



COMISIÓN NACIONAL DE
ACTIVOS DIGITALES

THE NATIONAL COMMISSION OF DIGITAL ASSETS

CONSIDERING:

1. That by means of Legislative Decree No. 643 dated January eleventh, 2023, published in the Official Gazette No.653, Volume No. 438, of the 24th of that same month and year, the Law of Issuance of Digital Assets of El Salvador was issued;
2. That by means of Art. 6 of said Law, the National Commission of Digital Assets is created, as an institution of public law with legal personality and its own assets, of a technical nature, with economic, financial and administrative autonomy, for the exercise of the attributions and duties stipulated in this Law and in the rest of the applicable common legislation;
3. That, as provided in Art. 9, letter o), of the Law Issuance of Digital Assets, it is its attribution: to dictate norms and technical standards, as well as guides and instructions, applicable to this Law and its regulations;
4. That, according to the provisions of Art. 23, second paragraph, Art. 24, final paragraph, and Art. 25, final paragraph, it is the power of the Commission to issue these regulations;
5. That, according to the provisions of Article 31, the offerings of digital assets or their derivatives that are made privately are excluded from the provisions of the Law of Issuance of Digital Assets related to public offerings;
6. That for the application of the Law referred to in the preceding recital, it is indispensable to establish a regulatory norm that develops the necessary aspects to facilitate its application and therefore it is necessary to issue a regulation for public and private offerings using digital asset;
7. The present regulation addresses the guidelines that, The Law of Issuance of Digital Assets of El Salvador, determines to carry out public and private offerings of digital assets..



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REGULATION OF REGISTRATION OF ISSUERS AND PUBLIC AND PRIVATE ISSUANCES

Sole Chapter

Object, Scope of Application and Definitions

Objet

Art. 1.- The purpose of these Regulations is the execution and development of the provisions contained in the "Law of Issuance of Digital Assets" regarding the issuance of public offerings using digital assets established in said Law, which are as follows:

- a) Transparency and information requirements in regards to the issuance;
- b) Process and requirements for the qualification, suspension and cancellation of the issuance of public offerings;
- c) Rules for the protection of acquirers of digital assets in connection with the issuance, trading, disposal and custody of digital assets.

Scope of application

Art. 2.- This regulation shall apply to the State and its agencies, autonomous institutions, natural persons and legal entities of any nature that carry out public offerings that use digital assets; as well as the acquirers of digital assets, whether natural or legal persons.

Also subject to these regulations are the certifiers and other natural or legal persons that perform tasks that contribute to the issuance of digital assets.

Definitions

Art. 3.- For the purposes of these regulations, the following definitions shall be used:

- a) Conflicto de Interés: A situation in which the judgment of an individual, concerning his primary responsibility, and the integrity of an action may be unduly influenced by an economic, labor, personal, professional or family interest, contrary to the obligations that correspond to him according to the functions he performs and that may generate an economic impact on the equity of the shareholders or the clients or users;



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- b) **Convertibility:** It is the quality of a digital asset that consists of being exchanged for another digital asset or for fiat money.
- c) **Custody and Administration of Digital Assets on behalf of third parties:** It is the safekeeping or control, on behalf of third parties, of digital assets or of the means of access to such digital assets, which may be in the form of private cryptographic keys;
- d) **Fiduciary Money:** It is the paper money backed and issued by the central bank of any government;
- e) **Commercial Functionality:** These are the advantages that the issued digital asset offers to the acquirer, such as interchangeability with other digital assets, dividend payments, yields or income and complementarity with other digital assets;
- f) **Technical Functionality:** It is the set of computer and digital elements that determine how the digital asset operates and interacts in the Distributed Ledger Technology and particularly, with respect to the platforms and digital wallets of the digital asset service providers and acquirers;
- g) **Governance:** it is the set of objectives, internal rules and provisions, organizational structure and decision-making processes of the issuer or the acquirers of governance tokens;
- h) **Group of Companies:** Refers to all domiciled and non-domiciled legal entities, regardless of their line of business, which are under the control of the same owner or owner;
- i) **Inside Information:** Is any information that has not been made public, referring directly or indirectly to one or several issuers of digital assets or about one or several digital assets, and which, if made public, could have a relevant influence on the prices of such digital assets;
- j) **Free Competition:** Is the system in which the prices of goods and services, tangible and intangible, including digital assets, are established by the free consent of those involved in the commercial exchange and are determined by the laws of supply and demand;



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- k) LRU or Uniform Resource Locator (better known by the acronym URL, from the English Uniform Resource Locator): It is a string of characters with which a unique address is assigned to each of the information resources available on the Internet;
- l) Digital Platforms: Digital infrastructures that allow two or more acquirers to interact and exchange digital assets for other digital assets or for fiat money;
- m) Reserves: Funds or assets that the issuing entity has available to meet its obligations with acquirers;
- n) Exchange Rate: Consists of an indicator that establishes a proportional relationship between two different currencies, i.e., how much of one is fairly equivalent to a certain amount of the other, and vice-versa;
- o) Transfer Fee: Consists of a small fee that can be added to transactions sent through a blockchain to ensure that they are carried out quickly and effectively;
- p) Governance Token: Refers to a digital asset that has voting rights with respect to the modification of the protocols, rules and governance system of an issue or of a platform or digital wallet that uses the Distributed Registration Technology system, or a similar or analogous technology;
- q) Terms and Conditions: It is a contract by adherence that establishes the rights and obligations that govern the contractual relationship between an issuer of public offerings and the acquirers, which shall be understood as accepted at the moment of making the purchase or acquisition of the digital assets issued.

Application and information for the registration of issuers

Art. 4.- Entities interested in becoming issuers of Digital Assets must apply for registration with the CNAD.

For authorization to be entered in the Register of Issuers of Digital Assets, the legal representative or attorney-in-fact of the interested entity shall submit an application to the CNAD, accompanied by the following documentation:



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- a) Affidavit of the issuer, in the case of a natural person, or of its legal representative or attorney-in-fact of the issuer, in the case of a legal person, executed before a Notary Public, stating that the information provided to the CNAD and accompanying the application for registration as an issuer of digital assets is true, accurate and complete. Likewise, the commitment to keep the information before the CNAD updated at all times;
- b) In the case of a legal entity, provide a general description of its business or usual line of business, domicile and include a copy of the issuer's articles of incorporation, its amendments, if any, registered in the Commercial Registry, as well as the bylaws in force, if any, duly filed in the corresponding registry or, if applicable, the legislative decree of creation;
- c) In the case of a legal entity, a list of the partners, associates or shareholders, with their participation in the capital of the company, the type and number of the current identity document and Tax Identification Number, if applicable. Said list must contain updated information as of the date of presentation of the application, as well as a copy of the current identity document and Tax Identification Number of the persons whose participation is equal to or greater than ten percent of the issuer's capital stock. In case the shareholder is a company, the information of the last beneficiary must be submitted, unless the company is listed in an organized and regulated stock market, for which this requirement is not necessary.;
- d) In the case of a legal entity, a list of the issuer's directors, indicating the type and number of their identity document, Tax Identification Number, as well as a copy of the credentials of the Board of Directors, administrative representatives and directors, indicating the respective period of functions, duly registered in the corresponding registry, attaching a copy of the current identity document, Tax Identification Number and curriculum vitae showing the professional or business experience of each of the members of the board of directors;
- e) In individual cases, the full name, number of the ID, resident card or passport, and domicile;
- f) In the case of a natural person, list of the administrators of its business, type and number of identity card or passport and Tax Identification Number of each one of them;
- g) Audited financial statements of the issuer, corresponding to the last three fiscal years prior to the request, by an external auditor. In the case of issuers that have been in existence for less than three years, they must submit the audited financial statements that they have as of the date of the application.



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- h) Copy of the issuer's Tax Identification Number;
- i) Indicate the URL of its main website;
- j) Clearly identify which are the jurisdictions, countries or territories where they carry out their operations;
- k) Provide a list of the digital assets they have issued in public offerings.

In the application, the issuer shall establish the place to receive notifications and the designation of the persons commissioned for such purpose, including at least the information of their telephone number, email and address. Any change or update to the information provided for registration must be sent to the NADC no later than ten (10) business days after the change or update. The documentation related to this application is confidential. The process of registration as an issuer and issuance may be carried out simultaneously.

In the case of the Ministry of Finance, the Central Reserve Bank and Autonomous Entities that wish to issue, the registration requirement will be fulfilled with a request expressing their interest in being part of the issuers' registry.

Application and information for the registration of emissions made by natural or legal persons

Art. 5.- Natural and legal persons interested in requesting the qualification of a public offering issue of digital assets must apply for registration with the CNAD. For such purposes, the issuer must submit to the CNAD an application accompanied by the following documentation:

- a) D Affidavit of the issuer, in the case of a natural person, or of its legal representative or attorney-in-fact, in the case of a legal person, executed before a Notary Public, stating that the information provided accompanying the application for its registration of the issue is true, accurate and complete. Likewise, the commitment to maintain, at all times, the information updated before the CNAD and to provide the information required by the Law;



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- b) Certification of the resolution of the Board of Directors or of the competent authority, which authorized the issuance. Said certification must be signed by the person empowered for such purposes;
- c) Report of the certifier of the emission;
- d) Any document produced on the emission that describes the fundamental aspects of the latter;
- e) The quotation label or quotation code to be used to identify the emission in an abbreviated form, if applicable;
- f) The digital platforms where the emissions will be listed, advertised or traded;
- g) Drafts of the contracts relevant to the transaction;
- h) All smart contract addresses associated with the issue (if applicable);
- i)) If available, documentation certifying that the developer has carried out an audit process of the smart contracts. In case of not having this audit, this fact must be clearly and precisely disclosed in the risk section of the issue's Relevant Information Document;
- j) Draft of the Relevant Information Document of the issue, according to the type of digital asset to be used, including at least the content defined in Annex A of this regulation;
- k) When the emission is guaranteed with a certain type of surety or coverage, the documents proving its existence must be submitted, and in case of real estate, an appraisal of the property must also be submitted and comply with the requirements set forth in Annex D of these regulations;
- l) Full name, ID or passport number, Tax Identification Number or its equivalent, address or domicile of the relevant natural or legal persons participating in the execution of the project or in the management of the funds, whether as advisors, development team, including software programmers or digital asset service providers.



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Application and information for the registration of emissions made by autonomous entities without sovereign guaranty

Art. 6.- Autonomous entities that will issue without sovereign guarantee, interested in requesting the qualification of a public offering emission of digital assets must apply for registration with the CNAD. For such purposes, the issuer must submit to the CNAD an application accompanied by the following documentation:

- a) Affidavit of the issuer executed before a notary, stating that the information provided with the application for registration of the emission is true, accurate and complete. Likewise, the commitment to maintain, at all times, updated information before the CNAD and to provide the information required by the Law;
- b) Certification of the resolution of the Board of Directors or of the competent authority, which authorized the issuance. Said certification must be signed by the person empowered for such purposes;
- c) Report of the certifier of the emission;
- d) Any document produced on the emission that describes the fundamental aspects of the latter;
- e) The quotation label or quotation code to be used to identify the issue in abbreviated form, if applicable;
- f) The digital platforms where the emissions will be listed, advertised or traded;
- g) Drafts of the contracts relevant to the transaction;
- h) All smart contract addresses associated with the emission (if applicable);
- i)) If available, documentation certifying that the developer has conducted a smart contract audit process. In case of not having this audit, this fact must be clearly and precisely disclosed in the risk section of the issue of the Relevant Information Document;

- j) Draft of the Relevant Information Document of the emission, according to the type of digital asset to be used, including at least the content defined in Annex B of these regulations;
- k) When the emission is guaranteed with a certain type of surety or coverage, the documents that prove its existence must be submitted, and in case of real estate, an appraisal of the property must also be submitted;
- l) Full name, ID or passport number, Tax Identification Number or its equivalent, address or domicile of the relevant natural or legal persons participating in the execution of the project or in the management of the funds, whether as advisors, development team, including software programmers or digital asset service providers.

Application and information for the registration of sovereign emissions

Art. 7.- In case of emissions made by the Ministry of Finance or the Central Reserve Bank or Autonomous Entities with sovereign guarantee, the registration requirement shall be fulfilled with an application expressing the interest in registering a public offering emission of digital assets and attaching the following:

- a) The decree of approval of the Legislative Assembly, if applicable
- b) Certification of the resolution of the Board of Directors or of the competent authority, which authorized the issuance. Said certification must be signed by the person empowered for such purposes;
- c) Report of the certifier of the emisión
- d) Any document produced on the issue that describes the fundamental aspects of it;
- e) Relevant Information Document for sovereign issues established in Annex C of these regulations;
- f) The quotation label or quotation code to be used to identify the emission in abbreviated form, if applicable;
- g) The digital platforms where the emissions will be listed, advertised or traded;
- h) All smart contract addresses associated with the emission (if applicable);



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- i) If available, documentation certifying that the developer has carried out an audit process of the smart contracts. In case of not having this audit, this fact must be clearly and precisely disclosed in the risk section of the issue of the Relevant Information Document.

Statements and Indications to the Relevant Information Document

Art. 8.- Issuers of digital assets shall note in the Relevant Information Document that their offering does not constitute an offering available in any jurisdiction where this is considered illegal. Issuers of digital assets shall note in the Relevant Information Document that their offering does not constitute an offering available in any jurisdiction where this is considered illegal

Notifications

Art. 9.- The application must establish the place to receive notifications and the designation of the commissioned persons, including at least the information of their telephone number, e-mail and address or domicile.

Relevant Information Document

Art. 10.- Information contained in the Relevant Information Document shall be fair, clear and not misleading. The document shall be presented at least in the Spanish language if the issue is less than One Million United States Dollars (US\$ 1,000,000). In any other case, the Relevant Information Document must be presented in Spanish and English. Said document shall contain at least the information indicated in Annex A, B and C depending on the type of issuer identified in these regulations.

Special requirements for emissions using movable or immovable property

Art. 11.- In the case of emissions in which movable or immovable property is used as a guarantee or as a source of compliance with the obligations of the emission, the issuer shall submit within the Relevant Information Document the additional information and documentation in accordance with the parameters established in Annex D of these Regulations. In case the movable and immovable property is the object of an issuance process of digital assets (tokenization), issuers must comply with the provisions set forth in Annex E of these Regulations.



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The National Commission of Digital Assets will order the corresponding preventive annotations before the National Registration Center in the corresponding cases for the implementation of mechanisms that prevent the holder of the real rights from disposing of or performing dispositive acts on the corresponding good or goods.

Custody of Digital Assets and Validation Protocols

Art. 12.- Issuers of public offerings shall establish, maintain and apply policies and procedures in relation to:

- a) The custody of digital assets whether performed directly or indirectly, through the digital platform of a third party;
- b) No allowed clipboard formats could have been pasted.;
- c) The safeguarding of the information related to the identity of the investors in order for them to enjoy the tax benefits mentioned in article thirty-six (36) of the Law of Issuance of Digital Assets.

In all circumstances, the issuer shall ensure that the custody of digital assets is carried out, directly or indirectly, in accordance with the best practices and international standards

Conflict of Interest

Art. 13.- Issuers and certifiers shall maintain and apply effective policies and procedures for the prevention, detection, management and communication of conflicts of interest between them and:

- a) Their shareholders;
- b) The members of their board of directors;
- c) Their employees.



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In case there is an evident conflict of interest in a specific issue, including in the certification process, issuers and certifiers shall immediately inform the National Commission of Digital Assets.

In any case, the certifier and the issuer shall have separate roles which may not be interchanged. In addition, the certifier may not belong to the same corporate group or be a related company of the issuer.

In the case of an issuance, a digital asset service provider may not be the certifier of that issuance, if this provider is authorized to perform the activities of subparagraph e) of the Law of Issuance of Digital Assets.

Contents of the Certifier's Report

Art. 14.- The certifiers shall evaluate all the information contained in the Relevant Information Document, its attached documentation, as well as any other information they consider relevant and shall prepare a report that shall contain at least the following:

- a) Identification of the certifier and registration number;
- b) Affidavit stating that it complies with article ten (10) of these regulations;
- c) Certification of the payment of the registration fee;
- d) Detailed description of the risks associated with the issuer of the digital assets, the digital assets, the public offering of the digital asset and the execution of the project:
 - i. Description of the risks associated with the issuer of digital assets;
 - ii. Description of the risks associated with the offering of digital assets on a digital asset trading venue;
 - iii. Description of the risks associated with the digital assets;
 - iv. Description of the risks associated with the execution of the project;
 - v. D Description of the risks associated with the technology used, as well as the mitigation measures.



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- e) Review of the reasonableness of the assumptions and financial projections relevant to the emission;
- f) Reasoned technical opinion describing the project and the risks associated with the public offering; including its conclusion on the certification or non-certification of the public offering.

The certifier shall submit its report in accordance with technical rules and the knowledge that governs the project to be carried out, and shall report the different positions and interpretations on the feasibility of the project, and shall state under oath or promise to tell the truth, as well as to have carried out its analysis under impartiality and objectivity.

The grounds related to the certification must be reviewed with reference information for the months of June and December of each year and the same must be sent to CNAD no later than three (3) months after the reference date. Said report shall be issued publicly by the issuer and sent to the CNAD.

Relevant Information Document Certification Process

Art. 15.- The process of certification of the Relevant Information Document begins with the issuer's request for the service to the duly registered certifying entity, where the pertinent contractual conditions will be established.

Once the request is accepted, the issuer must provide the Relevant Information Document together with its supporting documentation to the certifier.

The certifier may request from the issuer all additional information and documentation, whether of a legal, financial, technical, commercial nature, compliance with anti-money laundering obligations, and any other that may be necessary for the public offering, and it shall be the obligation of the issuer to provide it.

The information provided to the certifying entity will be the responsibility of the issuer and therefore, the certifier will be the one who will carry out the review process and issue a report containing the favorable or unfavorable analysis of the issue. The certifier shall send such report to the National Commission of Digital Assets within five (5) business days from the date of issuance of the report.



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The certifier shall keep the confidentiality of the information provided to it and shall have a digital safekeeping of all the documentation related to the issuance project.

In order to guarantee and ensure the confidentiality of the information, the issuer and the certifier will sign a confidentiality agreement, which will delimit the scope of the protected information, as well as the corresponding responsibilities.

Assessment, Prevention, Approval or Denial of Entitlement

Art. 16.- Upon receipt of the information requested by the certifier, as applicable, in articles five, six and seven, and the respective Annexes of these Regulations, the National Commission on Digital Assets shall issue a decision on the authorization of the proposed issue within five (5) business days of its receipt, either approving or denying it, and shall notify the issuer and certifier of its decision.

The National Commission for Digital Assets shall take into account in issuing its resolution the impact of each proposed issuance on national financial and monetary stability, as well as the effect on the functioning of the digital assets market.

En caso no esté completa la información y documentación requerida en el Documento de Información Relevante, la Comisión Nacional de Activos Digitales prevendrá al certificador, y notificara adicionalmente al emisor solicitante, y establecerá un plazo máximo de veinte (20) días hábiles para que el certificador o el emisor solicitante la información y documentación faltante, y luego emitirá su pronunciamiento en el plazo establecido en el inciso anterior. En caso no se complete la información y documentación, se denegará la habilitación de la emisión de la oferta pública, quedando facultado el emisor para presentarla nuevamente.

In case the information and documentation required in the Relevant Information Document is not complete, the National Commission of Digital Assets will warn the certifier, and will additionally notify the applicant issuer, and will establish a maximum term of twenty (20) business days for the certifier or the applicant issuer to submit the missing information and documentation, and then pronounce its decision within the term established in the previous paragraph. In case the information and documentation is not completed, the authorization for the issuance of the public offering shall be denied, and the issuer shall be entitled to submit it again.

Grounds for Cancellation of the Qualification of Public Offerings

Art. 17.- The National Commission for Digital Assets shall cancel the qualification of public offerings in any of the following situations:



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- a) When the issuer does not make use of the qualification within three (3) months from its qualification unless as part of the approval process a placement program has been submitted that requires a longer term and is in accordance with the nature of the destination of the destinations of the funds.
- b) When the issuer has obtained the qualification by irregular means, among others, by using false information in the Relevant Information Document;
- c) When the issuer has failed to comply with the conditions to which the authorization of the public offering was subject;
- d) When the issuer commits any of the infractions set forth in article thirty-eight (38) paragraph b) of the Law of Issuance of Digital Assets
- e) When the issuer is subject to an orderly liquidation process, in accordance with the national legislation applicable in the domicile of the issuer
- f) When the issuer expressly renounces its qualification, or has decided to cease its main economic activity;
- g) When the issuer poses a systemic risk to the functioning of the digital asset market in the country
- h) When there is a significant negative change in the issuer's operations.
- i) When the issuer has obtained the qualification by irregular means, among others, by using false information in the Relevant Information Document;
- j) When the issuer has ceased to comply with the conditions to which the authorization of the public offering was subject;
- k) When the issuer commits any of the infractions established in article thirty-eight (38) paragraph b) of the Law for the Issuance of Digital Assets.;
- l) When the issuer is subject to an orderly liquidation process, in accordance with the national legislation applicable in the domicile of the issuer;
- m) When the issuer expressly renounces to its qualification, or has decided to cease its main economic activity.;
- n) When the issuer poses a systemic risk to the functioning of the digital asset market in the country;

- o) When there is a significant negative change in the issuer's operations

In the event of the occurrence of any of the situations mentioned in paragraphs e) and f), issuers shall notify the National Commission of Digital Assets immediately.

Procedure for the Cancellation of Public Offerings

Art. 18.- In the event that the cancellation is made due to paragraphs a), e) and f) of the preceding article, it shall be applied automatically.

However, in the event that the grounds set forth in paragraphs b), c) and d) of the preceding article are met, the Commission shall grant the issuer a term of ten (10) business days to submit its evidence in defense. During said period, the issuer shall announce, on its website, that the issue is in the process of review by the Commission. Once the Commission receives the totality of the evidence of exoneration within the term conceived, it will have a term of twenty (20) business days to issue a resolution of cancellation or approval to continue with the issuance.

In the event no evidence of exoneration is presented, it will proceed with the cancellation.

Once the cancellation of a public offering has been approved, the National Commission of Digital Assets will notify electronically, within a maximum term of three (3) business days, the issuer detailing the causes and situations that caused such decision. Additionally, it will publish on its website the cancellation resolution.



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Privileged Information

Art. 19.- Issuers must make full and accurate disclosure of all information relevant to their digital assets, including details about the project, its team, its technology and its business model in order to ensure that all investors have access to the same information and that there is no insider information

Prohibition of Insider Trading

Art. 20.- Issuers and their employees must not use privileged information to carry out purchase and sale transactions of their digital assets. In addition, they must avoid providing privileged information to third parties for use in transactions.

In the event that access to this privileged information of an issuer has materialized by accident, or any other circumstance and the executive or employee exposed to this information, discloses it to the Compliance Officer or the person in charge of seeing this type of conflict of interest, the issuer or service provider may continue to carry out operations as long as this executive or employee is prohibited from carrying out any type of operation with the company.

Any leakage of inside information must be disclosed by the issuer to the market as soon as possible.

Communication of the Public Offering

Art. 21.- Once a public offering has been authorized, the issuer shall send said announcement to the CNAD, which shall publish the same on its website no later than three business hours after receipt.

Once the above is complied with, the issuer and the digital service providers, referred to in article 19 of the Law of Issuance of Digital Assets, and which are related to the issuance, shall also publish on its website all the information relevant to such offering, including, but not limited to the Relevant Information Document. Such information shall include press releases, amendments to the Relevant Information Document and any other material information about the public offer and the acquirers.



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Public Communications

Art. 22.- Any communication relating to a public offering of digital assets shall be made in accordance with all of the following requirements:

- a) They must be clearly identifiable;
- b) The information presented must be clear and not misleading;
- c) In case it is information that is not contained in the Essential Information Document, it must communicate it in an unequivocal manner;
- d) Include the URL of the issuer and of the platform from which the initial emission is made.

Continuous Information of the Public Offerings of digital assets

Art. 23.- Issuers shall provide the following information on an ongoing basis to the acquirers of their digital assets, which is as follows:

- a) The amount of digital assets issued and in circulation in a clear, accurate and transparent manner;
- b) The result of any accounting or financial audit relating to the digital assets issued in the public offering;
- c) Any fact that significantly affects or may significantly affect the price of the digital assets issued.

The information referred to in the preceding subsection shall be available to the general public in the URL of the issuer and must be sent to the CNAD. Notwithstanding the foregoing, in the event of a material change, the issuer must inform, immediately, through a notice in its LRU, on the main page, in a clear and visible manner.

Private Offers



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Art. 24.- A private offering is a commercial proposal addressed directly to no more than fifty (50) qualified investors, in which no mass media of dissemination or appeal to the general public is used.

For purposes of the preceding paragraph, a qualified investor is understood to be all those institutions authorized and registered with the Superintendency of the Financial System, including international banks registered with the Central Reserve Bank, as well as any autonomous institution, any issuer of public offerings of digital assets, digital asset service providers and certifiers duly registered in the respective registry with the CNAD, provided that all of the above have at least five hundred thousand United States dollars (US\$ 500,000) in investable assets excluding the value of their principal domicile..

Additionally, all investors, whether natural or juridical persons, shall be considered as qualified when they meet at least one of the following conditions:

- a) It owns at least five hundred thousand United States dollars (US\$ 500,000) in investable assets excluding the value of its residence or principal domicile;
- b) Is an entity that was created specifically to acquire the securities in the private offering, and that has a net worth in excess of five hundred thousand United States dollars (US\$ 500,000) which may be evidenced by shareholders' equity.

Digital assets from private offerings may only be traded among Qualified Investors and are prohibited from being sold in a public offering.

Private Bidding Procedure

Art. 25.- Prior to the issuance of a private offering, the issuer must notify the CNAD of its intention to carry it out, including the following documentation and information:

- a) In the case of being a legal entity:



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- i) Certificate of incorporation of the company and credentials of the legal representative in the case of a legal entity;
 - ii) Corporate name;
 - iii) Corporate address;
 - iv) Full name of the legal representative or attorneys-in-fact in El Salvador, and accreditation of their capacity to act with the respective legal document, and their corresponding identity document (ID, resident card or passport).
- b) In case of being a natural person:
- i) Full name;
 - ii) ID, resident card or passport;
 - iii) Address.
- c) Main Economic Activity;
- d) Type of Digital Asset to be issued;
- e) Guarantees , if applicable;
- f) General Investor Profile;
- g) List of Qualified Potential Investors;
- h) Form of Registration and payment of the acquirers.

The CNAD will have a term of twenty (20) business days to communicate its non-objection to such issuance. If no response is given within said term, positive administrative silence will be configured in accordance with the Administrative Procedures Law.

Statements and Indications for Private Bids



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Art. 26.- Issuers of digital assets in private offerings shall make it known to qualified investors:

- a) That their offering does not constitute an offering available in any jurisdiction where this would be considered unlawful
- b) It is the responsibility of the issuer of the private offering to develop the necessary notes and clarifications in the information it provides to investors to comply with the provisions of the preceding article.

Tax Aspects of Private Offerings

Art. 27.- Pursuant to the provisions of Article 36 of the Law on Issuance of Digital Assets, issuers and acquirers of digital assets in private offerings will enjoy the benefits set forth in said article.

For purposes of the foregoing, issuers shall maintain a detailed list of their investors acquiring digital assets in private offerings.

Restrictions

Art. 28.- Issuers of private offerings must keep a complete register of acquirers, which must be reported to the CNAD on a quarterly basis. Additionally, they must report each transfer of the digital asset issued to new investors.

At no time and under no circumstances may issuers or acquirers of digital assets in private offerings advertise, communicate or make calls to the general public.

These regulations were approved by the National Commission of Digital Assets through its Board of Directors, in Session No. CNAD-017-2023, dated May second, two thousand twenty-three. And published on its web page on May third, two thousand and twenty-three.

Procedure for the Cancellation of Public Bids

Art. 31.- The procedure for the cancellation of the authorization of public and private bids shall be governed by the rules of the common administrative procedure contained in the Law on Administrative Procedures.

Aspects not foreseen

Art. 29.- The aspects not foreseen in the regulation of these Regulations shall be resolved by the Board of Directors of the National Commission of Digital Assets.

Validity

Art. 32.- This Decree shall enter into force eight (8) days after its publication on the Commission's website.

These regulations were approved by the National Commission of Digital Assets through its Board of Directors, in Session No. CNAD-017-2023, dated May second, two thousand twenty-three. And published on its web page on May third, two thousand and twenty-three.



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**ANEXO A: MINIMUM CONTENT OF THE RELEVANT INFORMATION DOCUMENT FOR ISSUES
BY INDIVIDUALS OR LEGAL ENTITIES**

The Relevant Information Document of the emission shall contain, in the applicable cases according to the type of digital assets to be issued, at least the following information:

Summary

The cover page constitutes a summary of the emission and it must contain at least the following information:

- a. Name of the issuer;
- b. Address, line of business or economic activity;
- c. A general description of the issuer, including its date of incorporation and registration before the competent authority, in the case of a legal entity, and full name, number of the ID or passport, in the case of a natural person;
- d. The digital service providers and platforms of a distributed registry technology system where the emission will be listed;
- e. Amount of the emission.
- f. Trading currency or digital asset;
- g. The quotation label or quotation code to be used to identify the issue in abbreviated form, if applicable;
- h. A clear and non-technical summary, providing key information about the main characteristics of the issue, in particular, the essential elements related to the yields, projections or income offered;
- i. It shall contain the following statements and indications:
 - i. “The issuer of the digital assets is solely responsible for the content of this Relevant Information Document”;
 - ii. “The digital assets that are the object of this offering are registered in the Public Registry of the CNAD. Their registration does not imply certification as to the quality of the security or the solvency of the issuer”;
 - iii. “It is the investor's responsibility to read all the information contained in this Relevant Information Document”;
 - iv. If the issue is guaranteed by other companies, the following must be indicated: "The guarantor of this issue is jointly and severally liable for the payment of this issue”.



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- v. Clearly and unequivocally state the following points:
 - 1. Digital assets may lose their value in whole or in part;
 - 2. Digital assets may not always be tradable;
 - 3. Digital assets may not be liquid; and
 - 4. The issue only focuses on certain specific digital assets and does not constitute an invitation for the sale of financial instruments.

- vi. Any statement or indication related to articles seven and eight of the present regulations.

- j. References of authorizations for registration with the CNAD of the issuer and of the emission;
- k. Indicate the month and year of preparation of the document; and
- l. Indicate the URL of the website where the Relevant Information Document will be available, in case it is enabled.

2. Participants:

It shall contain the following information of the issuer, intermediaries, certifiers, structurers, exchanges, blockchains, external auditors, legal advisors and of any other key natural or legal person who have intervened in the structuring and sale of the issue: name, address, website, telephone, fax, email of the person designated as contact.

3. Body of the Document:

The body of the Relevant Information Document shall contain, in applicable cases according to the type of issue, at least the following:

- a. Table of Contents;
- b. Letter of introduction of the issuer, in the case of a natural person, or by its legal representative or attorney-in-fact, in the case of a legal entity, which must be signed by the legal representative of the issuer;
- c. A sworn statement by the issuer, in the case of a natural person, or by its legal representative or attorney-in-fact, in the case of a legal entity, stating that, to the best of its knowledge and belief, the information presented is correct and does not lack a material omission;



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- d. Certifier's report;
- e. Description of the issuer:
 - i) Corporate name;
 - ii) Corporate address;
 - iii) Name and address of URL of the issuer.
 - iv) Full name, in the case of a natural person, or full name of the legal representative or attorney in El Salvador, in the case of a legal entity, and proof of its capacity to act with the corresponding legal document;
 - v) If applicable, the group of companies to which the issuer belongs;
 - vi) Organizational chart of the issuer showing its management, internal and external control bodies. In addition, the main executives and persons responsible for the management and control of the issuer must be mentioned, as well as a description of their work experience.;
 - vii) Financial statements of the issuer, its parent company for the last three years or, when the issuer has not been established for the last three years, its financial history from the date of its creation or registration in the Commercial Registry, as applicable. The information must follow the International Financial Reporting Standards in their complete version (IFRS) issued by the International Accounting Standards Committee (or IASC) as established by the Oversight Board of the Public Accounting and Auditing Profession;
 - viii) Explanation of the reasons for making a public offering using digital assets;
 - ix) Description of the objectives of the emission and how it is linked to the issuer's line of business and economic activity, including any material change, such as: recent changes in its business or revenue model, status of permits or regulatory authorizations and modifications in its financial viability, as well as any foreseeable risk of possible illiquidity or insolvency. A material change shall also be understood as any modification, positive or negative, that significantly affects the issuer's cash flow and net worth, such as a sustained decrease in revenues, absence or revocation of regulatory permits or authorizations, initiation and outcome of investigations by governmental entities, litigation brought against it, results of a financial, technological or commercial audit, and a sustained increase in operating, capital or asset acquisition costs



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- x) Disclose situations of conflict of interest between the members of its management body, partners or employees and the members of the National Commission of Digital Assets, as well as transactions between related parties, if any; and declare that they do not exist if they have not been noticed.
- e. Description of the characteristics of the public offering:
- i. Indication of the type of public offering: Debt Public Offering, Ownership Public Offering, or Income Public Offering;
 - ii. type of digital asset to be offered to the public or whose admission to trading is requested and in case different digital assets are issued, identifying the relevant differences between them, if any;
 - iii. Terms and conditions of the offer;
 - iv. Description of its technical and commercial functionality of the digital asset, benefits, restrictions, and limits, including maximum amounts or minimum amounts, of purchase, as well as any type of financial and commercial restrictions;
 - v. Description and details of the underlying digital assets or any other type of asset related to the offering, if any;
 - vi. When applicable, expected amount or amount to be obtained through the offering in any type of fiat money or any other digital asset. Where applicable, any minimum amount (minimum amount necessary to carry out the project) or maximum amount (maximum amount of the public offering) set for the public offering of digital assets;
 - vii. A specific clarification that acquirers participating in the public offering of digital assets will be able to recover their contribution, if the minimum amount (minimum amount necessary to carry out the project) is not reached at the end of the public offering or if the public offering is cancelled, along with the detailed description of the repayment mechanism, including the foreseeable timeframe in which such repayments will be carried out;
 - viii. Issue price of the digital asset offered, whether in fiat money or other digital asset (the price referred to is the book value of the securities and it is understood that it will vary after the emission according to supply and demand)



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- ix. Where applicable, total number of digital assets to be offered and/or admitted to trading on a digital asset platform;
 - x. Information on the different periods of the digital asset offering, including information on the discounted purchase price for the first purchasers of digital assets (public pre-sale));
 - xi. Description of the mechanisms for safeguarding funds or other digital assets;
 - xii. In the case of time-limited offerings, the subscription period during which the public offering will be open to the public.;
 - xiii. Name and URL of the digital platform on which the public offering would be executed;
 - xiv. Name of the digital asset service provider in charge of the placement of the digital assets;
 - xv. Means of payment to purchase the digital assets offered;
 - xvi. Name and URL of the digital asset trading platform in which the admission to trade is requested;
 - xvii. Information on the modalities and schedule for transferring the purchased digital assets to the holders;
 - xviii. Description of the smart contracts to be used;
 - xix. Details of the convertibility of the digital asset with other digital assets or assets;
 - xx. Detail of plans for future issuances of such digital assets, if any; and
 - xxi. Where a stable value of digital assets is intended to be maintained through protocols for increasing or decreasing their supply in response to changes in demand, a description of the operation of such protocols.
- f. Description of the destination of the funds:
- i. Information about the organization of the project, indicating the main past and future stages of the project and the expected use of resources allocated to each phase of the project;
 - ii. Details of any audit or consultancy, past or present, related to the determination of the use of funds;
 - iii. Description of the hiring policy for natural or legal persons involved in the execution of the project or management of the funds, whether as consultants, development team, including software programmers or digital asset service providers



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- iv. Full names of the key natural or legal persons involved in the execution of the project or in the management of the funds, either as advisors, development team or any key person involved in the issuance. A brief description of their work experience should be included;
 - v. Policy to be applied in the supervision of the projects;
 - vi. Description of the internal control mechanisms for optimal fund management.
- g. Detailed description of the financial institutions and digital platforms used for the transfer, custody, and settlement of funds from the public offer:
- i. Description of the mechanism used to transfer the funds received in the public offering from the acquirers to the issuer, detailing the domiciled and non-domiciled financial institutions and the digital platforms that will be used;
 - ii. Documentation evidencing the ownership by the issuer or manager of the public offering funds of the accounts or digital wallets in which the funds will be received;
 - iii. Documentation verifying the capacity of the issuer or manager to receive the funds determined in the emission;
 - iv. Documentation that proves that the banking entities in its entire value and service chain have the technical and contractual capacity to receive the funds from the issuance.
- h. Information on the underlying technology and standards applied by the issuer of the digital assets for the purposes of their maintenance, storage and transfer:
- i. Information regarding the technology used, including decentralized registry technology, protocols and technical standards used;
 - ii. Description of the interoperability of the underlying protocol with other protocols;
 - iii. Where applicable, consensus algorithm;
 - iv. Incentive mechanisms for securing transactions and applicable fees, if any;



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- v. In the case where digital assets are issued, transferred and stored in a decentralized registry operated by the issuer or by a third party acting on behalf of the issuer, a detailed description of the operation of such decentralized registry.
- i. Description of the risks associated with the issuer of the digital assets, the digital assets, the public offering of digital assets and the execution of the project:
 - i. Description of the risks associated with the issuer of the digital assets;
 - ii. Description of the risks associated with the offering of digital assets on a digital asset trading venue;
 - iii. Description of the risks associated with the digital assets
 - iv. Description of the risks associated with the execution of the project;
 - v. Description of the risks associated with the implemented technology.
- j. Description of the risk management approach associated with the issuer of the digital assets, the digital assets, the public offering of digital assets and the execution of the project:
 - i. Description of the management of the risks associated with the issuer of the digital assets;
 - ii. Description of the management of risks associated with the offering of digital assets on a digital asset trading venue;
 - iii. Description of the management of the risks associated with the digital assets;
 - iv. Description of the management of risks associated with the execution of the project;
 - v. Description of the management of the risks associated with the implemented technology.

In general, this refers to measures to control and mitigate the different risks of the emission.
- k. Dispute resolution:
 - i. issuers must indicate the mechanism they will use to resolve their disputes, one of the options being arbitration.



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- ii. In the case of arbitration, if for any circumstance the parties do not submit to a specific jurisdiction, it shall be understood that it is the Republic of El Salvador.
 - iii. In case the parties do not expressly submit to any type of dispute resolution mechanism, it shall be understood that they submit to the jurisdiction of the courts of justice of the Republic of El Salvador.
- I. Tax regime:

The benefits that apply to the issuance of digital assets in accordance with article thirty-six of the Law on Issuance of Digital Assets must be applied.



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**ANNEX B: MINIMUM CONTENT OF RELEVANT INFORMATION DOCUMENT FOR ISSUES BY
AUTONOMOUS ENTITIES WITHOUT SOVEREIGN GUARANTOR**

The Relevant Information Document for emissions made by the Autonomous Entities without sovereign guarantee must contain at least the following information:

1. Summary

The cover page constitutes a summary of the issue and the same must contain at least the following:

- a. Terms and conditions of the offering:
 - i. Name of the issuer;
 - ii. Name of the guarantor, if applicable;
 - iii. Amount of the issue;
 - iv. Interest rate;
 - v. Form and terms of payment of interest;
 - vi. Date of payment of principal and interest;
 - vii. Term of the issue;
 - viii. Currency of negotiation;
 - ix. Minimum purchase amount.
- b. The quotation label or quotation code to be used to identify the issue in abbreviated form, if applicable;
- c. The digital service providers and platforms of a distributed registry technology system where the issue will be listed;
- d. It shall contain the following statements and indications:
 - i. The issuer of the digital assets is solely responsible for the content of this Relevant Information Document”;
 - ii. “The digital assets that are the object of this offering are registered in the Public Registry of the CNAD. Their registration does not imply certification as to the quality of the security or the solvency of the issuer”;
 - iii. “It is the investor's responsibility to read all the information contained in this Relevant Information Document”;
 - iv. If the issue is guaranteed, the following must be indicated: "The guarantor of this issue is jointly and severally liable for the payment of this issue”;
 - v. Clearly and unequivocally indicate the following points:
 1. Digital assets may lose their value in their entirety or in partial amounts;
 2. Digital assets may not always be marketable;



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3. Digital assets may not be liquid; and
 4. The issue only focuses on certain specific digital assets and does not constitute an invitation for the sale of financial instruments.
- vi. Any statement or indication related to articles seven and eight of the present regulation.
- e. References of authorizations of registration with the CNAD of the issuer and of the issue;
 - f. Indication of the month and year of preparation of the document; and
 - g. Indicate the URL of the website where the Relevant Information Document will be available, in case it is enabled.

2. Participants:

It shall contain the following information of the issuer, intermediaries, certifiers, structurers, exchanges, blockchains, external auditors, legal advisors and of any other key natural or legal person who have intervened in the structuring and sale of the issue: name, address, website, telephone, fax, email of the person designated as contact.

3. Body of the Document:

The body of the Relevant Information Document shall contain at least the following:

- a. Table of Contents;
- b. Letter of introduction of the issuer;
- c. An affidavit of the issuer stating that, to the best of the issuer's knowledge, the information presented is correct and is not without a material omission;
- d. Report of the certifier;
- e. A description of the characteristics of the public offering:
 - i. Terms and conditions of the offering:
 1. Name of the issuer;
 2. Name of the guarantor, if applicable.;
 3. Amount of the issue;
 4. Interest rate;
 5. Form and terms of payment of interest;
 6. Date of payment of principal and interest;



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7. Term of the emission;
 8. Currency of negotiation;
 9. Minimum purchase amount.
-
- ii. Description of its technical and commercial functionality of the digital asset;
 - iii. Mention any minimum amount (minimum amount necessary to carry out the project) or maximum amount (maximum amount of the public offering) set for the public offering of digital assets;
 - iv. A specific clarification that participating purchasers will be able to recover their contribution if the minimum amount (minimum amount necessary to carry out the project) is not reached at the end of the public offering or if the public offering is cancelled, together with the detailed description of the redemption mechanism, including the foreseeable timeframe in which such redemptions will be carried out;
 - v. Emission price of the digital asset offered, whether in fiat money or in another digital asset (the price referred to is the book value of the securities and it is understood that the same will vary after the issuance according to supply and demand);
 - vi. In the case of time-limited offerings, the subscription period during which the public offering will be open;
 - vii. Name and URL address of the digital platform on which the public offering would be made;
 - viii. Nombre y dirección de LRU de la plataforma digital en que se realizaría la oferta pública;
 - ix. Name of the digital asset service provider in charge of the placement of the digital assets;
 - x. Description of the smart contracts to be used, if applicable.
- f. Description of the project, if applicable, or the destination of funds:
- i. Name of the Project, if applicable, or description of the destination of the funds;
 - ii. Summary of the project to be implemented and the use of the funds, if applicable;
 - iii. Information on the organization of the project, indicating the main past and future stages of the project and the intended use of the resources allocated to each stage of the project, if applicable;
 - iv. Details of any audit or consultancy, past or present, related to the determination of the use of funds, if applicable;
 - v. Description of the contracting policy of the natural or legal persons involved in the execution of the project, if applicable;
Description of the policy to be applied in the supervision of the projects, if applicable;
 - vi. Description of the sources of income that will allow payment of the obligations of the issue; and



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- vii. Description of the internal control mechanisms for the optimal administration of the funds.
- g. Description of the autonomous entity issuing without sovereign guarantee:
 - i. Most relevant antecedents of the history of the autonomous entity;
 - ii. Details of its line of business and its main source of income;
 - iii. Organizational structure of the autonomous entity;
 - iv. List of the most important authorities in the issuer's organizational structure;
 - v. Description of the financial situation of the autonomous entity;
 - vi. Financial statements for the last three years or, in the case of a new autonomous entity, since the date of its creation. If the entity plans to obtain financing from international investors, it is recommended to go through a process of converting its financial statements to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)
 - vii. Description of mechanisms that will be constituted as an autonomous entity to ensure payment to investors, if applicable; and
 - viii. Description of how the issue is linked to the objectives of the autonomous entity.
- h. Dispute resolution:
 - i. Issuers must indicate the mechanism they will use to resolve their disputes, one of the options being arbitration;
In the case of arbitration, if for any circumstance the parties do not submit to a specific jurisdiction, it shall be understood that it is the Republic of El Salvador;
 - ii. In the event the parties do not expressly submit to any type of dispute resolution mechanism, it shall be understood that they submit to the jurisdiction of the courts of justice of the Republic of El Salvador.
- i. Tax regime:

The benefits that apply to the issuance in accordance with article thirty-six of the Law of Issuance of Digital Assets shall be applied..



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**ANNEX C: MINIMUM CONTENT OF RELEVANT INFORMATION DOCUMENT FOR SOVEREIGN
ISSUANCES**

The Relevant Information Document for issuances - made by the Ministry of Finance, the Central Reserve Bank or Autonomous Entities with sovereign guarantee - shall contain at least the following information:

1. Summary

The cover page is a summary of the issue and should contain at least the following:

- a. Terms and conditions of the offering
 - i. Name of the issuer;
 - ii. Name of the guarantor, if applicable;
 - iii. Amount of the issue;
 - iv. Interest rate;
 - v. Form and terms of payment of interest;
 - vi. Date of payment of capital and interest;
 - vii. Term of the emission;
 - viii. Term of the emission;
 - ix. Minimum purchase amount;
- b. Brief description of the use of funds
- c. The quotation label or quotation code to be used to identify the issue in abbreviated form, if applicable;
- d. The digital service providers and platforms of a distributed registry technology system where the issue will be listed;
- e. It shall contain the following statements and indications:
 - i. “The issuer of the digital assets is solely responsible for the content of this Relevant Information Document”;
 - ii. “The digital assets that are the object of this offering are registered in the Public Registry of the CNAD. Their registration does not imply certification as to the quality of the security or the solvency of the issuer”;
 - iii. “It is the investor's responsibility to read all the information contained in this Relevant Information Document”;

- iv. “This Relevant Information Document contains certain forward-looking statements relating to the country. These statements are based on beliefs of certain government officials and others, as well as a number of assumptions and estimates that are inherently subject to significant uncertainties, many of which are beyond the country's control. Future events may differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are contained throughout the document, but appear primarily in the section describing the issuer. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. In light of these risks and uncertainties there can be no assurance that the events described or implied by the forward-looking statements contained in this document will actually occur. The country undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



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- v. If the issue is guaranteed, the following shall be indicated: "The guarantor of this issue is jointly and severally liable for the payment of this issue";
 - vi. Indicate clearly and unequivocally the following items:
 - 1. Digital assets may lose their value in entirety or partially;
 - 2. Digital assets may not always be marketable;
 - 3. Digital assets may not be liquid; and
 - 4. The emission is only focused on certain specific digital assets and does not constitute an invitation for the sale of financial instruments.
 - vii. Any statement or indication related to articles seven and eight of the present regulations.
 - f. References of authorizations for registration with the CNAD of the issuer and of the emission;
 - g. Indicate the month and year of preparation of the document; and
 - h. Indicate the URL of the website where the Relevant Information Document will be available, in case it is enabled.
4. Participants::
- The following information of the issuer, intermediaries, certifiers, structurers, exchanges, blockchains, external auditors, legal advisors and of any other key natural or legal person who have intervened in the structuring and sale of the issue must be contained: Name, address, website, telephone, fax, email of the person designated as contact.
5. Body of the Document:



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The body of the Relevant Information Document shall contain at least the following:

- a. Table of Contents;
- b. Letter of introduction of the issuer
- c. An affidavit of the issuer stating that, to the best of the issuer's knowledge, the information presented is correct and is not without a material omission;
- d. Report of the Certifier;
- e. A description of the characteristics of the public offering:
 - i. Terms and conditions of the offering;
 1. Name of the issuer;
 2. Name of the guarantor, if applicable;
 3. Emission value;
 4. Interest rate;
 5. Form and terms of payment of interest;
 6. Date of payment of principal and interest;
 7. Term of the issue;
 8. Currency of negotiation;
 9. Minimum purchase amount.
 - ii. Description of its technical and commercial functionality of the digital asset;
 - iii. Mention any minimum amount (minimum amount necessary to carry out the project) or maximum amount (maximum amount of the public offering) set for the public offering of digital assets;
 - iv. A specific clarification that participating purchasers will be able to recover their contribution if the minimum amount (minimum amount necessary to carry out the project) is not reached at the end of the public offering or if the public offering is cancelled, together with the detailed description of the redemption mechanism, including the foreseeable timeframe in which such redemptions will be carried out;
 - v. Emission price of the digital asset offered, whether in fiat money or other digital asset (the price referred to is the book value of the securities and it is understood that the same will vary after the issue in accordance with supply and demand);
 - vi. Description of the mechanisms for safeguarding the funds or other digital assets;
 - vii. In the case of time-limited offerings, the subscription period during which the public offering will be open;
 - viii. Name and URL of the digital platform on which the public offering would be made;



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- ix. Name of the digital asset service provider in charge of the placement of the digital assets;
 - x. Description of the smart contracts to be used, if applicable.
- f. Description of the project, if applicable, or the destination of the funds.:
- i. Name of the Project, if applicable or description of the destination of the funds;
 - ii. Summary of the project to be implemented and the use of the funds, if applicable;
 - iii. Information on the organization of the project, indicating the main past and future stages of the project and the expected use of the resources allocated to each stage of the project, if applicable;
 - iv. Details of any audit or consulting, past or present, related to the determination of the use of funds, if applicable;
 - v. Description of the contracting policy of the natural or legal persons involved in the execution of the project, if applicable;
 - vi. Description of the policy to be applied in the supervision of the projects, if applicable;
 - vii. Description of the sources of income that will allow the payment of the obligations of the issue; and
 - viii. Description of the internal control mechanisms for the optimal administration of funds.
- g. Description of the autonomous entity issuing with sovereign guarantee, if applicable:
- i. Most relevant background of the history of the autonomous entity;
 - ii. Details of its business and main source of income;
 - iii. Organizational structure of the autonomous entity;
 - iv. List of the most important authorities in the issuer's organizational structure;
 - v. Description of the autonomous entity's financial situation;
 - vi. Description of mechanisms that will be constituted in the autonomous entity to ensure the payment to investors, if applicable; and
 - vii. Description of how the emission is linked to the autonomous entity's objectives.
- h. Description of the Republic of El Salvador:
- i. General information about the country;
 - ii. Information on the country's economy;
 - iii. Exchange rate information;
 - iv. Information on Foreign Trade and Balance of Payments;
 - v. Information on the Monetary System;
 - vi. Public Sector Finances;
 - vii. Public Debt; and
 - viii. Description of the objectives of the issue and how it links to the country's objectives.



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i. Dispute resolution:

- i. Issuers must indicate the mechanism they will use to resolve their disputes, one of the options being arbitration;
- ii. In the case of arbitration, if for any circumstance the parties do not submit to a specific jurisdiction, it shall be understood that it is the Republic of El Salvador;
- iii. In case the parties do not expressly submit to any type of dispute resolution mechanism, it shall be understood that they submit to the jurisdiction of the courts of justice of the Republic of El Salvador.

i. Tax regime:

The benefits applicable to the issuance must be applied in accordance with article thirty-six of the Law on Issuance of Digital Assets.

ANNEX D: Parameters in emissions using movable or immovable property as collateral.

In the Relevant Information Document for the issuance of public offerings that use real or personal property as collateral, property, or for the fulfillment of its obligations, the issuer must provide the following details:

1. Provide an explanation of the mechanism for prohibiting alienation or disposition of the property or rights in rem.

The issuer may use the figures of trust, mortgage, antichresis, guarantee, insurance, or any other figure as long as the requirements detailed in this annex are met.

In any mechanism or figure used by the issuer, the CNAD may request from the issuer, the declaration of general prohibition to dispose of the asset or assets in question, being registered for the case in the corresponding Registry and for such purposes a preventive annotation of the same will be made. The above requirement will be an indispensable condition to proceed with the authorization of the Relevant Information Document;



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2. Statement by the issuer that such mechanism will be maintained during the term of the public offering and until the fulfillment of all its obligations to the acquirers;
3. Declaration by the issuer in which it undertakes not to dispose of or carry out dispositive acts on the assets over which it owns or has rights in rem;
4. As part of the attached documentation, the following must be submitted:
 - a. Proof that the property is in the name of the issuer or that the issuer has full rights over the property;
 - b. Proof that the property is free of any encumbrance previously issued and duly legalized in the corresponding cases by the Registration Authority that the property is free of any previous encumbrance.



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APPENDIX E: Parameters in the issuance of digital assets (tokenization) of real estate

In the Relevant Information Document for the issuance of public offerings whose objective is to issue digital assets (tokenize) of real estate, the issuer must provide the following details:

- 1) In the case of domiciled issuers, they must create a variable capital corporation, duly registered with the National Registration Center, which will be the owner of the real estate used in the issuance. In the case of non-domiciled issuers, they may create a special purpose company in another jurisdiction, country or territory, which must be the owner of the real estate to be used in the issuance or of a legal entity that is the owner of such real estate.

The real estate used for the issuance must be duly registered at the National Registration Center, in the case of real estate located in the national territory, and at the corresponding registry authority, in the case of real estate located outside the national territory. In both cases, the real estate must be free of all encumbrances and must not have been given in guarantee to respond to another obligation that is still in force.

Additionally, the issuer, through a corporation, referred to in the first paragraph of this item, must establish a trust with a bank duly authorized by the Superintendence of the Financial System. In the event that the real estate is not located in the national territory, the issuer may constitute the trust with a bank in the jurisdiction where the real estate is located.

Both the trust documentation and the legal status of the corporation or special purpose company must be submitted to the CNAD for verification and approval, which will be an essential condition to proceed with the approval of the Relevant Information Document.

- 2) Declaration by the issuer, domiciled or non-domiciled, in which it undertakes not to dispose of or carry out dispositive acts on the assets over which it owns property or has rights in rem.
- 3) As part of the attached documentation, the following must be submitted:
 - a) Proof that reliably demonstrates that the property is in the name of the issuer or that it has constituted some right over the same;



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- b) Proof that the property is free of any lien previously issued and duly legalized in the corresponding cases by the Registration Authority that the property is free of any previous lien.