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Montevideo, June 7th 2013

CIRCULAR N° 2145

Ref: Reserve Requirement to increase holdings of Central Bank and Central Government Securities by non-residents.

We hereby inform you that the Central Bank has adopted the resolution, dated June 7, 2013, which is reproduced below:

1) INCORPORATE to the Rules of Operations BOOK XV- RESERVE REQUIREMENT REGIME REGARDING THE INCREASE IN THE HOLDINGS BY NON RESIDENTS OF CENTRAL BANK SECURITIES.

2) INCORPORATE to BOOK XV of the Rules of Operations the following articles 180, 181, 182, 183, 184 and 185, which shall be drafted as follows:

Article 180 (APPLICABLE REGIME) All individuals or legal entities holding an account in the Uruguayan Central Bank of securities issued by this institution, corresponding to non resident clients, will be subject to the provisions set forth in this Chapter.

Article 181 (FROZENING OF FUNDS OVER THE HOLDING OF SECURITIES OF NON RESIDENTS IN LOCAL CURRENCY ISSUED BY THE CENTRAL BANK OF URUGUAY AND/OR THE CENTRAL GOVERNMENT IN THE LOCAL MARKET) All individuals or legal entities that operate accounts of securities of non residents in local currency issued by the Central Bank of Uruguay and/or the Central Government in local currency, shall maintain funds frozen up to an amount of **no less than 50%** of the daily average (including non- business days) of the securities held in local currency in the calendar month before last¹ that exceeds **the balance of August 16th 2012 for Central Bank securities and of June 07th 2013 for the Central Government securities.** For all purposes face value of securities will be considered.

Article 182 (FROZENING OF FUNDS OVER THE HOLDING OF SECURITIES OF NON RESIDENTS IN INDEX UNITS ISSUED BY THE CENTRAL BANK OF URUGUAY AND/OR CENTRAL GOVERNMENT IN THE LOCAL MARKET).- All individuals or legal entities that operate accounts of securities of non residents in Indexed Units issued by the Central Bank of Uruguay and/or Central Government securities in Index Units, shall maintain funds frozen up to an amount of

¹ For the computation of the marginal reserves of August it will be compared the average of June 07th to June 30th (including non-business days) with the balance of the 7th day of the respective month.

no less than 50% of the daily average (including non- business days) of the securities hold in Index Units in the calendar month before last² that exceeds **the balance of August 16th 2012 for Central Bank securities and of June 07th 2013 for the Central Government securities**. For all purposes face value of securities will be considered.

Article 183 (REAL COMPUTATION OF THE RESERVE REQUIREMENT OVER THE HOLDING OF SECURITIES OF NON RESIDENTS IN LOCAL CURRENCY ISSUED BY THE CENTRAL BANK AND/OR THE CENTRAL GOVERNMENT). The Reserve Requirement referred to in article 181 shall be deposited in a fixed term deposit in local currency in a special account established for such purposes in the Central Bank of Uruguay, according to instructions to be issued.

The deposits constituted in the Central Bank of Uruguay, which shall be of the exclusive property of the institution and be free from all attachments, shall be considered for the available balances, registered by such institution at the end of each day.

Article 184 (REAL COMPUTATION OF THE RESERVE REQUIREMENT OVER THE HOLDING OF SECURITIES OF NON RESIDENTS IN INDEX UNITS ISSUED BY THE CENTRAL BANK AND /OR CENTRAL GOVERNMENT). The Reserve Requirement referred to in article 182 shall be deposited in a fixed term deposit in local currency in a special account established for such purposes in the Central Bank of Uruguay, according to instructions to be issued.

The deposits constituted in the Central Bank of Uruguay, which shall be of the exclusive property of the institution and be free from all attachments, shall be considered for the available balances, registered by such institution at the end of each day.

Article 185 (METHOD TO ESTABLISH THE STATUS OF RESERVE REQUIREMENT HOLDING SECURITIES OF NON-RESIDENTS IN LOCAL CURRENCY OR INDEX UNITS ISSUED BY THE CENTRAL BANK AND/OR CENTRAL GOVERNMENT) The status of the Reserve Requirement over the holding of securities of non-residents issued by the Central Bank of Uruguay in local currency or indexed units shall be established according to the daily average during the respective month. For this purpose non business days will be considered.

The surplus or deficit of Reserve Requirement will be determined by the difference between the daily average of the fixed term deposit made in a special account and the daily average of the obligation.

2) INCORPORATE to BOOK XV of the Rules of Operations the article 184, which shall be drafted as follows:

² For the computation of the marginal reserves of August it will be compared the average of June 07th to June 30th (including non-business days) with the balance of the 7th day of the respective month.

Article 186 (PROHIBITION). All individuals or legal entities holding an account in the Uruguayan Central Bank of securities issued by this institution and/ or the Central Government in the local market, corresponding to nonresident clients, shall not request to its clients or to the institutions that they are receiving these securities in custody, Reserve Requirement according to the regimen applicable in the articles 180 and thereof of this Rule, when the average of the overall securities held for the Central Bank and/or the Central Government at the calendar month before last, is lower than the aggregate balance as of August 16th, 2012 for the Central Bank securities and as of 07th of June 2013 for the Central Government securities.

3) **INCORPORATE** to BOOK XIII of the Rules of Operations the article 166.4, which shall be drafted as follows:

Article 166.4 (FINES DUE TO LACK OF RESERVE REQUIREMENT IN ARTICLE 186): Failure to comply with the article 186 of Rules of Operation, shall be punished with a fine of 3 o/oo (three per thousand) applied to minimum capital of banks.

4) **INDICATE** that this resolution will become in force as from August 1st, 2013.