

## LEGISLATIVE POWER

### LEY N° 4340

Which Amends and expands Articles 3 °, 44 ° and 92 ° of Decree-Law No. 281/61 "BY WHICH CREATES THE BANCO NACIONAL DE FOMENTO " approved by Law No. 751/61 and amended by Laws N°s 2100/03, and 2502/04

## CONGRESS OF THE PARAGUAYAN NATION SANCTIONS WITH FORCE OF

### LAW

Art. 1° Amend and expand the Articles 3°, 44° and 92° of Decree-Law N°. 281/61, "BY WHICH CREATES THE BANCO NACIONAL DE FOMENTO", approved by Law N°. 751/61, and modify by Laws N°s. 2100/03 y 2502/04, which are written in the following form:

"Art.3° the bank shall have the following functions and activities:

1. Perform all the operations referred to in Article 40 of Law No. 861/96 "General Banking, financial and other credit institutions".
2. To grant loans to the agricultural sector, small and medium enterprises, the consumer sector, under strict observance of the rules governing the matter.
3. The credits granted shall not exceed, per person and company, USD. 500,000 (five hundred thousand US Dollars), or its equivalent in local currency. This limit will be adjusted regularly, based on the change in the Consumer Price Index calculated by the Banco Central del Paraguay. This limitation does not apply to loans granted to production and consumption cooperative in the country, foreign trade operations, export operations, operations with domestic and foreign financial institutions, and financing operations of sale of assets.  
Loans granted with a charge to international organisms resources will be governed by their respective regulations.
4. In the buying - selling of foreign currencies operations that perform the public institutions established in Article 3 ° of the Law No. 1535/99 "STATE FINANCIAL ADMINISTRATION" and Municipalities, will have preference the Banco Nacional de Fomento, as long as offers conditions which are similar to or better than private banks.
5. None of the service providing the Banco Nacional de Fomento will be free of charge or under unfavorable conditions. In that sense the direct costs of those services provided without economic compensation to public institutions, must be covered by the senders in the conditions of the conventions established by the Bank. "

"Art 44 ° the loans with collateral guarantee, may in no case exceed 50% (fifty percent) of the value of the pledge asset. The mortgage loans may not exceed 70% (seventy percent) of the mortgaged property value."

"Art 92 ° the action of recovery the payment of the credits of the Banco Nacional de Fomento prescribes after ten (10) years."

Art.2° Made Known to the Executive Power.

Bill approved by the H. Chamber of Senators on the ninth day of December two thousand and ten, and being sanctioned the same by the H. Chamber of Deputies, on the twenty-sixth day of May, two thousand eleven, in accordance with the provisions of Article 207 paragraph 1) of the National Constitution.

**Víctor Alcides Bogado González**  
President  
H. Chamber of Deputies

**Oscar González Daher**  
President  
H. Chamber of Senators

**Jorge Ramón Avalos Mariño**  
Parliamentary Secretary

**Blanca Beatriz Fonseca Legal**  
Parliamentary Secretary

Asunción, June 20<sup>th</sup>, 2011

Be present by Law of the Republic, published and be inserted in the Official record.  
The President of the Republic

**Signed:** Fernando Armindo Lugo Méndez  
Gerónimo Bellasai Baudo (Dionisio Borda- Minister of Finance)  
Finance Minister Substitute