

MEMORANDUM

EXCHANGE AGREEMENT No. 33

**RULES THAT WILL GOVERN TRANSACTIONS IN FOREIGN CURRENCY
IN THE NATIONAL FINANCIAL SYSTEM**

Exchange Agreement No. 33 (EA33), entered into by the National Executive and the Venezuelan Central Bank (“VCB”), published in Official Gazette No. 6,171 Extraordinary of 02-10-2015 and effective as from 02-12-2015, contains the Rules that will govern the Transactions in Foreign Currency in the National Financial System. Find below a summary of the most important aspects of said Agreement:

EA33 provides for three (3) methods for foreign currency purchase-sale transactions:

1. Purchase-sale of foreign currency in cross transactions at universal banks:

The individuals and companies that are clients of universal banks may place foreign currency purchase and/or sale orders with their bank, and the bank, as exchange intermediary, will carry out the transactions of purchase-sale of foreign currency only among clients of the same institution (cross exchange transactions).

The purchasers of foreign currency must have a bank account in foreign currency with said bank and their transactions will be paid to said account.

The exchange rate of these transactions will be the rate freely agreed by purchaser and seller. These transactions will be spot transactions and will be paid on the second business day following the transaction.

The VCB will define the operating rules of this market through sets of instructions and circular letters. The Ministry of Economy, Finance, and Public Banking and the VCB, through an Official Notice published in Official Gazette No. 6,171 Extraordinary of 02-10-2015, set a minimum amount of US\$ 3,000 for these exchange transactions.

2. Retail Exchange Transactions:

www.traviesoevans.com

@TraviesoEvans legal@traviesoevans.com

RIF:J-00037142-3. Apartado de Correos 68278. Courier Mailing Address: C/O Zoom Internacional, Ccs 4512, P. O. Box 025801. Miami, Florida 33102-5801.

CARACAS	VALENCIA	BARQUISIMETO	MARACAIBO	PUERTO LA CRUZ	MATURIN
Edificio Atlantic, Piso 6, Av. Andrés Bello, Los Palos Grandes. Caracas 1060, Venezuela. +58 (212) 918 33 33 legal@traviesoevans.com	Torre Movilnet, Piso 7, Oficina N° 3. Avenida Paseo Cabriales. Valencia, Estado Carabobo, Venezuela. +58 (241) 825 47 93 +58 (241) 825 64 56 jcp@traviesoevans.com	Torre Empresarial Yacambú, Piso 5, Carrera 19 entre calles 22 y 23. Barquisimeto, Estado Lara, Venezuela. +58 (251) 233 75 37 +58 (251) 233 65 52 wsl@traviesoevans.com	Unicentro Virginia, Piso 2, Local 2-12. Avenida 3C con esquina calle 67, La Lago. Maracaibo, Estado Zulia, Venezuela. +58 (261) 792 02 61 +58 (261) 793 57 54 hbr@traviesoevans.com	Torre Banco Venezolano de Crédito Piso 6, Oficina 6-J. Avenida Intercomunal, Sector Las Garzas. Lechería, Estado Anzoátegui, Venezuela. +58 (281) 286 86 83 +58 (281) 286 78 98 pgr@traviesoevans.com	Centro Comercial Petrorriente Nivel Oficinas 2.02-N19 y N20, Avenida Alirio Ugarte Pelayo, Maturín, Estado Monagas, Venezuela. +58 (291) 643 09 84 +58 (291) 643 12 91 ccc@traviesoevans.com
TEHAR s.c. Propiedad Intelectual +58 (212) 918 33 44 J-30269093-5rmg@tehar.com					



Universal banks and currency exchange offices may be exchange intermediaries in order to carry out transactions of purchase-sale of foreign currency in bills, travel checks, and transfers (retail exchange transactions), only with individuals of legal age and in the case of currency exchange offices, only retail exchange transactions connected with the electronic remittance service.

The exchange rate applicable to these retail transactions will be the weighted average exchange rate of cross exchange transactions and exchange transactions with securities in foreign currency to which article 24 of EA33 refers, which will be daily published by the VCB in its web page, minus 0.25%.

The individuals who make retail exchange transactions must indicate the origin and lawful use of the funds and comply with the rules and regulations of the VCB and the Superintendencia of the Institutions of the Banking Sector (*Superintendencia de Instituciones del Sector Bancario* - "SUDEBAN"). Retail exchange transactions made by universal banks will be made to the debit of the bank account in bolivars and credited to the bank account in foreign currency with a national bank of the clients of such transactions.

The Ministry of Economy, Finance, and Public Banking and the VCB will establish, through an Official Notice, the amounts for the retail exchange transactions. The Official Notice published in Official Gazette No. 6,171 Extraordinary of 02-10-2015 fixed for the retail exchange transactions at currency exchange offices a maximum daily amount of US\$ 300 and US\$ 200 in the cases of foreign currency in bills, a maximum monthly amount of US\$ 2,000, and a maximum annual amount of US\$ 10,000. For retail exchange transactions at universal banks, said Official Notice fixed a minimum amount of US\$ 300 per natural person.

3. Transactions with securities in foreign currency:

Universal banks and securities operators authorized under the Securities Market Law may carry out, as authorized operators and only through the *Bolsa Pública de Valores Bicentenario* (Bicentenario Stock Exchange), transactions in national currency of securities issued in foreign currency by the Republic, its decentralized entities, or any other national or foreign, public or private entity traded in regulated international markets. The VCB will be entrusted with the custody of the securities negotiated in this market. Payment of the balances in foreign currency of these transactions will be made in accounts in foreign currency with national banks.

The securities operators may acquire and maintain the securities on a temporary basis, only with the purpose of using them for these transactions.

The exchange rate of these transactions will be the rate freely agreed by the purchaser and the seller of the securities.



Tax Aspects:

The conversion of the foreign currency for determining the taxable base of the tax obligations derived from customs transactions will be made at the exchange rate for purchase of the foreign currency of the transaction involved; in the case of foreign currency owned by the importer, the applicable rate will be the weighted average exchange rate of cross exchange transactions and exchange transactions with securities in foreign currency to which article 24 of EA33 refers, published by the VCB on the date of payment of the tax obligation.

The tax obligations established in special laws, as well as the rates, commissions, surcharges, and public prices fixed in foreign currency, may be paid alternatively in foreign currency or in bolivars, at the weighted average exchange rate of cross exchange transactions and exchange transactions with securities in foreign currency to which article 24 of EA33 refers, published by the VCB on the date of the relevant payment.

Consumption in the country with foreign credit cards:

In this case, the applicable exchange rate is the weighted average exchange rate of cross exchange transactions and exchange transactions with securities in foreign currency to which article 24 of EA33 refers, published by the VCB on the date of the relevant transaction, minus 0.25%.

General obligations of exchange operators:

The operating institutions must guarantee the positions offered in cross exchange transactions and in transactions with securities in foreign currency and they must require from their clients and users the temporary custody of the positions to be negotiated. Likewise, they must guarantee the proper identification of the persons that make the exchange transactions prescribed in EA33, the cause originating them, and the use to be given to the funds, and keep the documentation that supports the exchange transactions available to the VCB and the Ministry of Economy, Finance, and Public Banking for at least ten (10) years. Also, they must report to the VCB, SUDEBAN, and SUNAVAL (National Superintendence of Securities), the information relating to the transactions made.

Rules Repealed:

EA33 repeals the provisions that conflict with its provisions. It also expressly repeals articles 1, 2, 3, 4, 9, 10, 11, 13, and 14 of Exchange Agreement No. 28, relating to the cases of application of the SICAD II rate and articles 1, 3, and 4 of Exchange Agreement No. 23 relating to the sale of foreign currency by individuals not residing in Venezuela.

Caracas, February 2015.