting of coins and withdrawal of banknotes and coins from circulation throughout the territory of the Republic. Regarding coinage, the provisions of subparagraph 10) of Article 85 of the Constitution of the Republic shall apply.
- B) Shall use the monetary, exchange and credit instruments that may be necessary to comply with the purposes entrusted to the Bank by Article 3;
- C) Shall act as economic advisor to, banker and financial agent of, the Government;
- D) Shall manage the State's international reserves;

- E) Shall act as banker of financial intermediation institutions;
- F) May represent the Government of the Republic before international financial agencies and shall execute those financial transactions related to the State's participation in said agencies;
- G) Shall issue regulations and supervise the application thereof by public and private institutions composing the financial system. To that end, it may authorize or prohibit operations, either totally or partially, in general or in particular, as well as issue rules regarding prudence, good governance or working methodology; and, in the case of public entities, shall inform the Executive Power accordingly.

CHAPTER III

CAPITAL, PROFITS AND RESERVES

ARTICLE 8. (Capital) - The capital of the Bank is set at \$ 450,000,000 (four hundred fifty million Uruguayan Pesos).

The difference between this amount and the net worth of the Institution, according to its balance sheet as of the effective date of this law, shall be furnished by the Executive Power. The corresponding transfer, as well as the mechanism through which it shall be made, must be authorized by law.

By the unanimous decision of the Bank's Board of Directors, and upon authorization of the Executive Power, the reserves referred to in the following Article may be integrated to the capital.

The Bank's capital shall be increased annually in order to maintain its value according to the Consumer Price Index.

ARTICLE 9. (Reserves) - At the close of each fiscal year, an amount equivalent to 25% (twenty-five per cent) of the net profits shall be assigned to the general reserve account, until the balance of such account amounts to twice the Bank's capital, at constant values measured as per the Consumer Price Index. The Bank, upon authorization of the Executive Power, may transfer to the general reserve account an amount higher than such annual percentage and thereby allow the balance of said account to be higher than twice the Bank's capital.

ARTICLE 10. (Profits) - Once the transfers to the general reserve account provided for in the preceding Article have been completed, the remaining net profits of the fiscal year shall be credited to the National Treasury account of the Executive Power, enabling the compensation of outstanding debits thereof with the Bank.

ARTICLE 11. (Control of Expenses and Payments) - The Bank shall be subject to inspection by the National Audit Office, in accordance with Article 211 et seqq. of the Constitution of the Republic.

CHAPTER IV

GOVERNANCE, MANAGEMENT AND CONTROL

ARTICLE 12. (Board of Directors) - The governance and management of the Bank shall be entrusted to a Board of Directors, which shall be responsible for the policy and general administration of the Bank.

The Board of Directors shall:

- A) Exercise the powers and perform the duties entrusted by law to the Bank.
- B) Prepare the salaries, expenses and investments budget in accordance with the provisions of Art. 221 of the Constitution of the Republic.
- C) Draft the Officers Code, in accordance with Article 63 of the Constitution of the Republic.
- D) Appoint, promote, transfer, penalize and dismiss the Bank's officers, according to statutory rules and guarantees, and engage staff, as necessary.
- E) Approve rules, resolutions and orders so as to enforce the provisions of this law and enable the normal and regular operation of the Bank.
- F) Delegate duties, by unanimous decision of its members, being also empowered by simple majority to take over those previously delegated.

ARTICLE 13. (By-laws) - The Bank By-laws, approved by the Board of Directors, shall cover all the aspects related to the administrative organization of the Institution and its powers, as well as the various functions and duties of the senior officers of the entity and of the administrative divisions not specified herein.

ARTICLE 14. (Members of the Board of Directors) - The Bank's Board of Directors shall consist of a President, a Vice President and a Director, to be appointed, in accordance with Article 187 of the Constitution of the Republic, from among citizens of recognized standing and experience in financial matters.

The provisions of this Article shall become effective as from March 1, 1995.

ARTICLE 15. (President of the Board of Directors) - The President shall be entrusted with the execution and enforcement of the Board of Directors' resolutions, and shall account for the performance of his duties to the Board of Directors.

Among others, the President shall have the following duties and powers:

- A) Call and chair the meetings of the Board of Directors and report to said Board all matters which may be of interest to the Institution.

- B) Act, contract and sign instruments and documents on behalf of the Bank, as provided for in Article 5, subject to the resolutions of the Board of Directors.
- C) Adopt the administrative resolutions and approve the directions that may be required for the proper operation and internal order of the Bank.
- D) Perform all other actions and procedures in order to ensure the Bank's operation and the continuity of its governance.
- E) Sign the annual balance sheet and have it published within the next 120 calendar days and upon approval by the Board of Directors, according to Article 191 of the Constitution of the Republic.

ARTICLE 16. (Vice-President) - In the event of absence or incapacity of the President or should said position become vacant, such functions and duties shall be temporarily taken over by the Vice-President.

ARTICLE 17. (Incompatibilities) - The members of the Board of Directors shall devote their entire professional activity to the Bank's service and, while holding office, shall not participate in any commercial, industrial, agricultural or financial activity, nor shall they engage in any other profession or employment, whether remunerated or not, except that they may:

- A) act as members of committees appointed by the Executive Power;

- B) be appointed as governors, directors or members of any body of an international financial agency established under any arrangement or agreement to which the Republic may have adhered or given its support or approval;
- c) teach part-time at educational institutions.

ARTICLE 18. (Remuneration of Directors) - The remuneration of the members of the Board of Directors shall be established in the Bank's budget, on the basis of the special characteristics of the central banking management, and shall be subject to the terms and conditions that may be proposed by the Board of Directors and approved by the Executive Power.

ARTICLE 19. (Ineligibility) - No person shall be appointed to, or shall remain a member of, the Board of Directors who:

- A) is not a natural citizen or has not been a legal citizen for at least five years;
- B) is under twenty-five years of age;
- C) is in bankruptcy or under insolvency proceedings; or is a Director of a corporation under liquidation;
- D) has incurred in proven or notorious irregularities in the financial sector, or is acting in the administration of a public or private financial intermediation institution;
- E) has been convicted of criminal offenses which may be related to public duties.

ARTICLE 20. (Interest Disclosure) - The members of the Board of Directors shall unreservedly disclose to said Board all interests of a private nature they may have in matters that are to be considered or resolved by the Board of Directors, and shall refrain from intervening or voting on the Board's agreements and resolutions in connection with such interests. Nevertheless, if disclosed to the Board, such interests shall not disqualify the interested party for the purposes of ensuring a quorum.

The disclosure referred to in the preceding paragraph shall be made at the beginning of the Board of Directors meeting at which said matters are to be considered or resolved.

ARTICLE 21. (Liability) - Without prejudice to the provisions of Article 24 of the Constitution of the Republic, the members of the Board of Directors are severally and jointly liable for voted resolutions which are contrary to the Constitution, the law or regulations. This liability shall not be applicable to:

- A) The attending members who stated in the minutes their disagreement regarding the resolution adopted and the grounds thereof.
- B) The members who were absent from the session in which the resolution was adopted, provided that they expressly state their disagreement in the minutes at the first practicable opportunity.

In both cases the Secretary General of the Bank must submit to the Executive Power a certified copy of the respective minutes.

ARTICLE 22. (Secrecy and Confidentiality) - When performing financial activities, the Bank is under the obligation of secrecy, according to the provisions of Article 25 of Decree-Law 15322 of September 17, 1982. In all other cases, the information and opinions disclosed by the members of the Board of Directors shall be governed by the confidentiality standards to be applied to all matters within the Bank's competence, without prejudice to the inherent public transparency their responsibility implies.

ARTICLE 23. (Secrecy Obligation) - The Bank's officers are under the obligation of keeping the most strict secrecy and absolute confidentiality on each of the banking matters coming to their knowledge in or during the exercise of their duties, subject to the most severe administrative, civil and criminal liability, as applicable (Article 25 "in fine" of Decree-Law 15322 of September 17, 1982, and Article 163 of the Criminal Code).

ARTICLE 24. (Internal Audit) - The Board of Directors shall appoint an internal auditor, who shall report to said Board and shall be responsible for:

- A) Monitoring the operation of the Bank and the observance of the applicable laws and regulations.
- B) Examining the periodic financial statements submitted by the Board of Directors.

- C) Making recommendations on the budget, the balance sheet and the annual accounts, and certifying the same.
- D) Making appraisal of deposited valuables and examining the books, vaults and safes of the Bank regularly and whenever he deems necessary, in accordance with the relevant security measures.
- E) Drawing the attention of the Board of Directors to any matters which he deems should be considered, and making recommendations on any subject submitted to him by the Board of Directors.

CHAPTER V

MONETARY POLICY AND RESERVE MANAGEMENT

ARTICLE 25. (Foreign Exchange Regime) - The Bank shall regulate the operation of the foreign exchange market and the convertibility of the local currency into international payment instruments.

ARTICLE 26. (Legal Tender and Settlement Capacity) - Banknotes issued and coins minted by the Bank shall be legal tender throughout the national territory.

Such banknotes' settlement capacity for any obligation in local currency shall have no limit whatsoever. As regards coins minted by it, the Bank shall determine to which extent they shall have full settlement capacity.

ARTICLE 27. (Other Monetary Policy Instruments) - The Bank shall be responsible for implementing the monetary policy of the Republic in order to comply with the purposes set forth in Article 3 hereof, and to that end, it shall be entitled to:

- A) Carry out open market operations in negotiable securities issued by the Executive Power or by public or private companies or entities, or issued by the Bank itself.
- B) Establish the rates of minimum reserve requirements to be maintained by banks and other depository institutions in relation to their deposits and other similar liabilities, both in local and foreign currency, as well as the assets they may be composed of, and all other relevant conditions.
- C) Establish the maximum and minimum position in foreign exchange to be held by financial intermediation institutions.
- D) Buy and sell gold and other precious metals, foreign exchange, Treasury Bills and other financial assets issued by foreign governments and international public entities, make deposits with foreign banks, and buy and sell Certificates of Deposit.
- E) Establish and publicly announce discount, rediscount and advance rates. As regards such operations, the Bank may determine quantitative limits and differential rates for various types of transactions or maturities, or for a particular type of financial intermediation institutions.

ARTICLE 28. (Net Worth Adjustments) - The results obtained by the Bank in a fiscal year from the variation in the quotation of foreign currencies, gold and special drawing rights, shall be shown in a net worth adjustment account.

The Executive Power may assume any net negative balance that such account might throw by delivering non-negotiable interest-bearing public securities to the Bank. The interest generated by such securities shall be that accrued by one-year-term public securities in circulation, or in the absence thereof, by those securities whose maturity date is closest to said period. The corresponding transfer shall be authorized by law.

ARTICLE 29. (Banking Services on Behalf of Others) - The Bank may, both in its own name and on behalf and for the account and order of the Executive Power, enter into payment and clearing agreements or any other kind of contracts for similar purposes, or related to public and private institutions providing those services.

ARTICLE 30. (International Reserves of the Republic) - The Bank shall administer the international reserves of the Republic, whose assets shall consist of gold, foreign exchange in the form of bank balances maintained at financial markets abroad, foreign banknotes and coins, as well as any other assets accepted for that purpose by international practice.

When selecting the asset portfolio, the Bank shall give due consideration to the risk, liquidity and profitability associated with the various assets it is composed of, in accordance

with the annual program designed by the Board of Directors and its modifications according to the relevant scenario.

ARTICLE 31. (Net Reserves Level) - Should the international reserves of the Republic decline, or if the Board of Directors deems that such contraction is imminent, to the extent that they become inadequate for the international transactions of the Republic, the Bank shall immediately inform to the Executive Power on the reserve position and on the causes which have led or may lead to such a decline, together with the recommendations it may deem necessary to remedy the situation.

ARTICLE 32. (Inventory of External Liabilities) - The Bank shall be responsible for maintaining an updated inventory of all external borrowings entered into or guaranteed by the State. It may also collect data on external borrowings entered into by other public Entities and private persons residing in the national territory.

ARTICLE 33. (Monetary Budget) - The Bank shall prepare the monetary budget for each fiscal year, within the first quarter of each year, including a detailed report on the assumptions on which such preparation is founded. At the same time the Bank shall report on the national economy evolution during the previous year.

Within the stated term, said budget and report shall be forwarded to the Executive Power which shall immediately inform the General Assembly.

CHAPTER VI

RELATIONS WITH FINANCIAL INTERMEDIATION INSTITUTIONS

ARTICLE 34. (Supervision of Financial Intermediation Institutions) - As regards financial intermediation institutions, the Bank has all the powers granted to it by the current legislation and this law.

Pursuant to the provisions of Article 15, subparagraph 2, of Decree-Law 15322 dated September 17, 1982, the Bank may also regulate and supervise the activities of those companies which, not being financial intermediation institutions, make financial placements and investments with their own resources, or in the funding of which there is no participation of public savings, and those companies which only bring together parties in transactions of a financial nature without assuming any obligation or risk.

ARTICLE 35. (Supervision of the Activities of Insurance Companies) - The Bank shall have those powers set forth by Law 16426 of October 14, 1993.

ARTICLE 36. (Last Resort Loans) - The Bank shall act -in extreme cases- as lender to financial intermediation institutions and, in such capacity, under the terms and conditions determined by the unanimous decision of the members of its Board of Directors, it may purchase from, sell to, discount and rediscount for financial intermediation institutions:

- A) Bills of exchange, vouchers and promissory notes drawn or executed for commercial, industrial or agricultural purposes, bearing two or more authorized signatures, of which at least one is that of a financial intermediation institution, and maturing within a period of one hundred and eighty days as from the date of acquisition thereof by the Bank.
- B) Treasury Bills or other securities issued or guaranteed by the Executive Power, forming part of a public issue and maturing within three hundred and sixty five days as from the date of acquisition thereof by the Bank.
- C) Securities issued by Banco Central del Uruguay.

The operations referred to in subparagraph A) shall have a personal or real warranty, of proven creditworthiness, from the assisted Bank, and shall not exceed the net worth amount thereof.

ARTICLE 37. (Financial Assistance Advances) - Similarly and in the same capacity, under the conditions to be determined in each case by its Board of Directors, the Bank may grant financial advances to financial intermediation institutions for periods not exceeding ninety days, provided that they are duly guaranteed by:

- A) Any of the instruments specified in Article 36.
- B) Any other security issued or guaranteed by the Executive Power and forming part of a public issue.

- C) Certificates of deposit and documents of title issued with respect to commodities and other duly insured goods.
- D) Holdings of those assets which the Bank may lawfully purchase, sell or negotiate under Article 27, subparagraph D) of this law.

The provisions of the final paragraph of the preceding Article shall apply in all cases, with the exception of advances guaranteed by public securities.

CHAPTER VII

SUPERINTENDENCY OF FINANCIAL INTERMEDIATION INSTITUTIONS

ARTICLE 38. (Supervision of Financial Intermediation Institutions) - The Bank, through the Superintendency of Financial Intermediation Institutions, shall exercise the supervision and inspection of public and private institutions composing the financial intermediation system.

Said Superintendency, which shall be subordinated to the Board of Directors, shall have technical and operative autonomy. It shall be headed by a Superintendent having an adequate professional training, standing and technical expertise. Said executive shall hold office for an eight-year term, and his appointment or removal, as the case may be, shall be decided by the unanimous vote of the members of the Board of Directors, fulfilling his duties until a successor is appointed.

ARTICLE 39. (Duties and Powers of the Superintendency) - The Superintendency of Financial Intermediation Institutions shall be responsible for:

- A) Dictating generic rules of prudence, as well as particular instructions, intended to preserve and maintain the stability and solvency of financial intermediation companies.
- B) Authorizing the establishment of financial intermediation companies, upon approval by the Executive Power.
- C) Authorizing the opening of agencies of already established financial intermediation companies.
- D) Issuing opinions on projects for mergers, take-overs and any other transformation of financial intermediation companies.
- E) Authorizing the transfer of shares of financial intermediation companies organized as corporations.
- F) Approving plans for net worth recomposition or adjustment submitted by financial intermediation companies.
- G) Requiring from the financial intermediaries to provide information with the periodicity and in the form it deems necessary, and to disclose records and documents.
- H) Determining the accounting information system to which financial intermediation companies shall be subject.

- I) Regulating the periodic publication of financial statements and other information of financial intermediation institutions.
- J) Monitoring each member of the financial intermediation system in order to verify its economic and financial situation and its compliance with the current regulations.
- K) Applying observations, warnings and fines, up to 10% (ten percent) of their respective basic net worth, to private financial intermediation companies infringing laws and decrees governing their activities or general or special rules issued by the Board of Directors or by the Superintendency.
- L) Proposing to the Board of Directors the application of more serious monetary sanctions or other measures, such as the intervention, suspension of activities or revocation of the operating licenses of the aforesaid infringers. It may also recommend to the Board of Directors to pursue before the Executive Power the revocation of operating licenses for reasons of legality or public interest.
- M) Resolving to carry out preliminary investigations in order to determine the responsibility of those persons who may be subject to the fines or disqualifications provided for in Article 23 of Decree-law No. 15322 of September 17, 1982, as amended by Law No. 16327 of November 11, 1992.
- N) Establishing the operative organization of the Superintendency and making proposals to the Board of Directors for the appointment -upon prior selection- of its

staff, as well as determining the position and promotion thereof, pursuant to budget regulations and the Officers Code.

The exercise of the powers set forth in subparagraph A) and F) may be taken over by the Board of Directors at any moment.

In addition, the Board of Directors may delegate to the Superintendency other duties and powers of the Bank with regard to the supervision and inspection of the companies referred to in Article 38.

*** The penultimate paragraph of this Article follows the wording of Article 4 of Law 17613 of December 27, 2002.**

ARTICLE 40. (Supervision of Exchange Houses) - The supervision and inspection of exchange houses shall be exercised through the Superintendency of Financial Intermediation Institutions.

CHAPTER VIII

SUPERINTENDENCY OF INSURANCE

ARTICLE 41. (Supervision of Insurance Companies and Mutual Insurance Companies) - As regards public and private insurance companies and mutual insurance companies, the provisions of the penultimate paragraph of Article 39 hereof regarding the ruling and regulatory powers of this Superintendency shall apply.

Paragraphs 2 and 3 of Article 38 hereof shall apply.

* The reference to the penultimate paragraph of Article 39 hereof shall be construed as referred to the wording of Article 4 of Law 17613 of December 27, 2002.

CHAPTER IX

RELATIONS WITH THE EXECUTIVE POWER

ARTICLE 42. (Advising) - The Bank shall advise the Executive Power on matters related to the purposes and duties of the Entity.

ARTICLE 43. (Report on Currency Stability) - Whenever circumstances arise that may exceptionally and significantly affect the internal or external stability of the local currency, the Bank shall submit -as early and promptly as possible- a report to the Executive Power, stating:

- A) the factors that have given rise to such situation;
- B) the impact that such events have had or might have on different economic variables;
- C) the measures that have been or should be taken to remedy such situation.

As long as the Bank considers that the situation has not been overcome, it shall continue submitting further reports and recommendations to the Executive Power at intervals not exceeding three months. Such reports may, at the discretion of

the Board of Directors, be combined and coordinated with those required under article 31.

ARTICLE 44. (Other Economic Reports) - The Bank shall provide detailed information to the Executive Power on every circumstance, factor or situation of which it is aware and which could seriously affect the national economy, along with proposals for the appropriate measures and corrections that might be implemented in this regard.

ARTICLE 45. (Counsel on External Credits) - Whenever the Executive Power, Autonomous Entities and Decentralized Services, as well as the Municipal Governments, consider undertaking medium- and long-term external credit transactions, they must inform the Bank thereof in detail prior to the execution of any contract. If in the opinion of the Bank's Board of Directors such transactions, either individually or collectively, involve volumes or conditions inconsistent with the prevailing economic situation, the Bank shall inform the Executive Power accordingly.

ARTICLE 46. (Providing Information) - The Executive Power, Autonomous Entities, Decentralized Services and Municipal Governments must provide all such financial and economic information and documents as the Bank may reasonably require in order to carry out its purposes, functions and duties. The remaining Powers of the State and other governmental agencies and public law entities shall provide the necessary cooperation as the Bank may reasonably request regarding such information.

ARTICLE 47. (Purchase of Public Securities) - The Bank may purchase and sell public securities, on its own account. The Bank's holdings of such securities shall not exceed the equivalent of 10% (ten percent) of the National Budget expenditures actually made in the previous fiscal year. For the purposes of this calculation, the expenditures corresponding to the Public Debt service shall not be included (Paragraph 30 - Public Debt Amortization).

***ARTICLE 48.** (Advances to the State) - The Bank may grant temporary advances to the State for an amount not exceeding 10% (ten percent) of the National Budget expenditures, calculated as provided in the preceding Article. Such advances shall bear interest at a rate equivalent to the average of the interest rates for one-hundred-and-eighty-days term deposits. The maturity of such advances shall not exceed one hundred and eighty days.

The provisions of this Article shall become effective on January 1st following the enforcement date hereof.

***(REPEALED BY ARTICLE 6 OF LAW 16812 OF MARCH 14, 1997)**

ARTICLE 49. (Prohibition) - The Bank shall only purchase -either directly or indirectly- public securities, or grant advances to the Executive Power, or advances or credit facilities to any public legal entity, including Municipal Governments, in accordance with the provisions hereof.

ARTICLE 50. (Management of the Public Debt and Loans) - Under such terms and conditions as may be agreed upon with the Executive Power, the Bank shall be entrusted with the issuance

and management of public securities guaranteed by the State and, in this respect, may deal directly with the public.

The Bank shall be entrusted with the administration of the service of the internal and external Public Debt, Treasury Bills and Treasury Bonds, and international loans.

CHAPTER X

ACCOUNTS AND FINANCIAL STATEMENTS

ARTICLE 51. (Fiscal Year) - The fiscal year of the Bank shall coincide with the calendar year.

ARTICLE 52. (Budget Submission) - By June 30 of each year, the President of the Bank shall submit to the consideration of the Board of Directors a budget proposal for the next fiscal year. Upon its approval by the Board of Directors, the Bank shall submit the budget proposal to the Executive Power and to the National Audit Office, in accordance with Article 221 of the Constitution of the Republic.

ARTICLE 53. (Annual Financial Statements) - The Bank shall submit to the Executive Power its financial statement as of the close of each fiscal year and its profit and loss statement corresponding to the same period, prepared in accordance with appropriate accounting standards, within the first three months of the following fiscal year.

Said financial statements shall be published in accordance with the provisions of Article 191 of the Constitution of the

Republic, upon submission to the Executive Power and approval by the National Audit Office.

ARTICLE 54. (Monthly Monetary Balance Sheets) - At the close of each month the Bank shall prepare a monetary balance sheet, report the same to the Executive Power and promptly release it through the means it deems most appropriate.

CHAPTER XI

GENERAL PROVISIONS

ARTICLE 55.(Issuance of securities, commissions and interest)-
The Bank shall also be entitled to:

- A) Issue securities in its own name and on its own account.
- B) Establish and collect commissions in connection with services rendered.
- C) Charge interest on credits granted.

ARTICLE 56. (Licensing of Exchange Houses) - The Bank may grant and revoke the operating licenses of exchange houses, for reasons of legality, opportunity and convenience, and regulate their operation, as well as the supervision and penalty system to which they shall be subject. This shall be performed through the Superintendency of Financial Intermediation Institutions.

ARTICLE 57. (Information for Statistical Purposes) - In order to comply with this law and in the exercise of the functions and duties entrusted by the same, the Bank may require of any individual or legal entity, either public or private, on a mandatory basis and for statistical purposes, all the information it may need for the due compliance of its functions and duties. Said information shall be protected by the administrative secrecy and shall be held strictly confidential.

The Bank may apply fines to any person or entity failing to submit information legally required by the same, or submitting incomplete or inaccurate information. The amount of the fine shall range from 50 UR (fifty Readjustable Units) to 100 UR (one hundred Readjustable Units) in the case of legal entities, and shall be of 20 UR (twenty Readjustable Units) in the case of individuals. The payment of the fine does not constitute an exemption from the obligation of submitting the requested information.

CHAPTER XII

TEMPORARY AND SPECIAL PROVISION

ARTICLE 58. (Financial Statement and Capital) - The Bank shall prepare a financial statement at the effective date hereof, approved by the National Audit Office, in order to determine the entity's net worth at such date. On that occasion it shall establish the new capital of the Bank in Uruguayan Pesos.

CHAPTER XIII

DEROGATIONS AND AMENDMENTS

ARTICLE 59. - The first paragraph of Article 6 of Law 16246 of October 14, 1993 is replaced by the following:

"It is hereby created within Banco Central del Uruguay the Superintendency of Insurance and Reinsurance, which shall act with technical and operative autonomy."

ARTICLE 60. (Repeals) - The following provisions are expressly repealed hereby: Article 12 of Law No. 13243 of February 20, 1964; Article 29 of Law No. 13608 of September 8, 1967; Article 483 of Law No. 13892 of October 19, 1970; and, as regards the Executive Power, Article 131 of Law No. 13241 of January 31, 1964, in the wording of Article 255 of Law No. 13320 of December 28, 1964.