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Last modified Thursday the 14th of March, 2013

The Second Kemmerer Commission. Law 82 of 1931 modified the composition of the Bank’s Board of Directors by means of the incorporation of representatives from the National Federation of Coffee Producers (Federación Nacional de Cafeteros) and from Chambers of Commerce as well as formalising the participation of the Minister of Finance. Foreign exchange control was implemented in order to regulate transactions with the rest of the world. In specific terms, the national currency exchange rate for foreign currencies was regulated and a decision was taken that any external payment must be authorised by the Issuing Bank. These resolutions contributed to the intensification of the Bank’s involvement as regulator of monetary operations, both for national currency and foreign currencies.

In September of 1931, England dismantled the gold standard linked with the Sterling pound which, at that time was the international currency of reference. In order to avoid depletion of its gold reserves, the Government temporarily suspended trade with gold and the conversion of currency into gold whilst establishing control of transactions with the rest of the world. It was also determined that the Banco de la República should exercise a monopoly over the buying and selling of gold and foreign currency, functions related to the management of the country’s international reserves.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/node/22650