



# DESCRIPTION OF THE ORGANIZATIONAL STRUCTURE OF THE BANK OF GUATEMALA

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## I. LEGAL FRAMEWORK

Article 3 of Decree Number 16-2002 of the Congress of the Republic of Guatemala, Organic Law of the Bank of Guatemala, establishes that the fundamental objective of the institution is to contribute to the creation and maintenance of the most favorable conditions for the orderly development of the national economy, for which it will ensure monetary, exchange rate, and credit conditions that promote stability in the general price level, for which it has, among other important elements, an organizational structure that contributes to effective institutional management, for the achievement of the aforementioned fundamental objective, as well as for the development of the functions determined in article 4 of this Law.

Article 26 subsection h) of the aforementioned Organic Law provides that, among the powers that correspond to the Monetary Board, is that of approving or modifying the administrative structure of the Bank of Guatemala, at the proposal of the General Manager of the entity.

The organizational structure of the Bank of Guatemala is described below:

## II. ORGANIZATIONAL STRUCTURE

To fulfill its fundamental objective, the Bank of Guatemala efficiently and effectively performs the functions entrusted to it by its legal framework, particularly its organic law. For this purpose, it has an organizational structure headed by its higher bodies, the Monetary Board, the Presidency, and General Management, and an administrative structure coordinated by the General Management, through the Area Management, which is integrated into departments, sections, and units. Each of the dependencies that make up the Central Bank organization has a defined main function or reason for being, complemented by its basic functions, objectives, and operational goals.

In summary, the main function of each body and each dependency of the organization is as follows:

### A. MONETARY BOARD

The Monetary Board, integrated under Articles 132 of the Political Constitution of the Republic of Guatemala and 13 of the Organic Law of the Bank of Guatemala, exercises the supreme direction of the Bank of Guatemala.

#### 1. Insurance Technical Advisory Board

Provide the advisory service that the Monetary Board requires, to address matters within its competence in matters of insurance, reinsurance, and their intermediation, as established in Article 101 of the Insurance Activity Law.

## **B. PRESIDENCY**

The Presidency of the Bank of Guatemala is made up of the President and the Vice President, who are also members of the Monetary Board. Among the powers of the President are to propose to the Monetary Board the Monetary, Exchange Rate, and Credit Policy, including the programmed targets, and ensure the correct execution of the aforementioned policy.

### **1. Execution Committee**

Execute the monetary, exchange rate, and credit policy determined by the Monetary Board and, for this purpose, fulfill with the powers established in Article 40 of the Organic Law of the institution. The Execution Committee is composed of the President of the Bank of Guatemala, who coordinates it, by the authorities of the entity, and technical advisors appointed by the Monetary Board.

### **2. Internal Audit**

Develop an independent and objective assurance and consulting activity, within the scope of its competence, to add value and propose improvements to the operations of the Bank of Guatemala, to support the entity in meeting its objectives, providing a systematic and disciplined approach that contributes to improving risk management, control, and management processes. To fulfill its main function, the Internal Audit depends, at the staff level, on the Presidency of the Bank of Guatemala and the Monetary Board, to whom it must report directly and administratively manage through the General Management of the institution. The Internal Audit has the following administrative units:

#### **a. Study Audit Unit**

Provide advice regarding requests made by the authorities of the Bank of Guatemala, in accounting, financial, and internal control matters, within the scope of Internal Audit.

#### **b. Financial Audit Unit**

Evaluate the effectiveness of internal control, on an ongoing basis, in response to the risks that affect the reliability and integrity of the information contained in the financial statements and in the budget execution of the Bank of Guatemala, as well as of the trusts in which the Bank of Guatemala acts as trustee and of the funds under administration.

#### **c. Operational Audit Unit**

Evaluate the effectiveness and efficiency of the internal control system, in response to the risks that affect the protection of assets of the Bank of Guatemala, as well as supervise the activities established in laws, regulations, and standards of the entity.

#### **d. Risk Audit and Information Technology Unit**

Evaluate the effectiveness and efficiency of the internal control system established in the macro-processes of the Bank of Guatemala, using a risk-based approach, both in the operational field and in information technology.

### **3. Compliance Office**

Monitor compliance with current regulations against Money Laundering or Other Assets and Prevent and Suppress the Financing of Terrorism, as well as the programs, rules, procedures, and internal controls established by the Bank of Guatemala as an obligated person.

## **C. GENERAL MANAGEMENT**

The General Management is responsible for the administration of the Bank of Guatemala and is responsible to the President of the institution and the Monetary Board for the correct and effective functioning of the Bank.

## **D. ECONOMIC MANAGEMENT**

The Economic Management is responsible for the design and monitoring of the monetary, exchange rate, and credit policy of the country; the periodic evaluation of the aforementioned policy; the identification of the main economic macro-trends, their analysis and interpretation, and their impact on the Explicit Inflation Targets Scheme; the analysis of financial stability; the preparation of the main economic statistics necessary for decision-making on monetary policy and the coordination of the Technical Council. To fulfill this main function, it has the dependencies described below:

### **1. Technical Board**

Properly channel the technical support required by the authorities for the fulfillment of the functions of the entity. Likewise, facilitate communication and coordination between the different departments of the Bank of Guatemala that make up the Technical Board, so that they can effectively and efficiently carry out the tasks assigned to them through the aforementioned Board.

### **2. Macroeconomic Analysis and Forecasting Department**

Design the monetary, exchange rate, and credit policy within the framework of the Explicit Inflation Targets Scheme [EMEI, for its acronym in Spanish], as well as analyze and comprehensively and consistently evaluate the macroeconomic variables and other matters associated with the monetary policy adopted by the Monetary Board, for the achievement of the fundamental objective of the Bank of Guatemala. For this purpose, it has the following sections:

**a. Financial Programming and Inflation Analysis Section**

Support the management of the department in everything related to the monetary sector, the behavior and determinants of inflation, as well as in the monitoring and evaluation of the indicative and informative variables established by the monetary authority, which serve as the basis for monetary, exchange rate, and credit policy decisions, under the Explicit Inflation Targets Scheme (EMEI).

**b. Analysis of the International Economy, Treaties, and Conventions Section**

Provide advice and support to the management of the department in terms of analysis of the world economy and its impact on the national economy, as well as in the participation of the entity in different international monetary and financial organizations, particularly, concerning treaties, conventions, and agreements in which the Bank of Guatemala or the Government of the Republic of Guatemala participates.

**c. Macroeconomic Analysis Section**

Support the management of the department in the analysis of the situation of the different sectors that make up the national economy, to propose monetary policy measures aimed at fulfilling the fundamental objective of the Bank of Guatemala; as well as in carrying out the comprehensive analyses that serve as the basis for the design and evaluation of monetary, exchange rate, and credit policy, in the Explicit Inflation Targeting Scheme [EMEI, for its acronym in Spanish].

**3. Department of Macroeconomic Statistics**

Collect, compile, and disseminate statistical information on macroeconomic variables prepared by the Bank of Guatemala. Its internal structure has the following sections:

**a. National Accounts Section**

Collect, compile, and disseminate, technically and promptly, statistical information related to the behavior of the real sector of the country, considering the most recent methodological aspects recommended by international organizations.

**b. Conjuncture Indicators and Satellite Accounts Section**

Develop indicators and statistical analysis tools associated with macroeconomic variables; as well as collect, compile, and disseminate information related to the behavior of activities related to the tourism satellite account and the culture satellite account.

**c. Monetary and Financial Statistics Section**

Collect, compile, and disseminate statistical information on the monetary and financial sectors, considering the most recent methodological aspects recommended by international financial organizations.

**d. Balance of Payments Statistics Section**

Collect, compile, and disseminate statistical information on the balance of payments of the country, international investment position, foreign trade, and foreign exchange balance, under the best practices and international standards in terms of external sector statistics, for publication.

**e. Surveys and Basic Statistics Section**

Conduct surveys, collect basic statistical information, and analyze and process economic-financial information that serves as input for the macroeconomic statistics prepared by the Bank of Guatemala, of the different sectors of the economy of the country.

**f. Environmental Accounts Section**

Collect, compile, and disseminate statistical information relating to the System of Environmental-Economic Accounting (SEEA) of the country, under the best practices and international standards in environmental and economic statistics.

**4. Financial Stability Analysis Department**

Advise the corresponding bodies on issues related to the analysis of financial stability, trends, risks, competitiveness, and regulation of the national financial system, as well as in the analysis of macroprudential measures. To fulfill this function, in its internal structure it has the following sections:

**a. Macroprudential Analysis of the Financial System Section**

Analyze the stability of the financial system in a way that allows evaluating macroprudential policies that complement the design, execution, and evaluation of monetary, exchange rate, and credit policy, and participate in the development of regulations for the strengthening and supervision of the banking and non-banking financial system.

**b. Applied Financial Research Section**

Conduct research and implement the necessary tools to advise and support the management of the department, in a timely and efficient manner, in the analysis of national financial stability.

**c. Banking Information Analysis Section**

Prepare, develop, implement, and strengthen the database models in the business intelligence platform, with data from the information system of the Bank of Guatemala, for the analysis of national financial stability.

**5. Economic Research Department**

Develop applied economic research, and economic analysis about the evolution and trend of macroeconomic phenomena, both internal and external, as well as relevant macroeconomic and econometric models. To fulfill its main function, it has the following sections:

**a. Macroeconomic Models Section**

Develop macroeconomic and econometric models, to advise the corresponding bodies in the design and evaluation of monetary, exchange rate, and credit policy.

**b. Applied Economic Research Section**

Develop the institutional agenda of applied economic research, to advise the monetary authority in the design and evaluation of monetary, exchange rate, and credit policy.

**E. FINANCIAL MANAGEMENT**

The Financial Management is responsible for the coordination of the execution of monetary, exchange rate, and credit policy; the investment of international monetary reserves and the attention of foreign currency operations of the public sector and the banking system; the programs of acquisition, issuance, amortization, and destruction of monetary species; the attention of deposit, withdrawal and exchange operations of monetary species with the banks of the system; the monitoring of compliance with the guidelines issued by the Monetary Board for the administration of international monetary reserves, including the measurement and analysis of risk indicators and performance of the investment portfolios of the Central Bank; the accounting record of economic-financial events that affect the assets of the Bank; and the implementation of actions that allow the proper functioning of the payment system. For the fulfillment of these functions, it has the following dependencies:

**1. Monetary, Exchange Rate, and Credit Policy Execution Department**

Execute the monetary, exchange rate, and credit policy determined by the Monetary Board, under the guidelines of the Execution Committee, as well as carry out the activities derived from the function that corresponds to the Bank of Guatemala as a financial agent of the State; for this purpose, it has the following sections:

**a. Monetary and Exchange Rate Operations Section**

Carry out the operations necessary for the execution of the monetary and exchange rate policy determined by the Monetary Board, under the guidelines of the Execution Committee; additionally, carry out the operations of the issuance, negotiation, and placement of financial instruments issued by the Government of the Republic of Guatemala, derived from the function of the Bank of Guatemala as a financial agent of the State.

**b. Monetary, Exchange Rate, and Credit Market Analysis Section**

Analyze the behavior of the national and international financial market, to advise the corresponding bodies in the strengthening of monetary, exchange rate, and credit operations.

**c. Monetary Operations Settlement Section**

Settle the monetary stabilization operations that derive from the execution of the monetary, exchange rate, and credit policy determined by the Monetary Board, based on the guidelines of the Execution Committee, as well as the operations derived from the function of financial agent of the State exercised by the Bank of Guatemala.

**2. International Department:**

Coordinate the investment of the International Monetary Reserves of the Bank of Guatemala, under the guidelines issued by the Monetary Board, as well as the attention of the foreign exchange operations of the Bank of Guatemala, the central government, and the rest of the public sector. It has the following sections:

**a. International Monetary Reserves Investment Section**

Invest the resources of the Liquidity Management Subsection of the Liquidity Section, as well as those of the investment portfolios managed by the Bank of Guatemala in the Portfolio Subsection and in the Miscellaneous Portfolios Subsection of the Investment Section of the International Monetary Reserves of the Bank of Guatemala and other resources in foreign currency that the Central Bank is responsible for managing.

**b. Foreign Operations Section**

To attend, through the accounts constituted in banks abroad, the foreign currency operations of the Bank of Guatemala, the central government, and the rest of the public sector; as well as to keep control and record of the movements of the International Monetary Reserves of the Bank of Guatemala.

### **3. International Monetary Reserve Risk Analysis Department**

Assist in the management of the international monetary reserves of the Bank of Guatemala to be carried out under the investment guidelines dictated by the Monetary Board, through the measurement and analysis of risk indicators, performance, and compliance of the investment portfolios of the Central Bank, using the appropriate analytical tools.

### **4. Accounting and Payment System Department**

Coordinate the activities related to the registration and control of the assets of the Bank of Guatemala; to the accounting function of financial agent of the State; to those of trustees of trusts constituted with public funds and administrator of special funds; and to ensure the proper functioning of the payment system. Its internal structure has the following sections:

#### **a. Operations Registration and Financial Statements Section**

Keep track of the assets of the entity and manage the return of the tax credit to exporters, as far as the Bank of Guatemala is concerned.

#### **b. International Monetary Reserves Register Section**

To keep an account of the accounting operations of the international monetary reserves of the Bank of Guatemala, derived from the transactions carried out in the Investment Tranche and in the Liquidity Tranche, by the portfolio managers and by the Bank of Guatemala.

#### **c. Trust and Special Funds Section**

Record the operations derived from the administration of the resources of the Fund for the Protection of Savings; of the Guarantee Fund for Depositors and Investors in Microfinance Entities; of the trusts established by the State of Guatemala in the Bank of Guatemala; and those related to the execution of the credit policy, under the monetary, exchange rate, and credit policy determined by the Monetary Board and based on the guidelines of the Execution Committee.

#### **d. Registration and Settlement of Operations of the Payment Subsystems Section**

Manage the monetary deposit accounts established in the Bank of Guatemala; in the Real-Time Gross Settlement System [RTGS, for its acronym in Spanish]; and in the Accounting and Financial Information System [SICOF, by its acronym in Spanish], requested by entities in the public and financial sectors, as well as process the operations carried out in the different subsystems that settle their operations through the RTGS.



**e. Payment Subsystems Monitoring Section**

Ensure the efficiency and security of payment systems of systemic importance, exercising surveillance over their processes and supporting the activities of the Payments Technical Working Group [MTTP, for its acronym in Spanish] of the National Strategy for Financial Inclusion (NSFI).

**5. Monetary Issuance Department**

Execute the Policy for the Currency Administration in the Bank of Guatemala, to supply the banks of the system, with the currency they require. It has the following sections:

**a. Issuance Section**

Safeguard and manage the currency received from manufacturers, execute the programs of issuance, amortization, and destruction of banknotes and coins; as well as custody of securities, various custodies, and collections of the Numismatic Museum.

**b. Treasury and Banking Operations Section**

To safeguard the national currency issued; the foreign currency and commemorative currencies; to attend to the deposit and withdrawal operations of the banks of the system, of the State entities; as well as to attend to the operations of exchange of cash in national currency of the general public.

**c. Currency Analysis Section**

Advise and support the management of the department in the management of cash (acquisition, custody, distribution, processing, and destruction), through the preparation of statistics, sampling, and technical analysis that allow prompt decision-making; as well as the determination of replenishment needs and the cash issuance and amortization program.

**F. ADMINISTRATIVE MANAGEMENT**

The Administrative Management is responsible for attending to the administrative and service functions that concern it, framed within the nature and specialization of the departments that make it up, mainly concerning planning and organizational development; communication and institutional relations; management of human talent; information technologies; supply of goods and services; and security. For this purpose, it has the following dependencies:

**1. Strategic Planning and Organizational Development**

Advise the general management and the dependencies of the entity in the design and implementation of actions for organizational development, aimed at strengthening the administrative management of the Bank of Guatemala.

## **2. Communication and Institutional Relations Department**

Advise the authorities and dependencies of the Bank of Guatemala, in matters of communication and institutional relations, proposing and executing communication actions that contribute to the strengthening of the image, trust, and institutional credibility. For this purpose, it has the following sections:

### **a. Communication Section**

Implement the communication actions that allow guiding public opinion and keeping key economic agents and audiences informed in terms of monetary, exchange rate, and credit policy, to contribute to the achievement of the fundamental objective of the Bank of Guatemala.

### **b. Institutional Relations and Culture Section**

Organize, prepare, and execute official, social, cultural, and educational events, aimed at generating understanding and acceptance of the work of the Bank of Guatemala, contributing to the strengthening of its image.

### **c. Libraries Section**

Support the dependencies of the entity, making available specialized and updated literature and information; as well as contributing to the development of education and culture in Guatemala, using the Library System of the Bank of Guatemala.

## **3. Human Resources Department**

Manage the human talent at the Bank of Guatemala, to have highly qualified staff, who contribute to achieving the fundamental objective of the entity. To do this, it will have the following sections:

### **a. Personnel Remuneration and Benefits Management Section**

Promptly administer and manage the remuneration and benefits of the staff, under the legal and administrative provisions in force.

### **b. Planning and Labor Relations Section**

Plan, research, design, propose, and implement policies, programs, actions, and activities aimed at adopting best practices and standards in human management and strengthening labor relations.

### **c. Recruitment and Development Section**

Provide the Bank of Guatemala with qualified staff that allow the effective fulfillment of the functions corresponding to it.

**d. Human Talent Training Section**

Coordinate the activities in terms of training, education, and development of staff, to strengthen the capacities of the human talent of the Bank of Guatemala.

**e. Occupational Health and Safety Section**

Keep up-to-date with the programs aimed at the integral development, occupational safety, and occupational health of workers.

**4. Administrative Services Department**

Contribute to the achievement of the objectives and results of each of the dependencies of the Bank of Guatemala, in terms of the acquisition of goods, supplies, and services, maintenance of buildings, goods, and facilities owned by the Bank of Guatemala; as well as in the safeguarding and reproduction of documentation. For this purpose, it will have the following sections:

**a. Purchasing and Budgetary Control of Expenditures Section**

Manage the purchasing and contracting processes of goods, supplies, and services that the dependencies of the Bank of Guatemala require for the performance of their functions; as well as, control and supervise the execution of the Functional Expenditure Budget of the entity; and register the movable and immovable property owned by the Bank of Guatemala.

**b. Maintenance section**

Manage the maintenance processes, to keep the buildings, facilities, machinery, furniture, and equipment of the Bank of Guatemala in optimal operating conditions.

**c. Administrative Secretariat Section**

Record the administrative acts of the Bank of Guatemala, certify official documents, update the catalog of authorized signatures of authorities, senior officials, and officials; as well as manage the documentation fund and the printing and photocopying services, which the dependencies of the Bank of Guatemala require for the performance of their functions.

**5. Security Department**

Provide comprehensive security to the authorities, senior officials, officials, and employees, as well as to the assets and securities of the Bank of Guatemala, ensuring the proper functioning of the entity. For this purpose, it will have the following sections:

**a. Institutional Security Section**

Provide comprehensive security to the staff of the Bank of Guatemala, in the development of their powers, depending on the risks to which they are exposed, as well as safeguard the assets and values of the entity.

**b. Special Security Section**

Provide, permanent, executive, and comprehensive security to the authorities of the Bank of Guatemala, depending on the risks to which they are exposed.

**c. Special Investigations Section**

Investigate criminal acts and violations of the administrative provisions of the institution and advise the authorities, bank departments, and external entities, regarding the new security measures for banknotes and documents of value.

**d. Electronic Security Section**

Provide electronic security, through systems that allow the prevention of events that may generate risks for the personnel, assets, and securities of the Bank of Guatemala.

**6. Information Technologies Department**

Coordinate and direct the activities that allow to offer products, services, advice, and technical support in computer matters to the authorities and dependencies of the Bank of Guatemala, to strengthen the technification of the entity. For this purpose, it will have the following dependencies:

**a. Information Technology Projects Section**

Develop, provide, and maintain the IT solutions that are used by the dependencies of the Bank of Guatemala, whether created based on IT projects of the Institutional Strategic Plan (ISP) or on emerging projects contemplated in the IT Project Portfolio.

**b. IT Services Section**

Provide technical assistance to the users of the Bank of Guatemala in the use of hardware and software computer resources of IT infrastructure.

**c. Management and Technology Quality Section**

Research new technologies (hardware or software) and support their acquisition, as well as IT services. Ensure that the IT platform of the Bank of Guatemala is adequately supported with standards, policies, controls, and procedures, and keep track of the allocations of IT resources of the entity.

**d. Information Technology Infrastructure Section**

Provide IT services related to the administration of servers and teleinformatics communications of the Bank of Guatemala.

**e. Databases Section**

Provide IT services related to the administration of databases and related topics.

**f. Cybersecurity Section**

Ensure the integrity, availability, and confidentiality of the digital information of the Bank of Guatemala and the computer resources that support it, evaluating, promoting, adopting, or developing platforms, tools, practices, certifications, policies, and security systems. As well as follow up on incidents, security violations, vulnerabilities, and minimization of impact, in IT matters, due to the damage to assets, reputation, and management that they could cause to the entity.

**g. Data Analysis and Technological Innovation Section**

Manage IT solutions focused on international standards and best practices for digital innovation, central banking digital currencies, cryptocurrencies, big data, process automation, business intelligence, process robotics, artificial intelligence, and machine learning.

**G. LEGAL MANAGEMENT**

The Legal Department is the area specialized in legal matters to advise the Monetary Board, authorities, officials, and employees of the Bank of Guatemala, and in which the decisions adopted by the Board are materialized. To do this, it has the following dependencies:

**1. Monetary Board Secretariat**

Prepare, convene, and attend the Monetary Board sessions, prepare the documents that derive from these sessions, and communicate the decisions adopted to those who legally correspond.

**2. Legal Consultancy**

Advise the Monetary Board, authorities, officials, and employees of the Bank of Guatemala on legal matters.

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