DECREE NO. 57

THE LEGISLATIVE ASSEMBLY OF THE REPUBLIC OF EL SALVADOR,

WHEREAS:

I. - Article 102 of the Constitution of the Republic establishes that the State has the obligation to promote and protect private initiative, generating the necessary conditions to increase national wealth for the benefit of the greatest number of inhabitants.

II. - Legislative Decree No. 201, dated November 30, 2000, published in the Official Gazette No. 241, Volume 349, dated December 22, 2000, adopted the United States Dollar as legal tender.

III. - Approximately seventy percent of the population do not have access to traditional financial services.

IV. - It is the State's obligation to facilitate the financial inclusion of its citizens in order to guarantee their rights.

V. - The authorization of the circulation of digital currency, whose value obeys exclusively to free market criteria, is necessary to promote the economic growth of the country and to increase the national wealth for the benefit of the greatest number of inhabitants.

VI. - In accordance with the foregoing considerations, it is indispensable 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 *Ministerio de Economía.*

DECREES the following:

BITCOIN LAW

CHAPTER I
GENERAL PROVISIONS

Art. 1.- The purpose of this Law is to regulate Bitcoin as legal tender, with unrestricted liberating power and unlimited use in any transaction and for any purpose that natural or legal persons, whether public or private, may require.

The provisions of the preceding paragraph shall be without prejudice to the application of the Law of Monetary Integration.

Art. 2.- The exchange rate between the Bitcoin and the United States Dollar, hereinafter referred to as Dollar, shall be freely established by the market.

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Art. 3.- All prices may be expressed in Bitcoin.

Art. 4.- All tax contributions may be paid in Bitcoin.

Art. 5.- Exchanges in Bitcoin shall not be subject to capital gains tax, just as any other legal tender.

Art. 6.- For accounting purposes, the Dollar shall be used as the reference currency.

Art. 7.- Every economic agent shall accept Bitcoin as a form of payment when offered by the person acquiring a good or service.

Art. 8.- Without prejudice to the actions of the private sector, the State shall provide alternatives that allow the user to carry out transactions in Bitcoin, as well as ensure automatic and instant convertibility from Bitcoin to Dollar if desired. The State should promote training and the necessary mechanisms to facilitate the population's access to Bitcoin transactions.

Art. 9.- The limitations and operational details of the automatic and instant Bitcoin-to-Dollar conversion alternatives provided by the State shall be specified in the corresponding regulations issued for this purpose.

Art. 10.- The Executive Branch shall create the institutional structure necessary for the implementation of this Law.

CHAPTER II
FINAL AND TRANSITORY PROVISIONS

Art. 11.- The *Banco Central de Reserva* and *Superintendencia del Sistema Financiero* shall issue the corresponding regulations within the period mentioned in Article 16 of this Law.

Art. 12.- Those who, due to an evident and notorious fact, do not have access to the technologies necessary to conduct Bitcoin transactions, are exempt from the obligation stated in Article 7 of this Law. The State shall promote training and the necessary mechanisms to enable the population to access Bitcoin transactions.

Art. 13.- All monetary obligations expressed in Dollars, existing prior to the effective date of this Law, may be paid in Bitcoin.

Art. 14.- Before the entry into force of this Law, the State shall guarantee, through the creation of a trust in the *Banco de Desarrollo de El Salvador* (BANDESAL), the automatic and instant convertibility of Bitcoin to Dollar for the alternatives provided by the State mentioned in Article 8 of this Law.

Art. 15.- This Law shall have special application in relation to other laws regulating the subject matter, and any provision contrary to it shall be repealed.

Art. 16.- This Decree shall enter into force ninety days after its publication in the Official Gazette

GIVEN IN THE BLUE ROOM OF THE LEGISLATIVE PALACE: San Salvador, on the eighth

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day of the month of June of two thousand twenty-one.

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ERNESTO ALFREDO CASTRO ALDANA,
PRESIDENT.

SUECY BEVERLEY CALLEJAS ESTRADA,
FIRST VICE PRESIDENT

RODRIGO JAVIER AYALA CLAROS,
SECOND VICE PRESIDENT.

GUILLERMO ANTONIO GALLEGOS NAVARRETE,
THIRD VICE PRESIDENT.

ELISA MARCELA ROSALES RAMÍREZ,
FIRST SECRETARY.

NUMAN POMPILIO SALGADO GARCÍA,
SECOND SECRETARY.

JOSÉ SERAFÍN ORANTES RODRÍGUEZ,
THIRD SECRETARY.

REINALDO ALCIDES CARBALLO CARBALLO,
FOURTH SECRETARY.

PRESIDENTIAL HOUSE: San Salvador, on the ninth day of June of two thousand twenty-one.

PUBLISH,
Nayib Armando Bukele Ortez,
President of the Republic.

Maria Luisa Hayem Brevé,
Minister of Economy

D. O. N° 110
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GH/nr
14-06-2021

RELATED PROVISION:

- LAW **ON THE CREATION OF THE BITCOIN TRUST.** LEGISLATIVE DECREE NO. 137, AUGUST 31, 2021; O.D. NO. 165, T. 432, AUGUST 31, 2021.

GM
06/09/21

GLOSARY:

1. **Banco Central de Reserva:** Central Reserve Bank
2. **Banco de Desarrollo de El Salvador:** Development Bank of El Salvador
3. **Ministerio de Economía:** Ministry of Economy
4. **Superintendencia del Sistema Financiero:** Superintendence of the Financial System