

## Banking and Finance News

### **The Central Bank of Paraguay approves the Pilot Program “Digital Economy”**

Through Resolution No. 5 Minute No. 20 dated May 17, 2024, the Board of Directors of the Central Bank of Paraguay (“BCP”) approved the execution of the “Digital Economy” Pilot Program (“Program”), which will oversee the Superintendency of Banks.

The Program is focused on supporting Micro, Small and Medium-sized Enterprises (“MSMEs”), with the objective of advancing in the modernization and optimization of financial transactions. This Program offers multiple benefits, both for the sponsoring and participating entities, such as improvements in the efficiency and security of transactions, reduction of risks and costs associated with payments, among others.

All financial institutions supervised by the BCP are eligible to participate voluntarily and at no cost. Entities interested in joining the program must send the application and participation form to the BCP. Within two working days of receiving the application, the BCP will confirm the registration and participants will be required to develop a work plan.

The work plan should be detailed and include activities such as education and training of MSME members, conducting an initial diagnosis of current payment methods and developing a strategy for the transition to electronic payments. Interested entities will execute their work plan, monitoring progress in the implementation of electronic payments.

Interested entities must sponsor at least eight MSMEs located in any of the country’s six most populated departments or districts. However, they may propose an alternative location, if it is adequately justified in terms of contribution to the objectives of the program.

The duration of the Program will be 1 year for companies that do not have an account in the financial system and 6 months for those that already do.

MSMEs interested in participating must submit a letter of commitment signed by their representatives, committing to participate as sponsored companies.

Both sponsored companies and participating entities may receive certifications recognizing their successful adaptation to electronic payment systems. Sponsored companies may receive distinctions or recognitions from the participating entities, and participating entities with outstanding quantitative performance will receive distinctions from the Project Committee.



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