

RESOLUTIONS OF THE VENEZUELAN CENTRAL BANK

The following Administrative Resolutions of the Venezuelan Central Bank (VCB) were published in Official Gazette N° 39.798 of November 11, 2011. They will become effective on January 1, 2012.

(i) **Resolution N° 11-11-01, whereby the Rules Relating to Transactions in the Foreign Currency Market are established.** The fundamental change made with respect to the former Rules was the broadening of the scope for transactions of purchase and sale in Bolívares of securities denominated in foreign currency, given that it was included that said transactions may be carried out not only through the System of Transactions with Securities in Foreign Currency (*Sistema de Transacciones con Títulos en Moneda Extranjera* - “SITME”) but also through the systems of transactions with securities in foreign currency of the VCB. Also, said Resolution provides that the securities denominated in foreign currency, issued or to be issued by the Republic, its decentralized or other entities, whether or not acquired through the systems of transactions with securities in foreign currency of the Venezuelan Central Bank may be freely negotiated in foreign currency, in the international markets. Resolution N° 10-09-01 containing the rules relating to transactions in the foreign currency market, published in Official Gazette of October 1, 2010, was repealed.

(ii) **Resolution N° 11-11-02, whereby the General Rules of the System of Transactions with Securities in Foreign Currency (“SITME”)** that supersede the “Guidelines for the performance of transactions with securities denominated in foreign currency in the SITME” dated June 14, 2010. This Resolution:

- Establishes that transactions of purchase and sale in Bolívares, in the secondary market, of securities denominated in foreign currency, issued or to be issued by the Republic, its decentralized entities or any other entity, may only be made through the SITME or the VCB. However, it also establishes the possibility for the VCB to authorize transactions of purchase and sale in Bolívares of said securities in the secondary market, according to the mechanisms that it deems convenient.
- Establishes that any natural or legal person interested in making bids with securities in foreign currency, through the SITME, must be previously registered with the Registry of Users of the System of Transactions with Securities in Foreign Currency (*Registro de Usuarios del Sistema de Transacciones con Títulos en Moneda Extranjera* - “RUSITME”), administered by the VCB. The information for the registration with the RUSITME will be available to the public after the third week of November 2011, in order to expedite the relevant registration process, which may be made as from the aforesaid date.
- Provides that all securities obtained through the SITME must be immediately offered for sale in the international markets by their holders, in order to be applied to the expenses in foreign currency for which they were acquired. The authorized institutions may assume the temporary custody of the securities awarded through the SITME, for the account of the VCB, while the sale is made.

- Limits the period of time during which the authorized institutions and the natural and legal persons have to keep available to the VCB the documentation that supports the transactions of purchase of securities through the SITME, to at least 2 calendar years.
- Penalizes with exclusion from the RUSITME the failure by natural and legal persons to comply with the requirements, terms and conditions prescribed in the Rules. The repetition of the failure, falseness or inaccuracy of the information provided or the use of the foreign currency for purposes other than those requested is penalized with the impossibility of acquiring securities through the SITME, for a period of 2 calendar years, without prejudice to a possible suspension from the RUSAD by CADIVI.
- Establishes that the transactions ordered by the date of entry into force of the Resolution (January 1, 2012), according to the former Guidelines, will continue their course pursuant to the provisions of said Guidelines.

(iii) Resolution N° 11-11-03, whereby the Rules for the Processing of Transactions at the SITME by Legal Persons. The most significant aspects of this Resolution are:

- The obligation remains to use just one authorized institution during each calendar month. A 90-calendar day relationship with the bank is required instead of 45 days. Said authorized institution may be different from the exchange operator used for CADIVI transactions.
- The purposes and cases for the acquisition of securities through the SITME by legal persons are ratified, namely: (i) Importers of Goods and Services not included in lists 1 and 2 (see Official Gazette of April 5, 2010) or in any list substituting for them, (ii) Importers of Goods and Services included in said lists 1 and 2 that have not acquired foreign currency during the 90 consecutive days preceding the request through CADIVI or that have not made any importation through ALADI or SUCRE during said period of time; if the requesting party has made requests for acquisition of foreign currency or has obtained Authorizations for Acquisition of Foreign Currency issued by CADIVI, it must expressly waive the same and file the form of waiver, which is available on the VCB's web page, with the Authorized Institution, and (iii) Importers of capital goods, consumable supplies, and raw materials.
- It is clarified that the acquisition of securities through the SITME applies only to importations to be made and in no case to importations already made.
- The non-accumulative maximum monthly cash amount of Three Hundred and Fifty Thousand Dollars of the United States of America (US\$. 350,000.00) remains, as well as the maximum daily amount of Fifty Thousand Dollars of the United States of America or its equivalent in another foreign currency.
- The standard sworn statements to be submitted by the legal persons in order to declare their compliance with the terms and conditions of the Resolution are available on the VCB's web page.
- The transactions ordered by the date of entry into force of the Resolution (January 1, 2012), according to the former Guidelines, will continue their course, pursuant to the provisions of said Guidelines.

(iv) Resolution N° 11-11-04, whereby the Rules for the Processing of Transactions at the SITME by Natural Persons: The most significant aspects of this Resolution are:

- The obligation remains to use just one authorized institution during each calendar month. A 90-calendar day relationship with the bank is required instead of 45 days. Said authorized institution may be different from the exchange operator used for CADIVI transactions.
- The standard sworn statements to be submitted by the natural persons in order to declare their compliance with the terms and conditions of the Resolution are available on the VCB's web page.
- The purposes, cases, and amounts for the acquisition of securities through the SITME by natural persons are ratified, namely: (i) up to a non-accumulative maximum cash amount of US\$ 6,000 per calendar year, with a maximum amount of US\$ 1,000 per month, for the acquisition of foreign currency intended for remittances to relatives; (ii) up to a non-accumulative maximum cash amount of US\$ 5,000 per calendar year, for the acquisition of foreign currency intended for the payment of studies abroad, expenses of consumption for trips abroad, and payment of goods required for the provision of professional services and (iii) up to a non-accumulative maximum cash amount of US\$ 10,000 per calendar year, for expenses related to health recovery, scientific research, sports, culture, and other cases of special urgency.
- In order to access the SITME, the natural person is not required to have exhausted his/her annual quota of foreign currency obtained through CADIVI
- The transactions ordered by the date of entry into force of the Resolution (January 1, 2012), according to the former Guidelines, will continue their course pursuant to the provisions of said Guidelines.

