

**REPORT OF THE ACTIVITIES RELATED TO THE
MODERNIZATION OF THE PAYMENT SYSTEM
CORRESPONDING TO July, 2007**

Guatemala, August 20, 2007

According to the established by the third point of the Agreement of the General Management number 1-2005 dated January 21, 2005, the Committee of the Payment System must report monthly to the General Management, the advances and results obtained in the exercise of their functions. Due to the above, the following presents a summary of the main activities developed during July of the current year.

1. Regulation of the Automated Clearing House (ACH).

The Technical Committee of the *Banco de Guatemala*, dated July 19, 2007, approved joint decree CT-9/2007 of the Accounting, Internal Auditing and Juridical Advisory Department, which presented the project of the Automated Clearing House Regulation for consideration to the Monetary Board.

2. Hiring of maintenance services for the LBTR system.

The *Banco de Guatemala*, in the month reported, concluded the process of hiring maintenance services Gross Settlement System in Real Time, LBTR (for its acronym in Spanish) with GBM Guatemala, S.A. representative of Montran Corporation, according to the established in numeral 1.10 of article 44 of the State Hiring Law and in article 20 of its regulation. In that sense, the Accounting Department at the request of the Juridical Department, on July 11 and 30 of this year, made the observations that it considered pertinent to the hiring project for the maintenance service of the LBTR system, to be subscribed between the *Banco de Guatemala* and GBM de Guatemala, S.A. in order that the Juridical Advisory make the pertinent procedures tending to the signing of the referred contract for the period understood between June 15, 2007 to May 31, 2008.

3. Incorporation of the *Ministerio de Finanzas Públicas* [Roughly equivalent to the US Department of the Treasury.] as a participant in the LBTR system.

During the month reported, officials of the *Banco de Guatemala* and of the *Ministerio de Finanzas Públicas* [Roughly equivalent to the US Department of the Treasury.] held technical and operational activities toward designing and implementing the mechanism that will allow settling the operations instructed by the National Treasury through an interface between the SICOINWEB information system and the LBTR system on line and in real time. Said interface is to be financed by the resources coming from BIRF 7129-GU loan, granted by the International Bank of Reconstruction and Development.

With the purpose of remitting the Project Unit Coordinator –UCP- of the BIRF 7129-GU loan, a document that integrates a global solution of the indicated interface, officials of the *Banco de Guatemala* make the corresponding technical specifications, in order that the LBTR system interconnect with the SICOINWEB. On their part, the officials from the *Ministerio de Finanzas Públicas* [Roughly equivalent to the US Department of the Treasury.] are working on technical specifications so the SICOINWEB interconnect with the LBTR.

4. Interconnection payments project for Central America and the Dominican Republic.

As was reported in June 2007, the Executive Secretary of the Central American Monetary Council –SECMCA [For its acronym in Spanish.] hired “*Academia de Centroamérica*”, a Costa Rican company, to hold the feasibility study for the payment interconnection payments project for Central America and the Dominican Republic.

The referred entity named Doctor Thelmo Vargas Madrigal for visits with officials of the central banks, private banks, financial stock companies, insurance companies, bank superintendence, stock exchanges and other types of institutions involved in the payment systems of each one of the countries in the region. In that sense, in coordination with the Financial Management and the Head Office of the Accounting Department of this Central Bank, Doctor Vargas, together with Enrique Dubón of the Executive Secretariat of the

Central American Monetary council between July 4 and 6, of this year made a visit to Guatemala with the purpose of interviewing officials from the following entities:

- Jorge A. Díaz of the Superintendence of Banks.
- René Córdón and Edgar Lira of the G&T Continental, S. A. Bank
- Héctor Avalos of Seguros G&T, S. A. [An insurance company.]
- Luis Lara of the Banco Industrial, S.A.
- Iván de Paz and Luis Samayoa of the Desarrollo Rural, S.A. Bank -
BANRURAL-.
- Alfonso Pimentel and Pluvio Mejicanos of the Secretariat of the Central American Economic Integration.
- Danilo Estrada and Juan Miguel Montúfar of the Economic Statistics Department and Héctor del Cid and Iván León of the Accounting Department of the *Banco de Guatemala*.

After having ended the indicated interviews, Doctor Vargas declared that the results of the feasibility study will be presented in the short term to the Technical Committee of the Payment System and later will send for consideration of the members of the Central American Monetary Council.