

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

Guatemala, July 23, 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 June of the current year.

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

On June 18 of this year, the Guatemalan Banking Association –ABG (for its acronym in Spanish) presented the *Banco de Guatemala* with a regulation project for the Automated Clearing House, declaring they are satisfied with the content of the same and requested the General Manager continue with the corresponding proceedings for their approval. Due to the above, on June 19 and 28, 2007, the referred regulation project and decree project, together with number CT-SS-10/2007, respectively, were transferred to the Technical Advisory of the Institution, prior to presenting them to the Monetary Board.

2. Hiring of Maintenance Services for the LBTR System.

According to the contract signed between the *Banco de Guatemala* and Montran Corporation, the quality guarantee and operation of the LBTR System expired on June 1 of this year, so the *Banco de Guatemala* proceeded to hire maintenance services for the referred system. In that sense, the General Manager, through General Management Agreement number 44-2007 dated May 29, 2007, agreed to accredit *GBM Guatemala, Sociedad Anónima* as only providers for the service, and authorized to complete the necessary proceedings in order that it is convenient for the interests of the *Banco de Guatemala* to hire services from said entity.

Also the General Manager, through written notice 1919 of the Administrative Secretary of the institution dated May 29, 2007, made their quality of only provider by the referred entity known to the Legal Representative of *GBM of Guatemala, Sociedad Anónima*, indicating that they could present the corresponding service according to the established in the Hiring Law of the State and its Regulation. Due to the above, *GBM of Guatemala, Sociedad Anónima*, presented the offer to the

Central Bank on June 8, 2007. The Accounting Department, during the month reported, made the necessary proceeding to ensure the hiring of the maintenance service of the LBTR System for the period between June 15, 2007 to May 31, 2008.

3. Incorporate the *Ministerio de Finanzas Públicas* [Roughly equivalent to the Department of the Treasury of the United States of America.] as a participant of the LBTR system.

During the month reported, officials from the *Banco de Guatemala* and the *Ministerio de Finanzas Públicas* [Roughly equivalent to the Department of the Treasury of the United States of America.] continued technical and operative activities to design and implement a mechanism that allows the settlement of the operations generated by the National Treasury, through an interface between the SICOINWEB information system and the LBTR system. In that sense, officials from both entities began the determination of the requirements and technical specifications to be used for the design and implementation of the referred interface.

4. Interconnection Project for payments in Central America and the Dominican Republic.

As a part of the feasibility study of the interconnection payment project for Central America and the Dominican Republic that is promoted by the Executive Secretary of the Central American Monetary Council, said Secretariat hired a Costa Rican entity named "Academia de Centroamérica" [Central American Academy.] to do the corresponding study. The Academy named Dr. Thelmo Vargas Madrigal to make the visits to the officials of the central banks, private banks, stock exchanges and other types of institutions involved in the payment systems of each one of countries of the region. As for Guatemala, his visit has been scheduled for July 4 to 6 of this year.

The results of the feasibility study will be presented to the Technical Committee of the Payment System and later will be presented for consideration before the members of the Central American Monetary Council.