



FUNCTIONS OF THE OFFICES OF THE BANCO DE GUATEMALA

Following is a general description of the characteristics for the different offices of the entity and which constitutes an instrument of a purely internal procedural nature, which content allows knowing the activities in the Banco de Guatemala in broad strokes in a clear, objective and general manner, for the compliance of the fundamental objective. In the same manner, it constitutes an orientation tool for the execution and follow up of the work in each office. In that sense, the summary of the day-to-day for each administrative unit is the following:

EXECUTION COMMITTEE

Implement the monetary, foreign exchange rate and credit policy determined by the Monetary Board and, regarding the Secretary, fulfill the corresponding powers given under the Regulation of the Execution Committee.

INTERNAL AUDITING

Develop independent and objective activities to ensure and give consultancy in the field of its competence, to add value and propose improvements regarding the operations of the Banco de Guatemala, with the purpose of supporting the institution in the fulfillment of its objectives, providing a systematic and disciplined approach that will contribute to improving risk management, control and administration processes.

Studies Auditing Unit

Advising the authorities of the Banco de Guatemala in accounting, financial, and internal control matters.

Financial Auditing Unit

Assess the effectiveness of continuous internal control in response to the risks that affect the reliability and integrity of the information contained in the financial statements and in the budgetary execution of the Banco de Guatemala, as well as the trusts in which the Banco de Guatemala acts as a trustee and of the funds administered.

Operative Auditing Unit

Continuously assess the compliance and effectiveness of the internal control system, in response to the risks that affect the protection of assets of the Banco de Guatemala, as well as supervise the activities established in the entity laws, rules and regulations.

Risks and Information Technology Auditing Unit

Assess the effectiveness of the internal control system established in the processes of the Banco de Guatemala, used as a focus based on risks.

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COMPLIANCE OFFICE

Oversee the compliance of the current Regulations against Money Laundering or Other Assets and to Prevent and Restrain Terrorism Funding, as well as the programs, guidelines, procedures and internal controls established by the Banco de Guatemala in their quality as a liable party.

TECHNICAL COUNCIL

Provide the conditions that allow appropriately channeling the technical support needed by the authorities to fulfill the functions of the entity. Also, facilitate communication and coordination among the different departments of the Banco de Guatemala that make up the Technical Council, to hold effective and efficient work assigned to them by the mentioned Council.

MACROECONOMIC ANALYSIS AND FORECAST DEPARTMENT

Design the monetary, foreign exchange rate and credit policy in the framework of Specific Inflation Targets (EMEI, in Spanish) as well as to wholly and consistently analyze and evaluate the macroeconomic variables and other issues associated with the monetary policy adopted by the Monetary Board to pursue the main objective of the Banco de Guatemala.

Financial Programming and Inflation Analysis Section

Support the administration of the department in all regarding the monetary sector, the behavior and the inflation determinants, as well as in the follow up and evaluation of the indicative and informative variables established by the monetary authority, that serves as a base for decision making in the Monetary, Foreign Exchange Rate and Credit Policy, under Specific Inflation Targets (*EMEI*, in Spanish).

International Economy, Analysis Treaties and Agreements Section

Offer consulting and support to the administration of the department in matters of world economic analysis and its impact on the national economy, as well as in the participation of the institution in different monetary and international financial organisms, particularly in that regarding treaties, conventions and agreements where the Banco de Guatemala participates or the Government of the Republic of Guatemala.

Macroeconomic Analysis Section

Support the administration of the department in the analysis of the situation of the different sectors that make up the national economy, with the purpose of proposing measures for the Monetary Policy oriented toward the compliance of the fundamental objective of the Banco de Guatemala; as well as performing the integral analysis that serves as a foundation for the design and evaluation of the monetary, foreign exchange rate and credit policy, in the Specific Inflation Targets Scheme (*EMEI*, in Spanish).

MACROECONOMIC STATISTICS DEPARTMENT

Gather, compile and disseminate the statistical information of the macroeconomic variables that is prepared by the Banco de Guatemala.

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National Accounts Section

Gather, compile and disseminate the statistical information, technically and timely, regarding the behavior of the real sector of the country, covering the more recent methodological aspects recommended by international organizations.

Economic Indicators and Price Indices Section

Draft short term indicators and price indexes that allow measuring, following up and forecasting the national economic activity consistently and timely, using improved practices and international guidelines in matters of situational statistics.

Monetary and Financial Statistics Section

Gather, compile and disseminate the statistical information of the monetary and financial sectors, covering the more recent methodological aspects recommended by the international financial organisms.

Balance of Payments Statistics Section

Gather, compile and disseminate the statistical information regarding the payments balance, international investment position, foreign trade and exchange balance in the country, covering best practices and international guidelines in matters of statistics for the foreign sector, for its publication.

Survey and Basic Statistics Section

Hold surveys, gather basic statistical information, analyze and process economic financial information that serves as input for macroeconomic statistics that are drafted by the Banco de Guatemala, from the different economic sectors in the country.

FINANCIAL STABILITY ANALYSIS DEPARTMENT

Consult with the corresponding offices regarding topics associated with the financial stability analysis, trends, risks, competitiveness and regulation of the national financial system, as well as the analysis of macroprudential measures.

Macroprudential Analysis of the Financial System Section

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

Applied Financial Research Section

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

Banking Information Analysis Section

Draft, develop implement and strengthen the data models for the information systems for national financial stability analysis.

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ECONOMIC RESEARCH DEPARTMENT

Develop applied economic research, economic analysis on the evolution and trend for the macroeconomic phenomena, domestic as well as foreign, as well as the relevant macroeconomic and econometric models.

Macroeconomic Models Section

Develop macroeconomic and econometric models, in order to give consulting in the corresponding instances in the design and evaluation of the monetary, foreign exchange rate and credit policy.

Applied Economic Research Section

Develop the institutional agenda for applied economic research in order to give consulting to the monetary authority in the design and evaluation of the monetary, foreign exchange rate and credit policy.

EXECUTION OF THE MONETARY, FOREIGN EXCHANGE AND CREDIT POLICY DEPARTMENT

Execute the monetary, foreign exchange and credit policy determined by the Monetary Board, according to the guidelines established by the Execution Committee, as well as to carry out the activities derived from the functions that concern the Banco de Guatemala, as the State Financial Agent.

Monetary and Foreign Exchange Operations Section

Hold the necessary operations for the execution of the monetary and foreign exchange rate policy determined by the Monetary Board, according to the guidelines of the Execution Committee; as well as, holding operations for the issue, negotiation and placement of financial instruments issued by the Government of the Republic, derived from the functions of the Banco de Guatemala as the State Financial Agent.

Monetary, Foreign Exchange and Credit Markets Analysis Section

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

Monetary Operations Settlement Section

Settle the monetary stabilization operations that come from the execution of the monetary, foreign exchange rate and credit policy determined by the Monetary Board, based on the guidelines from the Execution Committee, as well as operations derived from the function of the State Financial Agent exercised by the Banco de Guatemala.

INTERNATIONAL DEPARTMENT

Coordinate the investment of the international monetary reserves of the Banco de Guatemala according to the guidelines dictated by the Monetary Board, as well as to take care of the operations of foreign currency of the Banco de Guatemala, of the central government and of the rest of the public sector.

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International Monetary Reserves Investment Section

Invest the resources of the Liquidity Management Sub-Tranche of the Liquidity Tranche, as well as those of the investment portfolios administrated by the Banco de Guatemala in the Portfolio Sub-tranche and the Diverse Portfolios Sub-tranche of the International Monetary Reserves Investment Tranche of the Banco de Guatemala and other foreign currency resources that the Central Bank is authorized to manage.

Foreign Operations Section

Cover the foreign currency operations of the Banco de Guatemala, the Central Government and the rest of the public sector resources through the accounts held in foreign banks; as well as audit and register the movements of the international monetary reserves of the Banco de Guatemala.

INTERNATIONAL MONETARY RESERVES RISK ANALYSIS DEPARTMENT

Contributes to ensuring that the administration of the international monetary reserves of the Banco de Guatemala is carried out according to the investment guidelines dictated by the Monetary Board through monitoring its compliance, as well as the measurement and analysis of risk indicators and the performance of the investment portfolios of the Central Bank and research according to the design, development, implementation and use of appropriate analytical tools.

ACCOUNTING AND PAYMENTS SYSTEM DEPARTMENT

Coordinate the activities regarding the registry and accounting control of the wealth of the Banco de Guatemala; for the accounting operations of the State Financial Agent; to the fiduciary of the trusts established with public funding and special funds administrator; and to ensure the good operation of the payments system.

Operations Registry and Financial Statements Section

Be accountable for and responsible for the wealth of the institution and administrate, in what concerns the Banco de Guatemala, the return of the fiscal credit to exporters.

International Monetary Reserves Registry Section

Be accountable and responsible for the accounting operations of the international monetary reserves of the Banco de Guatemala, derived from the transactions held in the Investment Tranche and in the Liquidity Tranche, by the Portfolio Managers and for the Banco de Guatemala.

Trusts and Special Funds Section

Register the operations derived from the administration of the resources for the Savings Protection Fund, for the Guarantee Fund for depositors and investors from Microfinance entities and of the trusts established by the State of Guatemala in the Banco de Guatemala; regarding the execution of the credit policy, according to the monetary, foreign exchange rate and credit policy determined by the Monetary Board and based on the guidelines from the Execution Committee; as well as the actions related with the compliance of legal dispositions and the regulations for the risk management of money laundering and the laundering of other assets and terrorism funding.

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Registry and Settlement of Payment Subsystems Operations Section

Manage the monetary deposit accounts constituted in the Banco de Guatemala; in the Real Time Gross Settlement System (*LBTR*, in Spanish); and in the Financial and Accounting Information System (*SICOF*, in Spanish), required by the public and financial sectors, as well as processing the operations held in the different subsystems that settle the operations through the *LBTR* system.

Surveillance of Payment Subsystems Section

Oversee the efficiency and security of the payment systems of systemic importance, exercising the oversight work over their processes and supporting the activities of the Technical Payment Work Table (*MTTP*, in Spanish) of the National Strategy for Financial Inclusion (*ENIF*, in Spanish).

MONETARY ISSUE DEPARTMENT

Execute the Policy for Cash Management in the Banco de Guatemala in order to supply the banking system with the numeraire required.

Issue Section

Execute the programs to issue bills and coins; amortization and destruction of currency and securities.

Treasury and Banking Operations Section

Safeguard the currency issued; the foreign currency and commemorative coins; cover the deposits operations; withdrawal from the banks in the system, of the State entities, as well as attend the operations of exchanging numeraire in national currency from the public in general.

Currency Analysis Section

Consulting and supporting the administration of the department in managing currency, through drafting programs for requirement, statistics, samples, indicators and technical analysis programs that allow timely decision making.

PLANNING AND ORGANIZATIONAL DEVELOPMENT

Advise the general management and entity offices to designing and implementing actions and measures for organizational development, aimed at strengthening the administrative management of the Banco de Guatemala.

COMMUNICATION AND INSTITUTIONAL RELATIONS DEPARTMENT

Consulting with the authorities and offices of the Banco de Guatemala regarding communications and institutional relations, proposing and executing communication actions that help strengthen the institutional image, trust and credibility.

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Communication Section

Implement communications actions that, in matters of monetary, foreign exchange rate and credit policy will allow guiding public opinion and keep the economic agents and key audiences informed, in order to foment the fundamental objective of the Banco de Guatemala.

Institutional Relations and Culture Section

Organize, prepare and execute official, social, cultural and educational events that tend to generate understanding and acceptance in the daily activities of the Banco de Guatemala, and in so doing strengthen its image.

Libraries Section

Support the offices of the institution, making literature and updated specialized information available; Contribute to the development of education and culture of Guatemala using the Library System of the Banco de Guatemala.

HUMAN RESOURCES DEPARTMENT

Coordinate and manage the Human Resources system of the Banco de Guatemala to have highly skilled personnel, in order to contribute to reaching the fundamental objective of the institution.

Personnel Salaries and Benefits Administration Section

Administer and manage, in a timely manner, the personnel remunerations and benefits, according to the current legal and administrative dispositions.

Planning and Labor Relations Section

Plan, research, design, propose and roll out policies, programs, actions, and activities oriented toward the adoption of better practices and standards in human management and strengthening of the labor ties.

Human Resources Development Section

Provide the Banco de Guatemala with qualified personnel that allow the effective compliance of the functions that correspond to them, and keep updated the programs aimed toward holistic development, job security and occupational health of the workers.

Teaching, Training and Development Center

Coordinate the activities in the field of training, coaching and staff development, to strengthen the capabilities of the human talent for the Banco de Guatemala employees.

ADMINISTRATIVE SERVICES DEPARTMENT

Contribute to the achievement in the consecution of the office goals of the Banco de Guatemala, in matters of assets acquisitions, supplies and services, buildings, assets and facilities maintenance of the properties of the Banco de Guatemala, as well as in the safeguarding and reproduction of documentation.

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Procurement and Expenditure Budget Control Section

Manage the procurement and bids process for goods, supplies and services for each one of the offices of the Banco de Guatemala, required to fulfill their functions. Control and supervise the budgetary execution of the Expenditures Budget of the entity; and keep a registry of the movable and immovable assets property of the Banco de Guatemala.

Maintenance Section

Manage maintenance processes to conserve in optimum operating conditions the buildings, facilities, machinery, chattels and equipment of the Banco de Guatemala.

Administrative Secretariat Section

Participate in administrative acts for the entity that due to its nature, are its responsibility, certify official documents, update the authorized signatures for authorities, higher officials and officers; as well as manage the documentation fund and the printing, photocopies and mobile telephone services that the offices of the Banco de Guatemala required for the fulfillment of its obligations.

SECURITY DEPARTMENT

Provide holistic security for the authorities, higher officials, officers and employees, as well as the assets and securities of the Banco de Guatemala, ensuring the good operation of the entity.

Institutional Security Section

Provide holistic security to personnel from the Banco de Guatemala when carrying out their roles, based on the risks that they are exposed to, as well as safeguard the assets and securities of the entity.

Special Security Section

Permanently provide executive and comprehensive security for the authorities of the Banco de Guatemala, based on the risks that they are exposed to.

Special Investigations Section

Investigate criminal acts and infractions of the administrative dispositions of the entity and advise the authorities and offices, regarding the new security measures for the banknotes and valued documents.

INFORMATION TECHNOLOGY DEPARTMENT

Coordinate and manage the activities to offer products, services, consulting and technical support regarding information technology to the authorities and offices of the Banco de Guatemala in order to strengthen the technification of the entity.

Information Technology Infrastructure Section

Provide computer services regarding service administrators and tele-information communications of the Banco de Guatemala.

Databases Section

Provide information technology services regarding database administration and related topics.

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Information Technology Projects Section

Develop, provide and maintain the information technology solutions that are used by the offices of Banco de Guatemala, whether they are created, based on information technology projects of the Institutional Strategic Plan (*PEI*, in Spanish) or on emerging projects contemplated in the Information Technology Project Portfolio.

Information Technology Services Section

Provide technical support to users of the Banco de Guatemala, in the use of computer resources, such as peripheral computer equipment and software.

Management and Technology Quality Section

Investigate new technologies (*hardware* or *software*) and support obtaining these, as well as computer services. Oversee that the computer platform for the Banco de Guatemala is adequately backed up with standards, policies, controls and procedures and has a registry of the assigned computer resources of the entity.

Information Technology Security Section

Oversee ensuring the integrity, availability and confidentiality of the digital information of the Banco de Guatemala and of the computer resources that support, evaluate, promote, adopt or develop platforms, tools, practices, certifications, policies and security systems. Also, give follow up to the incidents, security violations, vulnerabilities and minimization of the impact in computer technology, because of the damage of assets, reputation and management it could cause the entity.

MONETARY BOARD SECRETARIAT

Prepare, summon and attend all sessions of the Monetary Board; prepare the documents coming from these sessions and inform the decisions adopted by the legally corresponding parties.

LEGAL ADVICE

Advise the Monetary Board, authorities and officers of the Banco de Guatemala in legal matters.

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