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‹SPAN›EFFECTS ON PROVISIONS FOR THE PREVENSION OF MONEY LAUNDERING‹/SPAN› OF LAW NO. 21,314 WHICH REGULATES MARKET AGENTS AND PENSION ADVISORS

On April 13, 2021, Law No. 21,314 ("New Law") was published in the Official Gazette, which sets forth new transparency requirements and reinforces the responsibilities of market agents, regulates pension counseling and other matters indicated therein.

Article 6 of the New Law amends Law No. 19,913 ("AML Act") in the following aspects:

New faculties and functions of the UAF.

The New Law establishes that, in relation to the issuance of instructions to reporting entities and the verification of their compliance, the Financial Analysis Unit ("UAF") may: (i) evaluate the enforcement of the AML Act and the administrative regulations applicable to reporting entities (e.g., banks, companies engaged in real estate management, insurance companies, among others) applying a risk-based approach; and (ii) supervise the adequate management of such risks, being able to require all data and background information that will allow it to carry out such work, as well as approve general risk matrices for the economic sectors indicated in paragraph 1° of Article 3 of the AML Act (e.g., banking, financial, real estate, among others).

Statute of limitations for the exercise of the sanctioning action of the UAF

The New Law regulates the statute of limitations for the exercise of the sanctioning action of the UAF depending on the infraction committed by the reporting entity. The New Law establishes that in the case of acts or omissions considered as minor infractions, the UAF may not initiate an administrative procedure once 3 years have elapsed since their commission, a period that will be interrupted with the notification of the filing of charges regarding the acts or

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omissions constituting such infractions. In the case of acts or omissions considered as less severe and severe, this period shall be 5 years, which shall be interrupted with the notification of the respective filing of charges.

New predicate offense of money laundering

The New Law adds as a new offense for money laundering, i.e., an offense whose proceeds (money or goods) are sought to be concealed or disguised, the offense established in paragraph 1 of Article 39 of the General Banking Law, which states that "No individual or legal entity that has not been authorized to do so by another Law may engage in business that, in accordance with this Law, corresponds to banking companies and, in particular, to regularly capture or receive money from the public, whether in deposit, mutual or in any other form".

Law No. 21,314 is available in the following link .

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