

# Regulations covering the law on microfinance institutions

The Bank of Guatemala's Monetary Board has drawn up 11 regulations (Resolutions JM 93-2016 to 103-2016) making provisions for Decree 25-2016/ May 2016 approving the Microfinance Institutions and non-profit Microfinance Bodies Act.

Their purpose is as follows:

Setting up microfinance institutions (Resolution JM 93-2016)

Sets out the requirements, formalities and procedures for obtaining authorisation to set up microfinance institutions.

Acquisition of shares in microfinance institutions (Resolution JM 94-2016)

Sets out the requirements and formalities that must be followed by natural or legal persons, including non-profit microfinance bodies to obtain authorisation from the Banking Supervisor to acquire shares in microfinance institutions.

Guarantee Fund regulatory provisions for depositors & investors in microfinance institutions (Resolution JM 95-2016)

Regulates areas affecting the Guarantee Fund for depositors and investors in microfinance institutions, as referred to in the Microfinance Act.

Mechanism enabling that the Banking Supervisor to review and set the minimum start-up capital requirements for microfinance institutions (Resolution JM 96-2016)

Establishes the start-up capital requirements for microfinance institutions.

Authorising the transfer of a microfinance institution's loan portfolio (Resolution JM 97-2016)

Sets out the requirements, formalities and procedures for authorising the transfer of all or part of a microfinance institution's loan portfolio to one or more other financial entities under the oversight of the Banking Supervisor.

Authorising the merger of microfinance institutions and the acquisition of shares in the same by another similar institution or by a bank (Resolution JM 98-2016)

Sets out the requirements, formalities and procedures for authorising the merger of microfinance institutions and the acquisition of shares in these by a similar institution or by a bank.

Application of sanctions on microfinance institutions (Resolution JM 99-2016)

Regulates matters concerning the severity of infractions and the frequency with which they occur, as well as the number of penalty units to be applied by the Banking Supervisor to sanction the infractions, once the process has been exhausted, committed by microfinance institutions according to their severity.

Conversion of an investment and credit microfinance institution into a savings and credit microfinance institution (Resolution JM 100-2016)

Sets out the requirements, formalities and procedures for converting an investment and credit microfinance institution into a savings and credit microfinance institution.

Assets & Liabilities Exclusion Committee on microfinance institutions (Resolution JM 101-2016)

Sets out the standards applying to microfinance institutions' Assets & Liabilities Exclusion Committee.

Sale and application of profits from extraordinary assets acquired by banks and microfinance institutions (Resolution JM 102-2016)

Determines matters relating to the sale and application of profits from extraordinary assets acquired by banks and microfinance institutions.

Modifications to how ratings agencies register with the bank supervisory body (Resolution JM 103-2016)

Changes certain requisites in the registration process for ratings agencies relative to identification requirements, supporting documents and reasons for refusing entry.