

BOARD OF ADVISORS

Ernesto Armenteros

Vice Chairman of the Board,
Banco de Ahorro y Crédito Unión

Pablo Barahona

Executive VP & COO,
Global Consumer Markets West,
Liberty Mutual Group

Felipe Carvalho

Vice President - Analyst
Latin America Banking
Moody's Investors Service

Richard Child

CEO,
Matrix Group

Michael Diaz Jr.

Partner,
Diaz, Reus & Targ, LLP

Ernesto Fernández Holmann

Chairman of the Board,
Ayucus

Rich Fogarty

Managing Director,
Berkeley Research Group

Desiree Green

Vice President,
International Government Affairs,
Prudential Financial

Earl Jarrett

Chief Executive Officer,
The Jamaica National Group

Thomas Morante

Partner,
Holland & Knight

Manuel Orozco

Director,
Migration, Remittances & Development,
Inter-American Dialogue

Adalberto Palma-Gomez

Senior Partner,
Proxy, Gobernanza Corporativa

Rodolfo Pittaluga

Retired Principal,
Deloitte Financial
Advisory Services, LLC

Jan Smith

Partner,
KoreFusion

Roberto Teixeira da Costa

Board Member,
SulAmérica

Mario Trujillo

CEO,
DolEx Dollar Express

FEATURED Q&A

Will Argentina's Banking Sector See Higher Profits?



Argentina's Banco Macro, led by CEO Jorge Horacio Brito, has been eyeing a purchase of Banco Patagonia. // File Photo: Superagente86, via Creative Commons.

Q Argentina's Banco Macro in May approved a plan to sell 74 million shares in order to raise enough capital to buy Banco Patagonia, which has a market value of approximately \$1.97 billion, and which Banco do Brasil currently owns. To what extent is the development indicative of a trend of consolidation in Argentina's banking sector? How are recent moves by Argentina's central bank to dismantle some banking regulations affecting the sector's profitability? How is Argentina's tax reform, which the country's Congress approved last December, affecting the financial services industry?

A Santiago Gallo, director for Latin American Financial Institutions at Fitch Ratings: "Since the new government took office, we have seen changes in the financial sector, and we expect more consolidation in the future. With 78 banks and financial companies, and only two banks with a loan market share of more than 10 percent, Argentina's financial system is one of the most fragmented in the region. Additionally, the very low levels of financial intermediation relative to GDP indicate there is significant growth potential, if the recently introduced orthodox policy framework is preserved. Fitch expects to see more consolidation from both current players looking to gain market share and new international players entering the market. The dismantling of some banking regulations will clearly benefit the system's profitability, especially the removal of the prohibition on increasing fees. However, the benefits have yet to materialize, while inflation and sluggish loan growth still weigh on profitability. We expect higher profitability as economic growth accelerates and inflation decreases. Additionally, this could mitigate the

Continued on page 3

TOP NEWS

REMITTANCES

Xpress Money Expands Network in Latin America

The money transfer company is expanding its network in Brazil, Chile and Guatemala. Dubai-based Xpress Money is seeking to boost its network in the region to 40,000 locations in Latin America by the end of the year.

Page 2

BANKING

Caixa Freezes Low-Rate Housing Loans

Brazil's Caixa Econômica Federal has frozen its so-called Pró-Cotista line of housing loans because of a lack of available funds. The line had been restarted after it was suspended in May.

Page 2

BANKING

Brazilian Court Clears Bradesco CEO in Tax Case

A federal court in Brazil cleared Luiz Carlos Trabuco of charges that he tried to illegally evade a fine imposed by the country's Tax Revenue Service.

Page 2



Trabuco // File Photo: Brazilian Government.

BANKING NEWS

Brazilian Court Clears Bradesco CEO in Tax Case

A federal court in Brazil has cleared Banco Bradesco Chief Executive Officer Luiz Carlos Trabuco of charges that he had tried to illegally evade a tax fine of 3 billion reais, or \$911 million, Reuters reported June 14. News of his acquittal by the Federal Regional Court of the 1st Region caused shares of the nation's third-largest bank to jump by their greatest amount in the past month. The accusations that Trabuco had participated in a plan to avoid paying the fine imposed by Brazil's Tax Revenue Service came as corruption scandals rocked the country's business and political sectors. The accusations against Trabuco were part of a larger corruption probe into fraud at the Finance Ministry's tax appeals board, and the probe is known as "Operation Zealots." The probe has alleged that some of the country's largest companies had bribed officials at CARF, a Finance Ministry body that rules on tax disputes, in exchange for rulings in the companies' favor. Officials who were part of the probe had also accused André Gerdau Johannpeter, the CEO of steelmaker Gerdau, as well as Joseph Safra, the owner of Banco Safra, of participating in the illicit activity. Brazilian judges dropped the prosecution against Safra in connection with "Operation Zealots" in December.

Brazil's Caixa Freezes Low-Rate Housing Loans

Brazil's Caixa Econômica Federal has frozen its so-called Pró-Cotista line of low-rate housing loans because of a lack of funds, the state-run lender said in a statement, Reuters reported June 20. The Pró-Cotista line has mortgage rates of 8.6 percent, the lowest such rates available in Brazil, the wire service reported.

Those rates compare to the central bank's benchmark of 10.25 percent. Caixa previously suspended that line of mortgage loans in May, but restarted it after the government allocated an additional 2.54 billion reais (\$773.94 million) to the mortgage line. Those funds had originally been intended for the Minha Casa Minha Vida housing program. The Pró-Cotista line typically receives its funding through money from FGTS, a mandatory workers' severance fund. Heavy withdrawals have hit the FGTS fund because of a government program that allows workers to withdraw money from the accounts in connection with the government's efforts to increase demand and help Brazil emerge from its deep recession. Brazil's economy grew 1 percent in the first quarter as compared to the previous three-month period. While Finance Minister Henrique Meirelles has said Latin America's largest economy is showing signs of recovery, analysts say the economy still faces many challenges and additional contraction ahead. [Editor's note: See [Q&A](#) on Brazil's economy in the June 13 issue of the daily Advisor.]

REMITTANCES NEWS

Xpress Money Expanding Network in Latin America

Money transfer company Xpress Money said June 21 that it is expanding its network in Brazil, Chile and Guatemala through a series of partnerships. The Dubai-based company said the development is part of its plan to boost its network in Latin America to 40,000 locations by the end of the year. "Recent remittance trends in LATAM indicate that there is good potential for business growth in the region," the company said in a statement. Xpress Money said the region offers good potential for its business growth as remittance flows into Latin America rose by an estimated 6.9 percent last year, to \$73 billion, according to the World Bank's Migration and Development brief. That growth is expected to continue in the coming

NEWS BRIEFS

Five Brazilian Banks Forming Credit Intelligence Venture

Brazil's Itaú Unibanco Holding, the country's largest lender by market value, said June 14 that it had formed a credit intelligence venture with Banco Bradesco, Banco Santander, Banco do Brasil and Caixa Econômica Federal, Reuters reported. Each bank will have a 20 percent stake in the venture that aims to establish a database in order to manage credit information on individuals and companies. Operations of the database are expected to begin in 2019.

Alleged Identity Thief Granted Bail in Jamaica

A Jamaican man accused of stealing Americans' identities and using the stolen information to open credit card accounts in their names has been granted bail of 500,000 Jamaican dollars (\$3,877), the Jamaica Gleaner reported June 16. In addition to being granted bail, Andre Sinclair was ordered to report daily to police and surrender his travel documents. He was also ordered to obey a 7 p.m. to 6 a.m. curfew. He stands charged with engaging in a transaction involving criminal property and possession of criminal property, as well as other cyber-crimes. Sinclair is accused of buying a vehicle and withdrawing money from ATMs using stolen credit cards. He was arrested following a joint operation by U.S. and Jamaican authorities.

Argo Group Names Cazar as Head of Latin America

Bermuda-based Argo Group International, an underwriter for insurance and reinsurance, on June 12 announced it had named Jorge Luis Cazar León to lead the company's Latin America business. He previously served as division president for international accident and health business at Chubb Group, which recently acquired ACE Ltd.

years, though at a more moderate pace of 3.3 percent for this year and 3.6 percent next year. “Our aim is to make money transfers convenient for expats residing across all geographies in the world,” Sudhesh Giriyan, Xpress Money’s chief operating officer, said in a statement. The company said it currently has 180,000 agent locations in 160 countries.

FINTECH

Fintonic Closes on Funding for Latin America Expansion

Madrid-based startup Fintonic has secured \$28 million in new funding aimed at expanding its personal financial management app into new markets in Latin America, Tech Crunch reported Monday. Investors in the round include European financial services giant ING Group and insurance group Previsión Sanitaria Nacional, or PSN. Currently, Fintonic serves more than 400,000 users but is available in only two markets, Spain and Chile. The app also generates a proprietary credit score based on linked bank and credit card accounts. Founded by technology investor Sergio Chalbaud in 2012, the company acts as a broker for third-party financial services products, with a business model based on taking a commission on purchases of those products.

ANTI-MONEY LAUNDERING NEWS

Argentine Banker First to Plead Guilty in Soccer Probe

A former banker who worked at Credit Suisse and Julius Baer became the first banker to admit guilt in a U.S. investigation into corruption in the sport of soccer, Bloomberg News reported June 15. Jorge Arzuaga pleaded guilty to a money laundering plot in which he helped

FEATURED Q&A / Continued from page 1

negative effects of one of the last distorting regulations still in place—compulsory directed lending at negative real interest rates. Argentina’s tax reform mainly reduced income taxes on individuals, while the direct impact on the financial system was limited. However, the recent tax amnesty generated a significant inflow of U.S. dollars into Argentine banks. While it will take time to monetize these inflows, given weak demand for foreign currency loans, they will gradually benefit the development and depth of the local capital markets, while boosting the overall level of financial intermediation.”

A **Valeria Azconegui, vice president and senior analyst at Moody’s Investors Service:** “Banco Macro’s ability to sell shares abroad reflects Argentine banks’ improved access to the global capital markets, allowing them to raise more funds than they otherwise would only in Argentina, which has an underdeveloped capital market. An acquisition of Banco Patagonia would give Banco Macro a consolidated deposit market share of 7.6 percent, ranking it second among Argentina’s private banks, just behind Banco Santander Rio. The acquisition also would boost Banco Macro’s branch network and profile in the Buenos Aires region, where it currently does not have a meaningful presence. Market-friendly policy reforms implemented over the past year will bring the country out of an economic recession this year, and will lead to a decline in inflation. Although reforms have garnered pushback from some sectors, we expect they will lead to a 3 percent rise in GDP in 2017—which would be the fastest expansion since late 2000—and a decline in inflation to 20 percent from 40 percent in 2016. This improved scenario will create new business opportunities for banks and financial institutions that will ease their transition into a more competitive, market-driven operating environment, which will help them manage an expected drop in nominal profitability stemming from lower

lending rates. Although profitability metrics will decline from currently very high levels in nominal terms, on an inflation-adjusted basis, profitability is likely to improve. In recent years, profitability has been supported by deeply negative real funding costs, but these will continue to slowly rise as inflation tapers, benchmark interest rates decline and competition for deposits increases. Falling market interest rates will reduce interest income and lead to falling returns on banks’ securities holdings. In addition, credit costs are likely to increase in line with delinquencies, though they should remain manageable. To offset these profitability pressures, banks will focus on growing their business volumes and offering more fee-based services. As inflation declines, personnel expenses will stabilize, though improvements to banks’ moderate operating efficiency will be limited.”

A **Eduardo Amadeo, member of Argentina’s Chamber of Deputies and chairman of its Finance Committee:** “Argentina’s banks are facing a very different environment, full of both opportunities and challenges. On the one hand, reforms in the financial system and the improvement in the macroeconomic outlook should result in a rapid expansion of the financial sector, which is currently one of the smallest in the world with deposits of around 15 percent of GDP. The central bank’s commitment to fighting inflation should lead to a prolonged period of positive real rates, attracting Argentine capital that is now sitting abroad. The floating currency should also make dollar saving less attractive, with peso deposit returns more closely following local purchasing power. The use of UVA, an indexed unit of account resembling the Chilean UF is already lengthening lending and generating a mortgage boom. On the other hand, banks could be stressed by disinflation, as the negative real rate they now pay for sight deposits will become less negative. Also, deregulation is already

Continued on page 6

funnel at least \$25 million in bribes from an Argentinian sports-marketing company to soccer officials, including the former head of soccer in Argentina. Arzuaga said he set up accounts used for bribes at the banks where he worked, as well as at a third Swiss bank he did not identify.

ECONOMIC NEWS

Unemployment Rate in Mexico Falls

Mexico's unemployment rate fell to a lower-than-expected 3.56 percent of the economically active population in May, the lowest unemployment reading since December 2007, according to data released June 26 by state statistics agency INEGI. The unemployment rate has now declined to 3.53 percent on average through May this year, down from 4.09 percent during the same period last year. The number of insured workers in the formal employment sector grew by 4 percent in May this year compared to last, creating 790,000 net new jobs, according to Goldman Sachs.

U.S. Halts Brazilian Beef Imports

The U.S. Department of Agriculture on June 23 immediately halted all beef imports from Brazil, a move that came three months after the South American country's meat industry was shaken by a bribery scandal, the Associated Press reported. In a statement, U.S. Agriculture Secretary Sonny Purdue said that U.S. inspectors have refused entry to approximately 1.9 million pounds of fresh beef products from Brazil since March. That amounts to approximately 11 percent of Brazil's beef exports to the United States. "That figure is substantially higher than the rejection rate of 1 percent of shipments from the rest of the world," Purdue said in a statement. Beef imports from Brazil will remain halted until the Brazilian agricultural ministry takes corrective measures, the

IN FOCUS

Panama's Varela Defends Decision to Recognize China at Expense of Taiwan Ties

By Nicole Wasson

WASHINGTON—During his trip to the United States, Panamanian President Juan Carlos Varela on June 21 defended his government's decision to give diplomatic recognition to China, effectively cutting off diplomatic ties with long-time ally Taiwan.

"China has 20 percent of the world's population, the second-largest economy, the second-main users of the Panama Canal, and the first supplier to the Colón free trade zone," Varela said in an event at the Inter-American Dialogue. Varela added that he anticipates that the newly formalized relationship will provide more economic opportunity for Panama. "This is going to bring a lot of investment to our country; this is going to bring a lot of trade; it is going to bring more opportunities."

Varela also criticized President Nicolás Maduro's handling of Venezuela's ongoing political crisis, calling on Maduro to engage in dialogue that may lead to policy change,

rather than taking violent measures to resolve the crisis. "When a president orders the military to confront his people every day, it's not good for democracy, and it's not good for the president," he said. "You [would only] use tear gas against your people because you are losing governability. You

are losing the capacity to rule your country." Panama has been a strong proponent of reaching a resolution between Venezuela's government and its opposition leaders.

Looking ahead, Varela identified the fight against corruption as being a key challenge for Panama. "We must make sure that the new govern-

ment elected two years from now is also an honest government that is committed to the fight for transparency against corruption." Varela said he also hopes that one of his legacies will be that his government used social wellbeing to drive its decisions on investing public money. "People want to invest funds with political criteria, just to build parties and not to build nations. I'm investing all public money with social criteria."



Varela // Photo: Missy Reif/Inter-American Dialogue.

statement added. The statement added that Brazil had already addressed U.S. inspectors' concerns by banning the shipment of beef from five facilities, but the U.S. Department of Agriculture said that action was insufficient. The office of Brazilian President Michel Temer and Brazil-based JBS the world's largest meatpacking company, declined to comment to the AP. In March, authorities in Brazil

announced they were investigating a scandal in which inspectors had accepted bribes in order to allow expired meat to enter the market. Several importers, including China, suspended purchases of Brazilian meat, but then resumed the imports after receiving assurances from Brazilian officials. [Editor's note: See related [Q&A](#) in the April 7 issue of the daily Latin America Advisor.]

NEWS BRIEFS

Dissident Venezuelan Chief Prosecutor May Face Trial

Venezuela's chief prosecutor and former ally of President Nicolás Maduro, Luisa Ortega, may face trial for committing "grave errors" in her role, BBC News reported June 21. The Supreme Court has ruled in favor of a National Assembly representative and member of the ruling PSUV party, Pedro Carreño, who had asked the court to rule on whether there was sufficient evidence that Ortega, who has grown increasingly critical of the socialist government in recent months, had committed errors in her role as chief prosecutor.

Peruvian Prime Minister Tapped to Lead Finance, Economy Ministry

Peruvian Prime Minister Fernando Zavala was sworn in June 24 as economy and finance minister, a post he assumes while remaining in his current role as the head of President Pedro Pablo Kuczynski's cabinet, HoyaTV reported. Zavala takes the ministry from Alfredo Thorne, who resigned after losing a no-confidence vote in Congress when an audio recording surfaced in which Thorne was allegedly heard saying that he would give a high-ranking official's agency a larger budget if the official approved a plan for a controversial airport project.

FARC Guerrillas Hand Over Weapons to U.N.

The United Nations announced June 26 that the Revolutionary Armed Forces of Colombia, or FARC rebels, have handed over all of their personal weapons, completing the transfer of arms a day ahead of a revised schedule, BBC News reported. U.N. monitors in Colombia say a total of 7,132 weapons have been registered and stored. The monitors said they had also found and emptied 77 out of the group's 900 known caches of hidden arms.

POLITICAL NEWS

Former Argentine President Launches New Senate Bid

The former president of Argentina, Cristina Fernández de Kirchner, narrowly made a filing deadline June 24 to run in the country's October legislative elections, The Times of London reported. Earlier this month Fernández announced she would be creating a new political party called "Citizens Unity," which she says will fight current President Mauricio Macri's "reinstatement of the neo-liberal model." The populist leader, who is accused of money laundering and corruption while in office, is campaigning for a congressional seat that could provide legal immunity in the cases. Although she denies wrongdoing and says the cases are politically motivated, some of her closest allies face trial or are already in prison serving terms. Fernández will top the Citizens Unity ticket in the province of Buenos Aires, alongside her former Foreign Minister Jorge Taiana, for the open primary elections scheduled on August 13, MercoPress reported. The new political alliance will run independently of the official Peronist/Justicialist Party that has governed Argentina for much of its recent history. Supporters of Fernández, 64, hope a seat in the Senate will pave the way for a fresh presidential bid in 2019. [Editor's note: See related [Q&A](#) in the June 23 edition of the daily Latin America Advisor.]

Brazil's Temer Still Defiant in Face of Corruption Charges

Brazil's top prosecutor on June 26 charged President Michel Temer with accepting bribes, Folha de S. Paulo reported. Attorney General Rodrigo Janot asserts Temer received money from the head of meatpacking firm JBS, Joesley Batista, who is also implicated in the corruption scandal. Temer denies any

wrongdoing, and he accused Janot of trying to convict him without evidence. The charges have been delivered to a Supreme Court judge who must now decide if the case can be sent to the lower house of Congress, which would then vote on whether Temer should be tried. Although Temer's approval ratings have sunk to a historic low of 7 percent, according to recent polls, the two-thirds majority needed for a trial to be brought against him would be difficult to muster in light of his coalition's control of Congress. In related news, Brazil's former finance minister, Antonio Palocci, was sentenced to 12 years in prison for graft on June 26, the Financial Times reported. Palocci served as finance minister to former President Luiz Inácio Lula da Silva and as chief of staff to Lula's impeached successor, Dilma Rousseff. Lula, who is already facing a corruption trial, now leads in a Datafolha poll published on June 26 for the 2018 presidential vote.

Mexico's President Calls for Probe of Spyware Claims

Mexican President Enrique Peña Nieto on June 22 called for a swift investigation into reports that surveillance software bought by his government was being used to spy on the smartphones of Mexican journalists, lawyers and human rights activists, and denied allegations that the government had any involvement in the matter, the Associated Press reported. Peña Nieto said the alleged victims have no proof that their smartphones were infected. The University of Toronto's Citizen Lab, an Internet watchdog group, said spyware called Pegasus, which is produced by Israeli company NSO Group, was being used to target the smartphones of individuals who are investigating the Mexican government. While Citizen Lab said it did not have conclusive evidence that the Mexican government was using the software against journalists, lawyers and activists, the spyware had been sold only to governments, and all of the detected targets of the spyware were investigating or critical of the Mexican government.

FEATURED Q&A / Continued from page 3

attracting low-cost new players, with at least three digital-only banks launching in the next year. Consolidation of the system could happen. But what is clear is that in this changing environment, it will be the most agile banks, old or new, big or small, that will take advantage of these opportunities.”

A **Tom Morante, partner, and Barbara Efrain, law clerk, at Holland & Knight:** “The outlook for Argentina’s financial services and banking industries is positive as the economy continues to improve, despite MSCI’s determination that Argentina has not yet achieved ‘emerging’ market status. There has been an uptick in merger and acquisition activity and increased interest in investments from both foreign and domestic entities. Banks increasingly are looking to

“**Banks increasingly are looking to consolidate as the capital market grows.”**

— Tom Morante and Barbara Efrain

consolidate as the capital market grows. Two recent events are examples of this optimism: Banco Macro’s offering of 74 million shares, raising \$666 million, potentially to fund the acquisition of Banco Patagonia, and Argentina’s \$2.75 billion 100-year bond offering. The banking sector’s interest in taking advantage of Argentina’s growing capital markets coincides with the upcoming debate regarding the bill to reform the Capital Markets Law (Proyecto de Reforma de la Ley de Mercado de Capitales). The bill would stimulate growth in capital markets by simplifying regulations and providing guidance on rules to assist regulators. This likely will streamline the issuance of shares, thus encouraging private and public offerings. The reform would also seek to reduce taxation

of foreign investment, create tax advantages for acquiring financial assets in Argentina, and ease restrictions on mutual funds. Argentine banks experienced minimal interest or demand for credit and asset management services in the recent past. But capital market expansion is expected to promote growth, as increased bank lending should complement investment opportunities. In addition, Argentina’s central bank regulations are expanding the scope of financing guarantees available to banks, which should further expand the loan market. The Capital Markets Law, central bank regulations, and tax reform contribute to greater borrowing and increased investment. As Argentina’s economy grows, the pace of bank consolidation may increase to accommodate the competitive global banking environment.”

A **Fausto Spotorno, director of research at Orlando Ferreres and Asociados in Buenos Aires:** “Argentina’s banking sector must change toward a more traditional approach. In the last decade, the sector had a business based upon inflation. Most of the income came from high interest rates on short-term credit and services. Delinquency rates were small. Also, costs were low because financing came from overnight deposits that pay zero or very small interest rates, especially in an environment of high liquidity, a product of expansionary monetary policy. However, the sector was heavily regulated in terms of dividend payments. Players in this sector understand that while inflation is falling, they will need to reduce margins and increase the size and volume of credit operations. That will probably lead to a more consolidated sector in the medium/long term. Also the restrictions on dividend payments have been lifted. So we are expecting growth in this sector, particularly in long-term credit such as mortgages, which can bring bigger volumes of credit. The government also wants to expand this kind of credit, which is why Buenos Aires reduced the taxes linked to mortgages.”

FINANCIAL SERVICES ADVISOR

is published biweekly by the Inter-American Dialogue, Copyright © 2017

Erik Brand

Publisher
ebrand@thedialogue.org

Gene Kuleta

Editor
gkuleta@thedialogue.org

Nicole Wasson

Reporter, Assistant Editor
nwasson@thedialogue.org



Michael Shifter, President

Genaro Arriagada, Nonresident Senior Fellow

Sergio Bitar, Nonresident Senior Fellow

Joan Caivano, Director, Special Projects

Michael Camilleri, Director, Peter D. Bell Rule of Law Program

Kevin Casas-Zamora, Nonresident Senior Fellow

Ariel Fiszbein, Director, Education Program

Alejandro Ganimian, Nonresident Fellow

Peter Hakim, President Emeritus

Claudio Loser, Senior Fellow

Nora Lustig, Nonresident Senior Fellow

Margaret Myers, Director, China and Latin America Program

Manuel Orozco, Director, Migration, Remittances & Development

Jeffrey Puryear, Senior Fellow

Tamar Solnik, Director, Finance & Administration

Lisa Viscidi, Director, Energy Program

Denisse Yanovich, Director of Development and External Relations

Latin America Advisor is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

www.thedialogue.org

ISSN 2163-7962

Subscription inquiries are welcomed at freetrial@thedialogue.org

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.