

Banking and Finance News

Amendments Introduced to the Regulation on the Opening of Banks, Finance Companies, and Other Credit Institutions

Through Resolution No. 8, Minute No. 19, dated May 18, 2025 (the “Resolution”), the Board of Directors of the Central Bank of Paraguay (“BCP”) resolved to introduce amendments and derogations to the Regulation on the Establishment of Banks, Finance Companies, and Other Credit Institutions, previously approved by Resolution No. 24, Minute No. 75, dated November 11, 2010.

One of the main changes introduced concerns the eligibility requirements applicable to individuals proposed for inclusion in the list of Directors or Administrative Bodies of such entities. Under the previous regime, individuals who had been sanctioned or were subject to investigations or disciplinary proceedings by supervisory and/or financial regulatory bodies were expressly prohibited from holding such positions. The revised text eliminates this prohibition. Instead, the Superintendency of Banks (“SIB”) is now granted the authority to assess the administrative, disciplinary, or sanction-related background of candidates, to issue a technical opinion regarding the suitability of the proposed profile. This opinion will serve as the basis for determining whether the individual meets the standards required to hold the corresponding position.

In addition, the Resolution introduces changes to the formal review procedure to be conducted by the SIB in relation to applications for the establishment of new entities. Should any pending documentation, missing requirements, or noncompliance be identified, these must be addressed within a maximum period of 6 months from the date of the notification. Once all requirements have been fulfilled, a period of three 3 months will begin to run for the BCP to issue a decision on the application. In cases where adverse opinions are issued that recommend discontinuing the application process, a report must be prepared and submitted to the BCP Board of Directors, which, after conducting its review, will instruct the SIB to inform the applicant entity of the final decision adopted.

Finally, the Resolution derogates the section that required prior authorization from the SIB for integration, purchase, or transfer of shares in financial system entities, when such transactions, either individually or cumulatively, involve shares equal to or greater than 10% of the entity’s share capital.

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