

Brazil and Uruguay Agree to Bilateral Trade in Local Currencies



Lima, November 4 (RHC-Mercopress) -- As of December, Brazil and Uruguay will be able to use local currencies in bilateral trade disregarding US dollars, based on the agreement signed last Friday between the central bank presidents of the two countries, Alexandre Tombini (Brazil) and Alberto Graña (Uruguay).

The accord signing ceremony took place in Lima, Peru during the XXVIII meeting of South America central bank presidents, held in Lima under the framework of the “Local Currencies Payment System” (SPML), which is a bilateral agreement and enables them to make and collect payments in local currencies.

The idea is for the system to be extended to other countries, but the starting point is bilateral. The purpose of the initiative is to reduce transaction costs, minimize the time spent in processing operations and facilitate financial inclusion for physical persons and small and medium sized companies.

The system “is extended to goods, services and expense-related operations, as well as payment of service operations, unilateral transfers such as old age pensions and remittances”.

The SPML system, operational as of next month, was first proposed in Uruguay at the end of 2008 by the country's Exporters Union.

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