National Commission of Banks and Insurance  
Tegucigalpa, MDC Honduras

August 3, 2020

FINANCIAL SYSTEM INSTITUTIONS
The whole republic

Sirs:

The undersigned Secretary General of the National Commission of Banks and Insurance CERTIFIES the leading part of the Minutes of the Extraordinary Session No. 1417 held in Tegucigalpa, Municipality of the Central District on July thirty-first, two thousand and twenty, with the attendance of the Commissioners ETHEL DERAS ENAMORADO, President; JOSÉ ADONIS LAVAIRE FUENTES, Owner Commissioner; EVASIO A. ASENCIÓ, Owner Commissioner; MAURA JAQUELINE PORTILLO G., Secretary General; what does it say:

“… 2. Studies Management Matters: … literal a) … RESOLUTION GES No.333 / 31-07-2020.- The National Commission of Banks and Insurance,

CONSIDERING (1): That Article 1 of the Law of the National Commission of Banks and Insurance, establishes that it corresponds to this Supervisory Entity to monitor that the Institutions of the System Financial and other supervised entities, develop their activities in accordance with the Laws of the Republic and the public interest, ensuring that in the development of such activities promote the solvency of intermediary institutions, free competition, equity of participation, the efficiency of the Supervised Institutions and the protection of the rights of financial users, promoting access to financing and ensuring at all times for the stability of the supervised financial system.

CONSIDERING (2): That Article 13, numerals 1) and 2) of the Law of the National Commission of Banks and Insurance, establishes that it corresponds to this Supervisory Entity to dictate the rules prudential measures that are required for the review, verification, control, surveillance and inspection of the Supervised Institutions, for which it will be based on current legislation and on agreements and international internships. Likewise, numeral 10) of said Article, provides that it is attribution of this Supervisory Body, establish the criteria to be followed for the assessment of the
assets and liabilities and for the constitution of provisions for risks in order to preserve and reasonably reflect the liquidity and solvency situation of the Supervised Institutions, in order to which will act in accordance with generally accepted accounting principles and with the international standards and practices.

CONSIDERING (3): That Honduras is a country with a great diversity of natural resources, which must be used efficiently in the development of economic activities and productive, promoting the sustainable development of the country. For this, it is necessary that the financial intermediaries have credit lines or other facilities at their disposal

CONSIDERING (4): That Honduras is one of the countries in the world that is most vulnerable to effects of climate change. According to the Global Climate Risk Index (IRC), calculated by Germanwatch, Honduras occupies for the year 2019, the second position in the Risk Ranking Long-term Global Climate (1998-2017), being one of the three (3) most affected countries in the last two decades. This higher level of risk is related to the high exposure it has the country to climatic risks such as hurricanes, tropical storms, floods, droughts and landslides, which negatively affect the country's economic activities, mainly those related to agricultural production.

WHEREAS (5): That the Honduran Association of Banking Institutions (AHIBA) has developed a technical and legal assistance project, called "Sustainable Banking Initiative (IBS)", which aims to promote the adoption of international standards and better practices associated with the standards of social and environmental performance by the banking institutions in Honduras. This initiative is promoted with the support of the Corporation International Finance Fund (IFC), the Dutch Development Bank (FMO), and the Norwegian Fund for Investment for Developing Countries (Norfund), which has the following objectives: a) Standardize the standard of Environmental and Social Regulations in the Honduran financial sector; b) Raise awareness in the financial and business sector on environmental and social management issues; c) Promote a gradual change in the way of doing financial business, integrating Analysis Systems of Environmental and Social Risks in credit evaluations; and, d) Improve communication of the processes of Due Diligence and Management of Environmental and Social Risks in the portfolio of the banks. The activities carried out for the development and implementation of this initiative revolve around four (4) components, related to: a) Capacity building; b) The Senior Management commitment; c) The relationship with key stakeholders; and, d) Regulation. With Regarding this last component, it should be noted that AHIBA, with the support of consultants international organizations and its counterpart at the national level, developed a proposal for related to the management of environmental and social risk, which was shared with the Commission National Bank and Insurance.

WHEREAS (6): That in accordance with the provisions of Considering Clauses (3), (4) and (5) precedents, the National Banking and Insurance Commission considers it appropriate to issue
normative provisions related to Environmental and Social Risk Management applicable to the Institutions of the Financial System. The foregoing, with the purpose of providing these institutions general guidelines that allow them to adequately manage risks environmental and social, related to the financing of the activities of its clients or their investment projects, which will allow them to mitigate possible economic losses due to the materialization of these risks and their potential effects on the solvency levels of the institution, fulfilling in turn with the main responsibility of this Supervisory Body, corresponding to safeguarding the public interest, through the timely issuance of provisions regulations that allow maintaining the solvency and stability of the national financial system. Likewise, the implementation of this regulation will allow the Institutions of the System Financial can access credit lines from Multilateral Organizations or Institutions International Finance Companies, aimed at green finance.

CONSIDERING (7): That in compliance with the provisions of Article 39 of the Law of the National Commission of Banks and Insurance, on July 24, 2020, this Supervisory Body published in its website, in the section "Draft Regulations", the Draft "STANDARD FOR THE MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISK APPLICABLE TO THE INSTITUTIONS OF THE FINANCIAL SYSTEM ", with the purpose of receiving comments and observations from the public in General and the Institutions of the Financial System, granting a period of two (2) days working hours, counted from July 24 to 27, 2020. In accordance with the Note of July 24 of the year in course, sent by the Honduran Association of Banking Institutions (AHIBA), one (1) business day extension for the submission of observations and comments on the guidelines aforementioned, the deadline expiring on Tuesday, July 28, 2020.

THEREFORE: Based on the provisions of Articles 6, 13, numerals 1), 2) and 10) of the Law of the National Commission of Banks and Insurance;

RESOLVES:

1. Approve the “Standard for Environmental and Social Risk Management applicable to Institutions of the Financial System ", which will read like this:

STANDARD FOR THE MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISK APPLICABLE TO FINANCIAL SYSTEM INSTITUTIONS

CHAPTER I
OF THE GENERAL PROVISIONS

Article 1.- Purpose
The purpose of this Standard is to establish the provisions that must be observed by the institutions of the financial system for the management of environmental and social risk of credits granted, depending on the activity of the client or the destination of the financing,
considering size, complexity or adverse environmental and social impacts significant, performance and context of the investment projects financed.

The institutions subject to this regulation do not assume functions or responsibilities of State entities in charge of granting permits or licenses, in the matter of nor will they be responsible for possible legal breaches of its clients with the State. However, it will be the obligation of the institution in its process of due diligence, verify that the investment project that is being financed to the client, Comply at all times with the permits, licenses and other legal requirements that establish the State through the central government or municipalities.

**Article 2.- Scope**
The following institutions are subject to this Regulation:

to. Public banks;
b. Private banks; Y,
c. Financial Companies.

**Article 3.- Definitions**
For the purposes of this Standard, it will be understood by:

to. **Senior Management:** Executive President, Executive Director, General Manager or his equivalent, or any other name with which the person responsible for execute the provisions of the Board of Directors.
b. **AS:** Environmental (s) and Social (s).
c. **Risk Categorization AS:** Category assigned by the system institution financial to a client, derived from the application of the internal methodology to identify, measure and quantify the level of risk to which the project of investment to finance the client, depending on the geographical location, the nature of the activity, context, magnitude of adverse SA impacts, as well as the capacity, organization, commitment and resources oriented to performance AS established by the client.
d. **Client:** Natural or legal person to whom the institution of the financial system grants financing for the development of its activities or an investment project.

and. **Commission:** National Commission of Banks and Insurance.

**F. Credit:** Any operation carried out by an institution of the financial system, whatever the source of resources and the modality, regardless of how it is instrument or document, by which, under the assumption of a risk, they provide funds or credit facilities to a client for the development of a project of investment.

g. **Sustainable Development:** Rational and responsible use of resources natural resources, guaranteeing the balance between economic growth, caring for the environment and social welfare, seeking regeneration of resources available and the mitigation of possible environmental impacts.
h. Board of Directors: Board of Directors or Board of Directors of the Institution.

i. Risk Management AS: Risk management process that identifies the activities, according to their nature and prioritization of current SA problems and potentials that they cause, determining the potential impact that can be cause, alternative solutions, actions to be taken to mitigate risks and customers' ability to manage them preventively.

j. Environmental and Social Impacts: Any modification of the environmental or social environment caused by human works or activities that have a positive consequence or negative, direct or indirect, to affect life in general, biodiversity, quality or quantity of natural or environmental resources and their use, well-being, health, personal safety, habits and customs, cultural heritage or legitimate livelihoods.

k. Institution: Institution of the financial system.

l. Exclusion List: List of activities or matters to which the institution has decided not to provide financing or operations, as the projects investment are not aligned with the SA strategic objectives defined by it institution.

m. Action Plan AS: Document containing details of protective measures, corrective or mitigating negative impacts that are expected to be carried out by the client; as well as the compensation and indemnities provided, for example: in case of displacement of people; of surveillance methods and instruments, monitoring and control to be used, as well as other forecasts that are added in the current regulations. This plan must be prepared by the institution, detailing in the same the conditions, requirements, dates of presentation and methods of verification of compliance with the requirements that are established.

n. Risk Management Policy AS: Defines the environmental objectives and principles and that guide the institution's actions within the framework of operations financial. Said Policy must be documented and approved by the Board of Directors.

o. Investment Project: Plan to which capital and material inputs are assigned, human and technical, in order to generate a benefit or economic performance to a certain term, which due to its size or intensity is likely to cause environmental or social impacts.

Environmental and Social Risk or AS Risk: Probability of adverse effects due to environmental or social situations related to the development of investment projects or customer activity that may significantly impact the system economic, social or environmental.

p. AS Risk Analysis System (SARAS): Set of policies, mechanisms, tools, resources and procedures that the institution must design and approve to an effective and timely process of identification, evaluation, mitigation, monitoring and
control of environmental and social risk generated by customers in their activities with sustainable development approach, in order to minimize the chances of that the institutions assume losses in their operations due to deficiencies in the AS client management; as well as, to mitigate adverse impacts on people and in the environment. This system must be approved by the Institution's Board of Directors.

Article 4.- Transversality of AS Risk
The management of environmental and social risk must be considered by the institution of the system. financial in an integral and transversal way to the rest of the risks inherent to the activity financial, considering within them, the credit, operational, liquidity and reputational. This transversality will reduce direct or indirect risks to the institution within the framework of a financial operation.

Article 5.- Financial Operations Subject to Risk Management AS
Credit operations, which are subject to the provisions of this Standard, are subject to regardless of its amount, due to the activity of the client or the activity of the investment being financed, have significant environmental or social impacts, and are material or of significant importance to the institution, as well as the goods received as collateral for the aforementioned operations. The level of significance or materiality must be established in the environmental and social risk management policy approved by the supervised institution. For these purposes, the institution may consider the guidelines indicated in Annex No. 1 of this Standard. Excepted from the application of the provisions contained in this Standard, the personal credit operations, at the level of housing and consumer loans, including credit cards.

CHAPTER II
OF THE MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISK

CIRCULAR CNBS No.028 / 2020

Page 6

National Commission of Banks and Insurance
Tegucigalpa, MDC Honduras

Article 6.- Environmental and Social Risk Management System (SARAS)
In order to manage the exposure of the Institutions to the AS risk of their clients, the ESMS must include the following aspects:

to. Definition of the objectives of the AS Policy and the commitment of the Board of Directors so that the Senior Management implement the necessary mechanisms in order to mitigate the effects adverse risk AS.

b. Verification of compliance with the requirements in environmental, social, and health, safety and work, among others, established by treaties or conventions ratified by the country, national laws at the central government level or the municipalities and those required by contractual relationships.

c. The procedures and criteria for systematically identifying, evaluating and managing the AS risk associated with the client, performing the client verification on the lists of exclusion administered or managed by the institution, as well as the categorization of
transactions based on your risk AS.
d. Training and orientation to personnel in all areas involved in the
institution, so that it understands the potential impact of the AS risk and of that
way to manage them in operational terms.
and. Procedures to verify the mitigation measures to be applied or implemented by
their clients and their documentary support.

Article 7.- Basic elements of SARAS
The following are considered basic elements of SARAS:
to. Risk Management Policy AS;
b. Functions and responsibilities;
c. AS Procedures Manual; and,
d. Risk Management Reports AS.

Article 8.- AS Risk Management Policy
The AS policy must be in writing and be approved and endorsed by the Board of Directors,
including the following aspects:
to. Establish the vision and mission regarding the environment, society and its
contributions to sustainable development, aligning its strategic objectives AS, and
when it corresponds to the offering of new products that address sustainability
ACE;
b. The institution's commitment to integrate SA considerations into its activities,
as well as contributions to sustainable development;
c. Investment projects or operations that will not be objects of financing;
d. Define AS requirements applicable to clients such as compliance with
national norms or international standards related to the AS area;
and. The role or complementary functions of the business area in risk management AS or
other areas involved; Y,
F. Dissemination of AS expectations to all staff, clients and other external parties
stakeholders, as well as ongoing training to facilitate AS risk management.

Article 9.- Functions and Responsibilities
The ESMS designed and implemented by the institution must establish functions and
responsibility at the following levels:

to. Directory;
b. Senior Management;
c. Unit or Officer in Charge AS; Y,
d. Internal audit.

Article 10.- Functions and Responsibilities of the Board of Directors
The Board of Directors is responsible for ensuring that the Institution has an adequate strategy for
risk management AS, for this it will have the following responsibilities:
1. Approve the implementation of an adequate framework to manage AS risks, taking into account the size and complexity of its operations, the annual review periodicity or each time they occur, in the opinion of the Institution, relevant facts or situations regarding this risk.

2. Approve the AS Policy and the AS procedures manual, which allow to identify, assess, monitor, control and mitigate AS risk.

3. Know and approve the report on AS risk management, referred to in Article 16 of this Standard, including the self-evaluation on the effectiveness of SARAS, of conformity to what is indicated in Annex No.2 of this Standard. The Board of Directors may require the presentation of additional or complementary reports at the time he considers it pertinent.

4. Assign the necessary and competent resources for the proper management of the Appropriate SA risks, procedures, methodology and multidisciplinary staff.

5. Approve a structure that ensures the operation, implementation and risk management AS.

6. Approve the credits, according to the approval limits established in the institution, observing the guidelines established in the AS Policy, related to the management of the AS risk.

7. Decide on the suspension, cancellation or early expiration of a credit or operation based on breaches of this Standard, proposed by Senior Management, in accordance with compliance with the provisions of the credit agreement with the client.

Article 11.- Functions and Responsibilities of Senior Management

Regarding the implementation of the appropriate strategy for AS risk management, Senior Management will have the following responsibilities:

1. Make sure reports are prepared and controls are applied to the processes and procedures for the implementation and operation of risk management AS approved by the Board of Directors.

2. Approve the report on AS risk management, including the self-assessment of the effectiveness of SARAS, in accordance with Annex No. 2 of this Standard, prepared by the Unit or Responsible Officer AS, for subsequent presentation and approval by the Board of Directors. This report must be done at least once a year.

3. Approve the policies, processes and procedures necessary for the adequate implementation of the SARAS, considering the proposal developed by the Unit or Responsible Officer AS. These policies, processes and procedures will be presented for discussion and approval by the Board of Directors.

4. Approve the credits, according to the approval limits established in the institution, observing the guidelines established in the AS Policy, related to the management of the AS risk.

5. Verify that the AS Unit or Responsible Officer performs the AS evaluations, according to compliance with the provisions of this Standard and the policies, procedures and
6. Ensure that AS risk management works in coordination with the management of other risks.
7. Report to the Board, at least once a year, the main matters related to with AS risk management.

Article 12.- Functions and Responsibilities of the Unit or Officer in Charge AS Risk
The institution must have a specialized Unit or Official in charge of the AS risk, which will be established based on the size and complexity of your operations credit, this will be subject to the approval of its Board of Directors. AS risk management is inherent to the entire institution and must be carried out from the evaluations and business, so the business and credit approval areas have the obligation of identifying, applying the exclusion list and monitoring. The coordination, evaluation and risk control AS must be in charge of a Unit or Responsible Official, specialized in the matter, who must have independence from the business areas and those that authorize operations, performing their functions and tasks, avoiding performing activities corresponding to other areas that may generate conflicts of interest.

The AS Unit or Responsible Officer will have the following responsibilities:
1. Prepare the draft of the AS Policy and Procedures Manuals, in order to be submitted to the approval of the Board of Directors.
2. Apply the SARAS in the granting of credit and management of operations, in support of the other areas of the institution involved.
3. Assess the SA risks, discuss and propose the SA management measures and monitor the performance of it.
4. Identify the training and dissemination needs for an adequate management of risky.
5. Inform the level of whoever depends on the detection of possible deficiencies that are produce in the application of the policies, processes and procedures of the SARAS and propose the necessary corrections.
6. Perform AS evaluations in accordance with the policy, procedures and manuals approved by the Board of Directors on the matter, as well as follow up on the recommendations on conditionality that are debated in the different Committees of the institution, specifically those related to SA aspects, with the support of the rest of the corresponding areas.
7. Implement the procedures to verify the mitigation measures to be applied or implemented by their clients and their documentary support, with the support of the rest of the areas that apply.
8. Others that Senior Management deems necessary for the development of its functions.

Article 13.- Internal Audit Functions and Responsibilities
The internal audit function should schedule and execute the adequacy assessment and application of policies and procedures for SA Risk management, in accordance with a
risk-based approach, incorporating these activities into the Annual Work Plan of Internal audit.

**Article 14.- AS Procedures Manual**
The AS Procedures Manual must contain at least provisions related to with the following aspects:
to. Exclusion List;
b. Risk Categorization Methodology;
c. The AS Due Diligence procedure;
d. Decision-making authority levels; Y,
and. Monitoring system.

**Article 15.- AS Risk Categorization**
The institution must define a methodology for the categorization of the SA risk to be awarded to the investment project that is financing the client. In this categorization you must consider at least the magnitude of its potential environmental risks and impacts and social, taking into account additional factors such as geographic location, nature of activity, context, capacity, organization, commitment and resources oriented to the AS performance established by the client, using for these purposes the following categories:
1. Category A: Investment projects with potential risks and / or adverse impacts environmental and social significance that are diverse, irreversible, or unprecedented.
2. Category B: Investment projects with potential risks and / or adverse impacts environmental and social constraints, which are few in number, generally located in specific sites, mostly reversible and easily accessible to through mitigation measures; Y,
3. Category C: Investment projects that involve risks and / or environmental impacts and minimal or no adverse social conditions.

The risk category must be evaluated and monitored by the institution, in accordance with to the periodicity established in the policy and in the AS Management Manual, having to do the corresponding adjustments, which must be duly supported.

The categorization is subject to change as new or more information complete justify assigning it a different category than the initial or previous one. Likewise, you must assign trends to the categorizations of: Stable, favorable (lower risk) or unfavorable (higher risk) for a minimum horizon of six (6) months.

**Article 16.- AS Risk Management Report**
The institution must prepare at least once a year a Report on the Management of the Risk AS, which will contain, among others, the following aspects:
to. Risk Categorization AS of your loan portfolio and operations including those with its related parties;
b. Relevant matters on AS Risk;
c. Impacts on portfolios during the last year;
d. Results of the complaints attended by their clients, presented by the parties interested or affected by an investment project;
and. SARAS Self-Assessment; Y,
National Commission of Banks and Insurance
Tegucigalpa, MDC Honduras

F. Other relevant risk events.
The above detailed information must be incorporated into the Comprehensive Risk Management Report in a specific section related to AS risk management.

Article 17.- Integration of SARAS to Credit and Operations Processes
The institution must integrate the SARAS into the entire credit process and operations subject to this Standard, including the collection and analysis of data, functions and responsibilities, expected results and key issues, which must be treated in a way systematic, in the following credit phases:

to. Analysis: In this phase, the scope and nature of the operation must be defined.
financial, verifying the activity within the exclusion list, as well as performing the preliminary classification of your risk level. The latter will determine the AS requirements to be applied during the analysis. This phase must have at least the following scopes:
• Identification of the SA Risk that is generated in the activities or projects of investment of the client, or in the destination of the funds, considering the compliance of the legal provisions and regulations in force, as well as the treaties, international conventions and agreements, according to law.
• Include AS variables or criteria in the process of analysis, granting and credit monitoring, taking into account the magnitude of its impacts and risks, establishing prevention, mitigation, correction or compensation.
• During the customer due diligence process, the nature of
and scope of a client's operations, using information forms AS, checklists and industry guidelines. This activity can range from a minimal documentary control, questionnaires, even field visits, coupled with a thorough evaluation and analysis by technicians subject matter experts. Due diligence actions will be applied in function to the risk categorization carried out by the institution, including the evaluation of international treaties, conventions and agreements that are of compliance according to law, the latter applied especially to customers with higher risk investment activities or projects. For this effects The provisions of Annex 3 of this Standard must be considered.

Based on the review of the aspects referred to in this phase, the institution must determine the requirements and include them in an AS action plan.
b. Approval: The following should be considered in this phase:
• Preparation of an AS action plan, where the actions must be detailed necessary, so that the client meets the AS requirements in a timely manner. required, with their respective deadlines and supporting documentation, when correspond.
• Contracts should include additional clauses with clear provisions on the responsibilities and breaches, both of the client and the institution, in risk management subject AS.
• Compliance reports. Once the credit or operation is approved, it corresponds to the Institution to obtain from the client the periodic information on the compliance with the AS Action Plan according to the established schedule.
National Commission of Banks and Insurance  
Tegucigalpa, MDC Honduras

c. Supervision or Monitoring: The institution must evaluate the existing risks and emergencies associated with the operations during the existence of the relationship, as well as how to verify the client's ongoing compliance with the AS contractual clauses, such as: field visits and documentation verification, among others. The frequency and degree of monitoring will depend on the risk categorization that assign the institution to the client or investment project. In this phase they should be considered the following actions:

• Prepare AS reports on the client, documenting mitigation measures, management and decisions taken during the AS due diligence process with the client, as well as their conclusions and recommendations. Additionally, they must include customer-related AS systematic follow-up issues during the credit or project development process. These reports must join the credit or operation file.
• Evaluate the implementation of any mitigation measures specified in the Action Plan AS.
• Verify the validity of permits, ratings and AS licenses.
• Verify the fines and penalties imposed on the client for non-compliance with the current legal framework.
• Review recent reports issued by the regulator or supervisory authority that confirm compliance with current regulations on environmental matters and Social.
• Review AS facts that include major accidents or incidents associated with the client's operations or their investment project.
• Follow up on the media and social networks, specifically those news related to AS problems of the client or his project of investment.
• Address complaints submitted by interested parties about a client or their investment project.
• Require the client an AS action plan, reports or intensify monitoring and its depth, either by the client, supervision by independent third parties or regulatory authorities.

Article 18.- Aspect to Include in Credit Contracts associated with AS Risk

The credit agreements associated with the credit operations of the clients to whom SARAS is applied to them, they must contain clauses related to the obligations assumed by the client in AS matters, which at least will be the following:

a. Comply with the requirements established in environmental and social regulations, as well as international treaties, conventions and agreements that are strictly compliance according to Law, as well as with the parameters adopted by the institution for the implementation of the SARA.

b. Present to the institution all the information necessary for the development of the proper environmental and social diligence of its activities, as well as supporting documentation for the requirements established in the AS action plan for its monitoring and
tracing.
c. Comply with the AS Action Plan, agreed between the client and the institution.

d. Allow the institution free access to all facilities to validate the information, fulfillment of plans and carry out the field evaluations that this consider necessary.

and. Comply with the terms and conditions of the permits granted.

F. Authorize the institution to declare the loan or operation overdue in advance based on the risk level of the client or investment project, detailing the causes of this early cancellation.

g. In the case of projects with Risk category AS “A”, the client must demand and verify that its main suppliers apply best AS practices, being authorized the institution to require the necessary information for its validation, such as contracts between client and supplier, or others that are considered necessary, and must include this power in the credit agreements between the institution and the client. When Projects have a Risk category AS “B” or “C”, it is at the discretion of the institution the application of this literal.

CHAPTER III
OF THE FINAL AND TRANSITIONAL PROVISIONS

Article 19.- Information reports
Institutions must submit, no later than January 31 of each year, the Report of AS Risk Management, referred to in Article 16 of this Standard, attaching the Certification of the Minute Point of the Board Meeting where it was approved said report.

The Commission, by means of a Circular issued by the corresponding technical area, will establish the information requirements related to credit operations to which they are apply the SARAS, including the reporting medium and its periodicity.

Article 20.- Supervision
The Commission, through its technical bodies, will evaluate the degree of compliance with the institutions on the provisions contained in this Standard, requiring in turn the corresponding corrective actions to guarantee efficient risk management ACE.

Article 21.- Deadline for Implementation
Institutions must comply with the provisions contained in this Standard in a maximum term of twenty-four (24) months, counted as of January 1, 2021, executing the following activities within the terms detailed below:
National Commission of Banks and Insurance
Tegucigalpa, MDC Honduras

The Commission, when it deems it necessary, will require the institutions subject to the this Standard, the presentation of the evidence through which it can be verified the fulfillment of each one of the activities within the indicated deadlines.

two. The provisions indicated in this Standard will be applicable to the new credit operations granted, once the established implementation period has expired in Article 21 of the Standard contained in this Resolution. The above, without prejudice to consider the current loan portfolio for the purposes of evaluating and assigning the risk category, referred to in Article 15 of this same Standard.

3. To instruct the General Secretariat of this Commission to forward this Resolution to the Administrative Management so that it may send it to the Official Gazette La Gaceta, for purposes of its publication.

Four. Communicate this Resolution to the Institutions of the Financial System, for the corresponding legal effects.

5. Communicate this Resolution to the Superintendency of Banks and Other Institutions and to the Risk Management, for the corresponding effects.

6. This Resolution will enter into force as of its publication in the Official Gazette La Gazette. ... It is approved unanimously. ... F) ETHEL DERAS IN LOVE, Chairwoman; JOSÉ ADONIS LAVARE FUENTES, Owner Commissioner; EVASIO A. ASENCCIO, Owner Commissioner; MAURA JAQUELINE PORTILLO G. , Secretary General”.

Digitally signed
by MAURA JAQUELINE PORTILLO G.
Date: 2020.08.03
14:45:17 -06'00'

MAURA JAQUELINE PORTILLO G.
General Secretary