

DECREE N ° 57
THE LEGISLATIVE ASSEMBLY OF THE REPUBLIC OF EL SALVADOR.

CONSIDERING:

- I. In accordance with article 102 of the Constitution of the Republic, the State is under the obligation to promote and protect private initiative, generating the necessary conditions to increase national riches for the benefit of the greatest number of citizens.
- II. Under Legislative Decree No. 201, of November 30 of the year 2000, published in Official Journal No. 241, Volume 349, dated December 22, of the year 2000, the dollar of the United States of America was adopted as legal tender.
- III. Approximately seventy percent of the citizens does not have access to traditional financial services.
- IV. It is the obligation of the State to facilitate the financial inclusion of its citizens in order to better guarantee their rights.
- V. In order to promote the economic growth of the country, it is necessary to authorize the circulation of a digital currency whose value comply with exclusively free market standards, in order to increase national riches for the benefit of the greatest number of citizens.
- VI. According to the previous considerations, it is essential to issue the basic rules that will regulate the legal course of bitcoin.

THEREFORE,

In use of its constitutional powers and at the initiative of the President of the Republic, through the Minister of Economy.

DECREES the following:

BITCOIN LAW

CHAPTER I GENERAL DISPOSITION

Article 1

The purpose of this law is to regulate bitcoin as legal tender, unrestricted with release power, unlimited in any transaction and to any title that the person, natural or legal, public or private, needs to be carried out.

What is mentioned in the previous paragraph is without prejudice to the application of the Monetary Integration Law.

Article 2

The exchange rate between bitcoin and the dollar of the United States of America, from now on dollar, will be freely established by the market.

Article 3

All prices may be expressed in bitcoin.

Article 4

All tax contributions may be paid in bitcoin.

Article 5

Exchanges in bitcoin will not be subject to capital gains taxes like any legal tender.

Article 6

For accounting purposes, the dollar will be used as the currency of reference.

Article 7

Every economic agent must accept bitcoin as a form of payment when it is offered to him by whoever acquires a good or service.

Article 8

Without prejudice to the actions of the private sector, the State will provide alternatives that allow the user to carry out transactions in bitcoin, as well as

having automatic and instantaneous convertibility from bitcoin to dollar if desired. The State will promote the necessary training and mechanisms so that the citizens can access bitcoin transactions.

Article 9

The limitations and operation of the alternatives of automatic and instantaneous conversion from bitcoin to dollar provided by the State will be specified in the Regulations issued for this purpose.

Article 10

The Executive Branch shall create the necessary institutional structure for the purposes of applying this law.

CHAPTER II FINAL AND TRANSITIONAL PROVISIONS

Article 11

The Central Reserve Bank and the Superintendence of the Financial System shall issue the corresponding regulations within the period mentioned in article 16 of this law.

Article 12

Those who by notorious fact and evidently do not have access to technologies that allow transactions in bitcoin are excluded from the obligation expressed in article 7 of this law. The State will promote the necessary training and mechanisms so that the citizens can access bitcoin transactions.

Article 13

All obligations in money expressed in dollars, existing prior to the effective date of this law, may be paid in bitcoin.

Article 14

Before the entry into force of this law, the State will guarantee, through the creation of an escrow in the Development Bank of El Salvador "BANDESAL", the

automatic and instantaneous convertibility of bitcoin to dollar of the alternatives provided by the State mentioned in article 8 of this law.

Article 15

This law will have a special character in its application with respect to other laws that regulate the matter, being abolished any provision that contradicts it.

Article 16

This decree will take effect ninety days after its publication in the Official Journal.

AGREED IN THE BLUE ROOM OF THE LEGISLATIVE PALACE: San Salvador, on the eighth day of the month of June of the year two thousand twenty-one.