

**OFFICIAL GAZETTE OF THE BOLIVARIAN REPUBLIC OF VENEZUELA**

YEAR CXLIII - MONTH III

Caracas, Wednesday, December 30, 2015

Special Number 6.211

NICOLAS MADURO MOROS

President of the Republic

With the supreme commitment and shall to achieve the greatest political effectiveness and revolutionary quality in the construction of socialism and the aggrandizement of the country, based on humanistic principles and on the Bolivarian moral and ethical conditions, by mandate of the people, and in exercise of the powers conferred upon me by paragraph 8 of article 236 of the Constitution of the Bolivarian Republic of Venezuela, and in accordance with the provisions of paragraph "c" section 2 of article 1 of the Law that authorizes the President of the Republic to enact Decrees with the Rank, Value and Force of Law on matters delegated in Cabinet Meetings

**ENACT**

The following,

**DECREE WITH THE RANK, VALUE AND FORCE OF LAW OF THE CENTRAL BANK OF VENEZUELA**

## TITLE I

### BYLAWS OF THE CENTRAL BANK OF VENEZUELA

#### Chapter I

##### On the Legal Nature

Article 1. The Central Bank of Venezuela is a public legal entity, with constitutional rank, of unique nature, with full public and private capacity, it being part of the National Public Branch.

Article 2. The Central Bank of Venezuela is autonomous to formulate and exercise policies in its field of competence and it performs its duties and functions in coordination with the general economic policy, to achieve the superior goals of the State and of the Nation. In exercising its functions, the Central Bank of Venezuela is not subject to Executive Branch guidelines. Nevertheless, the Bank shall cooperate with the latter in the achievement of the superior goals of the State and of the Nation.

Article 3. The equity of the Central Bank of Venezuela is made up of the initial capital, the General Reserve Fund, undistributed profits and any other equity account. The equity of the Central Bank of Venezuela is inalienable.

## Chapter II

### Domicile

Article 4. The Central Bank of Venezuela is domiciled in the city of Caracas.

## Chapter III

### On the Objective and Functions

Article 5. The fundamental objective of the Central Bank of Venezuela is to achieve price stability and to preserve the value of the currency.

The Central Bank of Venezuela shall contribute to the domestic economy's harmonic development, taking into consideration the Republic's socioeconomic system fundamentals. As part of its commitment to society, the Bank shall promote solidarity, citizen involvement, and social coresponsibility.

Article 6. The Central Bank of Venezuela shall contribute to Latin American and Caribbean integration by establishing the necessary mechanisms to facilitate the coordination of macroeconomic policies.

Article 7. For the proper performance of its objective, the Central Bank of Venezuela shall be responsible for the following duties:

1. To formulate and implement the monetary policy.
2. To participate in the design and implementation of

exchange policies. .

3. To regulate credits and interest rates of the financial system.

4. To regulate the currency and promote the adequate liquidity of the financial system.

5. To centralize and administer the Republic's international monetary reserves.

6. To estimate the proper level of the Republic's International Reserves.

7. To participate in foreign exchange markets and exercise the vigilance and regulation thereof on such terms as agreed to with the National Executive Branch.

8. To ensure the proper functioning of the country's payment system and set the operating rules thereof.

9. To exercise, on an exclusive basis, the power to issue monetary instruments.

10. To advise the national public branches in matters regarding its competence.

11. To exercise the rights and assume the Republic's obligations to the International Monetary Fund, as stipulated in relevant agreements and in the law.

12. To participate, regulate, and carry out operations in the gold market.

13. To collect, produce, and publish the main statistics

relating to the economy, monetary, financial, exchange, price, and balance of payment sectors.

14. To promote actions to foster solidarity, citizen involvement, and shared social responsibility, for the purposes of contributing to the people's development and socioeconomic formation.

15. To perform such other operations and render services as are proper for a central banking pursuant to the Law.

## TITLE II

### ON THE DIRECTION AND ADMINISTRATION OF THE CENTRAL BANK OF VENEZUELA

#### Chapter I

##### On the Board of Directors and Executive Agencies

Article 8. The direction and administration of the Central Bank of Venezuela shall be entrusted to the President, who shall also be the Chairperson of the Board of Directors and the legal representative of the Bank.

Article 9. The President of the Central Bank of Venezuela is the foremost representative and executive authority of the Bank. Notwithstanding the provisions in the Sole Paragraph of Article 19 of this Decree with the Rank, Value and Force of Law, this title is on a full time basis. He/she is appointed by the President of the Republic for a seven-year term by following such proce-

dure as provided for herein in this Decree with the Rank, Value and Force of Law, to integrate the Board of Directors.

Article 10. The duties and functions of the President of the Central Bank of Venezuela are:

1. To run the Bank, administer its business and other operations, and to be its authorized spokesperson. The duties and functions of the spokesperson of the Bank and the Board of Directors may be exercised by a director as previously authorized by the President.

2. To represent the Board of Directors, convene and preside at their meetings.

3. To exercise the legal representation of the Bank, except judicial matters where the representation is exercised by the legal representative(s) and by such attorneys as appointed by the Board. Nevertheless, any court summons or notice may be served to the Bank's President.

4. To represent the Central Bank of Venezuela in both domestic and international institutions and organs in which the Bank shall participate, without detriment to delegating such representation from time to time to the First Managing Vice President or to any Directors or Vice presidents.

5. To exercise such powers which may have been delegated to him by the members of the Board of Directors on such terms as provided for in the current laws.

6. To see to the compliance of the Decree with the Rank, Value and Force of Law of the Central Bank of Venezuela, the legislation relating thereto and the decisions of the Board of Directors.

Article 11. The First Managing Vice President assists the President of the Central Bank of Venezuela, exercises the functions delegated thereto by the President or the Board of Directors, and attends the meetings of the Board with a say but no voting rights by acting as Secretary of the Board. Notwithstanding the provisions in Sole Paragraph of Article 19 hereof, his/her title is on a full time basis.

Article 12. The First Managing Vice President shall be appointed by the Board of Directors, upon a proposal by the President of the Central Bank of Venezuela for a six-year (6) term, and may be removed from office upon a motivated decision by the Board of Directors, upon proposal of the Bank's President.

Article 13. Division Vice Presidents shall be proposed to the Board of Directors of the Central Bank of Venezuela and may only be removed from their offices upon a

reasoned decision adopted by the Board of Directors. Vice Presidents are in charge of various technical areas assigned to them by the respective regulation. They report to and advise the First Managing Vice President in connection with the matters within their respective areas, and, should this be the case, they shall report to and advise the President and the Board of Directors. Their titles are on a full-time basis.

The First Managing Vice President and the Vice Presidents shall comply with such eligibility requirements set forth in Article 18 hereof and not incur in the incompatibilities as provided for in Article 19.

Article 14. Temporary absences of the President shall be filled by the First Managing Vice President. In case of absence or temporary absence of the First Managing Vice President, the Board shall appoint a division Vice President of the area to perform his/her functions.

Permanent absences of the President shall be filled by the First Managing Vice President until a new appointment is made which must take place within the ninety days following the date when such absence occurred. In the first thirty days of this term, the President of the Republic shall make a new appointment on the terms as provided for in this Decree with the Rank, Value and Force of Law.



For the purposes of this Decree with the Rank, Value and Force of Law, a temporary absence is understood as a an office vacancy not exceeding four uninterrupted months or six accumulated months in exceeding such time.

In any event, substitutions include the exercise of the attributes, responsibilities, powers and duties of such absent office holder.

## Chapter II

### On the Board of Directors

Article 15. The Board of Directors of the Central Bank of Venezuela consists of the Bank's President and six Directors, five of whom, without detriment to the provisions of the Sole Paragraph of this Decree with the Rank, Value and Force of Law, shall be full-time officials and shall be appointed for a seven-year term. One of the Directors shall be a Minister of the People's Power with competence in economics, and appointed by the President of the Republic, along with his/her deputy.

The members of the Board as well as the First Managing Vice President shall only represent the interests of the Nation.

The appointment of the members of the Board of Directors, including the Bank's President, may be ratified in their positions. Once their terms in office expire with-

out them having been ratified, the President and the members of the Board of Directors shall remain in their offices until their respective substitutes have been appointed. Said appointment shall take place in a term no later than ninety days.

In the first thirty days of this period, the President of the Republic shall proceed with the respective appointment for the position of President of the Bank, in accordance with Article 9.

Article 16. The President of the Republic shall appoint of the President and the Directors of the Central Bank of Venezuela, one of whom shall be the Minister for the People's Power with competence in finances.

The members of the Board of Directors of the Central Bank of Venezuela, except for the Minister of the People's Power, shall be appointed upon compliance with the public procedure concerning the evaluation of their merits and credentials for office.

Article 17. The President of the Republic shall create a merits and credentials evaluation committee which shall be responsible for the verification and evaluation of credentials and suitability requirements of the candidates who shall be make up the Board of Directors. Such committee shall consists of two representatives elected

by the National Assembly, two representatives appointed by the President of the Republic and, one representative appointed by the Council of Vice Presidents in a Cabinet Meeting.

The merits- and credentials- evaluation committee shall comply with at least, the following stages:

1. To prepare a list of eligible candidates, which shall contain, at least three candidates for each vacancy.
2. To gather information on each candidate in a curriculum vitae allowing for clearly and unequivocally verifying compliance with the requirements for office, and detect any conflict of interests interfering with the office.
3. To publish in at least one newspaper with circulation nationwide, a resume of the candidates within ten business days following the closing date of the nomination process.

Article 18. The requirements be met by the candidates to be members of the Board of Directors of the Central Bank of Venezuela are as follows:

1. Be a Venezuelan national and be in full enjoyment

of his/her civil and political rights.

2. Be of recognized competence in economic, financial, banking or legal matters or those relating to the functions to be performed, with at least ten years' experience.
3. Not have been declared either as a bankrupt or convicted of crimes against the public faith, against property or against public finances, nor disqualified to do business or to be a public servant.
4. The candidate is not to have kinship within the fourth degree of consanguinity and the second of affinity with the President of the Republic or his/her spouse, neither with the President of the National Assembly or his/her spouse, nor with a member of the Board of Directors or his/her spouse.

Article 19. It is incompatible with the title of President and of Director:

1. To be engaged in political activism or be in leading positions in political organizations, professional associations, trade unions or in academic bodies.
2. To enter into, either intuitu personae or through an intermediary, business contracts with the Bank, and

do with it personal business or other party's business, while being in office and during two years after the cessation of office.

3. To be a shareholder or director of corporate firms of a financial nature, to be holder of shares or securities in the financial market or of financial institutions or related businesses.

4. To perform activities that might impair his/her independence and impartiality in exercising his/her functions, originate conflicts of interest or allow the use of privileged information.

Sole Paragraph: In the integration framework, the members of the Board of Directors as well as the First Managing Vice President may exercise the representation of the Republic in international organizations with competences related to such as those of the Central Bank of Venezuela, where the President of the Republic has appointed any of them for such a purpose, or when it is so provided for in international agreements or treaties signed by this institute or by the Republic.

The members of the Board of Directors as well as the First Managing Vice President may carry on other duties when they have been appointed to that end by the President of the Republic, and providing such duties be di-

rectly related to the achievement of the objectives of the Central Bank of Venezuela.

Article 20. During the two years after they have left their positions, the President of the Bank, the First Managing Vice President and the members of the Board of Directors may not perform any managerial and consulting activities or legal representation in private entities when such activities are incompatible with their former office, and shall remain bound to the duty of secrecy and incompatibilities as set forth in this Decree with the Rank, Value and Force of Law. During such term, the Central Bank of Venezuela shall provide the former officials with a compensation equivalent to eighty per cent (80%) of their last base salary. The right to compensation as set forth herein shall not be applied to the Minister of the People's Power who has been a member of the Board of Directors or to former directors in the events of retirement, removal or resignation if the latter occurs within less than three years in office.

Article 21. The Board of Directors shall perform the duties of the supreme governance of the Central Bank of Venezuela. In particular, they shall have the following powers:

1. To ensure compliance with the objectives of the Cen-

tral Bank of Venezuela.

2. To formulate and execute the monetary policy guidelines and establish mechanisms for their implementation, as well as to make adjustments resulting from follow-up and assessment thereof. In this respect, the Board shall exercise such authorities vested in the Central Bank of Venezuela regarding the reserves and other monetary policy instruments. In exercising this power, the Board may establish distinctions for the purposes of determining the reserve requirements or other regulatory instruments applicable to banks and other financial institutions according to such selective criteria as determined to that end, as well as such special reserves in the cases that they may deem advisable.

3. To regulate the organization and functions of the Bank according to this Decree with the Rank, Value and Force of Law.

4. To approve administrative and personnel policies, and the relevant regulations thereof for a better functioning of the Bank and of the internal procedures of the Bank.

5. To approve the accounting policy of the Institute.

6. To appoint and remove division Vice Presidents from office, upon a reasoned decision, in compliance with the

due process requirements.

7. To establish the Bank's personnel's salary policy, including the members of the Board, the First Managing Vice President, and the division Vice Presidents, subject to the operating budget approved by the National Assembly.

8. To appoint general or special proxies and attorneys-at-law.

9. To approve the annual institutional strategic plan and the annual budget project relating to the income and expenses of the Central Bank of Venezuela, which shall be governed by this Decree with the Rank, Value and Force of Law and, in general, by the laws regarding this subject matter. The Board of Directors shall submit to the National Assembly, for approval, the budget of income and operating expenses. Likewise, the Board of Directors are responsible for the follow-up and assessment of the budget implementation.

10. To establish the systems of internal regulation and management of the Central Bank of Venezuela, and ensure the proper functioning thereof.

11. To perform a study to assess the Adequate Level of international Reserves pursuant to the provisions of this Decree with the Rank, Value and Force of Law.



12. To set the types of discount, rediscount or interest which are to govern the operations of the Central Bank of Venezuela.

13. To exercise the regulating authority of interest rates of the financial system, according to the provisions of this Decree with the Rank, Value and Force of Law.

14. To extend the terms stated in the instruments that have been discounted or rediscounted by it, or on which the Bank has made any advance or loan.

15. To authorize the printing, issuance, demonetization, and destruction of monetary species.

16. To participate in the design of the exchange policy pursuant to the provisions of the relevant agreements signed by the National Executive Branch, and to establish the mechanisms for their implementation as well.

17. To set, in agreement with the National Executive Branch, the prices in Bolivars that shall govern the purchase or sale of foreign currencies.

18. To exercise the supervision and surveillance of the country's various payment systems either operated or not by the Central Bank of Venezuela, as well as to issue the operating rules to assure the efficiency of the operation of such systems within the highest standards of security for the participants and the public. The Cen-

tral Bank of Venezuela shall be the only entity that is authorized to sign agreements establishing operating rules for the payment systems, both domestic and international.

19. To establish and close subsidiary offices, branches, and agencies. To provide for the creation of organizations with legal personality.

20. To authorize the purchase or sale of the real property required in the performance of the activities of the Central Bank of Venezuela.

21. To review selectively and periodically, every three months at least, the assets and liabilities maintained by the Central Bank of Venezuela.

22. To create and dissolve the necessary commissions and working committees for the proper functioning of the Bank as well as exercise the follow-up thereof.

23. To appoint the people that are to administer such institutions where the Central Bank of Venezuela may have an interest and such other as provided for by the Law.

24. To qualify, when relevant, the extent of confidentiality of the information of the Central Bank of Venezuela to which other institutions may have access to, as well as to authorize its disclosure in cases deemed to be strictly necessary pursuant to the provisions of this

Decree with the Rank, Value and Force of Law. The extent of confidentiality shall be limited to those cases where objectively there exists a threat to the security and to the monetary stability or any other harm to the public interest.

25. To be accountable to the National Assembly by sending an annual report of the policies, acts, targets, and results of the Central Bank of Venezuela, as well as periodical reports on the behavior of the country's macroeconomic variables and on the other topics requested, in the terms provided for herein. The President of the Central Bank of Venezuela shall attend requests to obtain information or invitations addressed to him/her on this issue.

26. To ensure the performance of the services of its competence, and exercise the other authorities vested therein by law.

27. To approve the financial statements, the annual report, and the report on policies of the Bank, as well as the report of the controllers.

28. To elect two controllers and their Deputies, and set their compensation.

Article 22. The regular meetings of the Board of Directors shall be held at least once a week upon call by the

Bank's President, and they must be mandatorily be held when three Directors so request. Special meetings shall be held whenever the Board of Directors may so decide.

Article 23. In order for a meeting of the Board to be validly held, it should count with the attendance of the President of the Bank or of any representative of his/her as well as of three Directors. In the event of an evident need, a meeting of the Board may be held with the presence of the President of the Bank, of two Directors and of the First Managing Vice President, who in his/her capacity as secretary of the body shall certify such conditions. When no provision to the contrary is contained in the Law, decisions shall be adopted by a simple majority of the attendants. In the event of a tied vote, the President holds the deciding vote.

Article 24. The Board of Directors of the Central Bank of Venezuela is autonomous as to the performance of their duties, the definition of the Bank policies and the execution of its operations, in such terms as set forth by the law, except for those matters in which this Decree with Rank, Value and Force of Law requires the concurrence or approval of the National Executive.

Article 25. Upon hearing of the affected official(s), the President or elected Directors shall be removed from

office when incurring in the following events:

1. Failure to meet the requirements set forth in this Decree with Rank Value and Force of Law to become a member of the Board of Directors.
2. Failure to perform any of such incompatible actions set forth in this Decree with Rank, Value and Force of Law.
3. Failure to attend for three consecutive times without just cause the regular meetings of the Board of Directors
4. Lack of probity, defamation or harmful action against the reputation or the interests of the Central Bank of Venezuela or the Republic.
5. Failure to comply with the Board of Directors decisions or agreements.
6. Serious damage intentionally or by gross negligence caused to the equity of the Central Bank of Venezuela or the Republic.

Article 26. In the events mentioned in the preceding Article, the President of the Republic, the President of the Central Bank of Venezuela or, at least, two of the Directors may initiate a procedure for the removal of any of the Directors. For such purposes, the request for removal shall be sent to the Board of Directors who shall prior to compliance with and completion of the

procedure and not exceeding sixty days, send the records to the National Assembly for a decision.

Article 27. The members of the Board of Directors are responsible for the acts adopted in the exercise of their functions and likewise they shall be held liable for the acts emanating from the Board of Directors, unless they have saved their vote or voted against such issues. Votes against or saved must be recorded in the minutes with due grounds.

Failure to comply with the Bank's purpose and goals without a justified cause shall result in the removal of the Board of Directors. Said removal must be sufficiently grounded in a report to be sent to the information of and decision by the President of the Republic. In any case, the removal shall not apply to those Directors who have stated their dissenting or negative vote with respect to the decisions that have given rise to such non-compliance.

If a removal of the Board of Directors or of any of the members thereof shall proceed, the President of the Republic must make a new appointment on such terms as provided for in this Decree with the Rank, Value and Force of Law for such term remaining for the removed members in that position.

A person who has been removed from the position of President or Director in accordance herewith may not be appointed to such position within the next seven (7) years.

### Chapter III

#### On the Workers of the Bank

Article 28. The personnel working for the Central Bank of Venezuela, in accordance with the Law, bylaws or contracts governing their service shall consist of officials, public employees, protection, custody and security employees, contract workers and laborers.

The officials and public employees working for the Central Bank of Venezuela shall be governed by the regulations issued by the Board of Directors for such purposes and, additionally, by the Administrative Career Law or by any succeeding law.

The regulations issued by the Board of Directors shall set forth the career regime of the official, employees of the Central Bank of Venezuela through the norms relating to entry, promotion, transfer, suspension and termination of public employment and other norms deemed relevant. Such regulations shall at least provide the Bank's employees with the rights pertaining to prior notice of termination, social benefits, vacations, profits

sharing and compensation for unjustified dismissal, as set forth in the Decree with Rank, Value and Force of the Organic Labor Law.

The provisions of this Article shall not apply to the Minister Director of the Central Bank of Venezuela as appointed by the President of the Republic.

The protection, custody and security personnel of the Central Bank of Venezuela, considering the nature of their work, shall be governed by such special regulations to be enacted by the Board of Directors.

The personnel hired to perform special work or activities other than the regular work performed by the public officials, on a nonpermanent basis, or those replacing public officials or employees shall be governed by the respective contract and, additionally, by the Decree with Rank, Value and Force of Organic Labor Law.

The workers of the Central Bank of Venezuela shall be governed by the Decree with Rank, Value and Force of Organic Labor Law.

Article 29. The personnel of the Central Bank of Venezuela have the right to strikes, unionize and collective bargaining as set forth by the Constitution of the Bolivarian Republic of Venezuela and by the Decree with Rank, Value and Force of Organic Labor Law.



For purposes of no interruptions of the essential activities and services performed by the Central Bank of Venezuela, the Board of Directors shall define through an agreement, and after hearing the opinion of the respective union representatives, the specific tasks not subject to suspension caused by strikes or labor conflicts, pursuant to the labor legislation in force.

Article 30. The management of the personnel of the Central Bank of Venezuela corresponds to the President of the Bank who may perform such duties through the First Managing Vice President.

### TITLE III

#### OPERATION OF THE CENTRAL BANK OF VENEZUELA

##### Chapter 1

###### On the General Provisions

Article 31. The management of the Central Bank of Venezuela shall be guided by the principle of transparency. In this regard and notwithstanding its institutional duties and on the terms provided in the law, shall keep informed, in a timely and reliable manner, the National Executive and other State authorities, public and private economic agents, both domestic and foreign, and the population about the performance of its policies, the decisions and agreements of its Board, the reports, publications, investigations, as well as about the per-

taining statistics, according to practices accepted by the central banks allowing to have the best information on the evolution of the Venezuelan economy, without detriment to confidentiality regulations that may apply pursuant to the Constitution of the Bolivarian Republic of Venezuela and the provisions of this Decree with the Rank, Value and Force of Law.

In compliance with the powers vested in the Central Bank of Venezuela, it is the duty of such Bank to hold periodical meetings on monetary policies, and publish the minutes of such meetings in the media that deemed best appropriate, including the use of most advanced computing services; likewise, the Central Bank of Venezuela shall keep the population periodically informed about its management concerning public contracting, pursuant to the governing principles on this matter.

Article 32. During the first month of each semester, the Board of the Central Bank of Venezuela shall approve the monetary policy guidelines, along with the objectives and strategies guiding their actions, based on the goals set by the Bank.

To that end, the Board shall be acquainted with and assess middle- and long-term projections and scenarios referring to the various development options of the Vene-

zuelan economy and the international context that allows to base its action strategy by collecting from public and private entities the required information for such purposes.

Likewise, the agencies with competence in issues of surveillance of the financial system entities shall send to the Central Bank of Venezuela reports on inspections accomplished by such entities under their control.

Article 33. For the proper performance of its functions, the Central Bank of Venezuela shall have a Strategic Financial and Exchange Information System to allow the follow-up of economic transactions of the agents engaged in the economy.

The Strategic Financial and Exchange Information System of the Central Bank of Venezuela shall have the adequate structure, methods and procedures for supplying timely flows of information on monetary, financial and exchange issues, with the aim of providing a greater ease in decision making by the economic authorities in on the channeling and coupling of credits set apart for the productive sectors, the follow-up and control of the payment systems, and the implementation of the exchange policy, inter alia. To this end, individuals and public and private entities are to furnish the information re-

quired by the Central Bank of Venezuela on the economic transactions performed thereby as well as any other necessary information to be determined to the benefit of the system operations, on the conditions and terms to be indicated for such a purpose.

The Central Bank of Venezuela may suspend every and all of its operations with such institutions which violate the provisions of this article.

Public agencies and entities shall provide support, within the scope of their duties, in order that the Strategic Financial Information System of the Central Bank of Venezuela be accompanied by validation and surveillance mechanisms regarding the reported information.

Article 34. The design of the exchange system shall be regulated by the respective exchange agreements which the National Executive, represented by the Minister of the People's Power, with competence in finance matters, and the Central Bank of Venezuela, represented through its President.

Article 35. Without detriment to the provisions of Article 10, section 3 hereof, the Central Bank of Venezuela shall appoint one (1) judicial removed represents who shall be freely elected and removed by the Board of Directors. The judicial representatives are the only offi-

cials, except for duly appointed attorneys, who are duly empowered to judicially represent the Central Bank of Venezuela, and therefore, any summons or judicial notice to the Bank shall be served in any of the people holding such office.

The judicial representatives are empowered to carry out any act they may deem advisable to defend the rights and interests of the Central Bank of Venezuela, without any other limitation than their accountability duties. They shall require an authorization in writing issued by the President of the Central Bank of Venezuela to agree, compromise, desist, and submit to arbitrators governed either by equitable principles or by the law, as well as to make bids in auctions and secure them.

Article 36. The Central Bank of Venezuela is exempt from payment of any taxes, fees, duties or any other payment to the National Treasury, except for indirect taxes applicable to the trading of goods produced by the Central Bank of Venezuela. Likewise, the Bank has tax immunity with regard to taxes created by the states, the Caracas Metropolitan District and the municipalities.

In general, the Central Bank of Venezuela hereby ranks *pari passu* to the National Treasury Office and, therefore, enjoys the franchises and privileges enjoyed by

such office.

Article 37. The Central Bank of Venezuela is forbidden:

1. To agree to the validation or monetary funding of deficit tax policies.

2. To grant credits directly to the National Government or to guarantee the obligations of the Republic, the States, the Municipalities, Autonomous institutes, Governmental corporations, or any other agency either of public or mixed nature. Exceptionally, and providing it does not collide with such prohibition as set forth in the section above, grant or finance credits to the State and public or private entities when there objectively exists an internal or external threat to the security or other harm to the public interest which the President of the Republic shall qualify under a confidential report; or in those cases where they have been unanimously approved by the members of the Board of Directors.

3. To make loans or advance payments without special security, except in those cases of reciprocal agreements with other central banks, regional payment clearing houses and/or regional payment clearing systems, or Latin American regional banks.

4. To grant credits under current accounts.

5. To grant credits for long-term investments, even if

secured under a mortgage, or for the formation or increase of the permanent capital of banks, saving institutions, and other institutions already existing or to be established in the country, or of corporations of any kind.

6. To grant any advance or loan, or make any discount or rediscount on due or extended debt instruments.

7. To discount or rediscount debt instruments, or make advance payments thereon, when there does not exist debtors' financial statements showing such instruments, prepared no more than one year earlier. However, where a debt instrument is produced by a bank or other financial institution, the balance sheet thereof and the financial statement of the instrument drawer or of the last endorser,

8. To extend for more than once, the terms stipulated in the documents that have been discounted or rediscounted, or on which the advance or loan has been made.

9. To guarantee the placement of securities.

10. To be holder of shares in corporations of any kind, have any interest therein or directly or indirectly participate in the management thereof, except where dealing with enterprises the main objective of which is directly related to specific or necessary activities for the op-

erations of the Bank, as well as the case of corporations which the Central Bank of Venezuela, in order to safeguard its equity, receives as payment of credits which have been granted or which it acquires by way of enforcing guarantees.

11. To grant loans or advance payments to the President, the Directors, the First Managing Vice President, the Vice Presidents, the employees of the Central Bank of Venezuela, as well as to their corresponding spouses; or acquire credit instruments at the expense of the President of the Republic or the Ministers of the People's Power. An exception to this provision are the loans granted by the Central Bank of Venezuela to its employees as part of the credit-assisting policy that the Bank shall develop through the Employee Fund of Social Welfare, Pensions and Retirement, as provided for herein.

12. To grant loans to any banking institution, firm or company where any member of the Board, the First Managing Vice President, or any Vice President of the Central Bank of Venezuela, or the corresponding spouse of any of them, is a shareholder of or holds an interest therein.

13. To purchase real property, except those required for performing the activities that are proper of the Central Bank of Venezuela, which are required for offices of its



own, for the executive authorities of the Bank, and for other related uses, as well as those received, for the safeguard of its equity, in payment of credits that have been granted or acquired as a result of the enforcement of a secured obligation.

14. To accept assets or property rights from third parties as trust, or administration, or to perform any operation of a similar kind, except in the case of such trusts as required by the National Executive within the framework of projects of interest for the national economic development.

Article 38. The properties which the Central Bank of Venezuela may receive to safeguard its assets, in payment of credits it may have granted or that it has acquired in compliance with the execution of guaranties, shall be sold within three (3) years from the acquisition date.

If within the aforesaid term, the Central Bank of Venezuela has not been able to sell them, the National Executive may extend such term for an equal number of years once the Bank has filed a report stating the reason why such sale operation has not been performed. During said extension, the Central Bank of Venezuela shall liquidate the aforementioned properties.

The liquidation of properties referred to herein may be performed by the Central Bank of Venezuela by means of a public bidding process for which the Board of Directors shall issue the respective rules.

## Chapter II

### Information, Security and Protection

Article 39. Any employee of the Central Bank of Venezuela, even when the employment has been terminated, shall keep secret the privileged and confidential information which he/she may be aware of. Breach of such duty by the Bank's officials and employees shall be penalized in accordance with the provisions of the Personnel Bylaws of the Bank or the national legislation on public offices, and in the case of the Directors of the Bank, in accordance with Article 25 of this Decree with Rank, Force and Value of Law.

The secrecy duty likewise applies to all persons who, for any reason, have accessed classified information, and particularly, to those persons performing control duties or attending, by right or invitation, meetings with the Bank's Management.

Article 40. The Board of Directors of the Central Bank of Venezuela may classify certain pieces of information as secret or confidential, when anticipated dissemina-

tion or public disclosure of the monetary, fiscal or financial policy may cause damage to the general interest or, as the case may be, to the effectiveness and efficiency of the measures adopted.

When required by the National Executive, the Board of Directors of the Central Bank of Venezuela may make use of these powers to transitorily suspend publication of information for the time during which there exist internal or external situations representing a threat to the National Security and the economic stability of the Nation. The Central Bank of Venezuela shall meet such petitions as filed by the people in the exercise of their right to access to such administrative registers and files as provided for in Article 143 of the Constitution of the Bolivarian Republic of Venezuela, except documents or information classified as secret and confidential, on the terms set forth in the Constitution of the Bolivarian Republic of Venezuela and in this Decree with the Rank, Value and Force of Law.

Article 41. The Board of Directors of the Central Bank of Venezuela shall issue the rules for the automated treatment of personal data in order to protect such personal rights as provided in the Constitution of the Bolivarian Republic of Venezuela.

Article 42. The National Assembly or its Commissions may access the information and documents classified as secret or confidential, following a request addressed to the President of the Central Bank of Venezuela. The president of the National Assembly may request in a reasoned manner the observance of the procedure and the compliance with the duties statutorily provided for secret meetings.

Article 43. The Central Bank of Venezuela shall have a protection and security system of its own, which shall be responsible for the security of the Bank's personnel, properties and premises.

In accordance with this Decree with Rank, Value and Force of Law and its Regulations, the Protection, Custody and Security Body shall have its own laws, which shall be approved by the Board of Directors of the Central Bank of Venezuela.

Article 44. Without detriment to the competences corresponding to the General Attorney's Office and to public order agencies, the security personnel of Central Bank of Venezuela shall cooperate in the investigation of felonies which may occur in the premises surveilled by such personnel. The appropriate judge shall determine the validity of the probatory acts gathered by the Protection, Custody and Security Body of the Central Bank

of Venezuela.

### Chapter III

#### On the operations of the Central Bank of Venezuela with the Government

Article 45. The Central Bank of Venezuela may be the depository of the National Treasury funds as agreed to with the National Executive.

The Central Bank of Venezuela may open and keep subaccounts in foreign exchange in favor of the National Treasury in accordance with the law and the agreements, which may be entered into with the National Executive.

Article 46. The Central Bank of Venezuela may be the financial agent for the National Executive in its both domestic and external credit operations.

The Central Bank of Venezuela, as financial agent, shall advise in the planning and scheduling of the public credit operations provided for in this Article, and shall manage the placement, repurchase and purchase, under resale agreements, of securities, contracting and service of such credits, as the case may be. These services shall be free of charge, without any other obligation for the National Executive than reimbursing the expenses incurred into by the Bank in the performance of such activities.

The Executive through the Ministry of People's Power with competence in Financial Affairs shall agree to with the Central Bank of Venezuela the terms under which the performance of services and operations provided for herein are exempted from the application of this article.

Article 47. The Central Bank of Venezuela shall:

1. Submit to the National Executive periodical reports on the internal and external monetary and financial situation, and make the relevant recommendations when deeming them appropriate.
2. Coordinate with the National Executive, the tax, monetary, financial, and exchange policies based on the goals stipulated in the agreements entered into with the National Executive.
3. Issue a reasoned financial opinion to the Ministry of People's Power with competence in Finances when so required by the Republic and the projects of public credit operations, on the terms and conditions stipulated in the Law.
4. Issue opinions in such cases as provided for in the law.

Article 48. The Central Bank of Venezuela may receive income and execute payments from the entities making up

the Treasury system in accordance with the agreements which for such purposes the Bank may have entered into with the Republic. Likewise, the Bank may receive deposits from the National Government, from the states, municipalities, autonomous institutes, state-owned companies and international organizations on the terms and conditions agreed to.

#### Chapter IV

#### Operations of the Central Bank of Venezuela with the Banks

#### and Financial Institutions

Article 49. The Central Bank of Venezuela may perform the following operations with banks and financial institutions:

1. Receive sight and term deposits and necessarily the part of the reserve to be determined pursuant to the Law. Sight deposits and reserves shall be the basis of the clearinghouses system that shall operate pursuant to the regulations issued by the Central Bank of Venezuela.
2. Accept the custody of physical and/or dematerialized securities, on the terms agreed therewith, as well as to render services of deposit, custody, transfers, clearing and liquidation of values subject to public offer.
3. Purchase and sell gold and foreign currencies.

4. Purchase and sell in open markets securities and other financial instruments pursuant to the provisions of this Decree with Rank, Value and Force of Law.

5. Make advance payments on gold, in coins or in bars, on the conditions stipulated by the Central Bank of Venezuela.

6. Grant credits secured on debt instruments issued by the Republic or by its decentralized bodies, as well as on instruments related to operations of legal commercial nature and other securities that the banks and financial institutions are permitted to purchase. The mentioned credits may adopt the form of discount, rediscount, advance payments, repurchase, on the conditions and terms determined by the Board Directors of the Central Bank of Venezuela. Likewise, in exceptional circumstances as security for these operations the Bank may receive any other credit assets or of any other kind from the banks and financial institutions on the conditions and terms defined by the Board of Directors for such a purpose.

The Board of Directors may establish special conditions regarding terms and interest rates for the operations provided for herein, including the direct credit mode when deriving from the financing of programs that the National Executive determines to be a national priority



concerning the agricultural, manufacturing, construction, and agrofood sectors as well as concerning projects for exports, as well as those used for the formation of monetary and non-monetary gold. For the purposes of the latter, the terms of the operations shall be determined according to the nature of the sector and/or project and, in the opinion of the Board of Directors, are to have sufficient security.

7. Enter into repurchase operations, acting as receiver and provider, on the conditions determined by the Board of Directors of the Central Bank of Venezuela.

8. Discount and rediscount securities, including drafts, promissory notes and other securities derived from special programs established by the National Executive, issued within the framework of said programs relating to financing operations for the agriculture, construction, and agrofood sectors and to strengthen the exporting capacities of domestic companies based on programs for promoting exports as well as financing operations for industries, raw materials processing, and for the formation of monetary and non-monetary gold.

The Board of Directors of the Central Bank of Venezuela shall establish special conditions for the operations referred to in this paragraph and, as far as a term is

concerned, such shall be determined according to the nature of the sector and/or project, shall be subject to the terms of maturity, expiry, and prescription of the corresponding instruments, and may be extended. Where such operations are made up by discounting or rediscounting of debt instruments derived from financing granted to institutes or funds of the State with the main goal of financing the sectors and/or activities provided for in this paragraph, the Central Bank of Venezuela may establish debt instruments rediscounting quotas in order to assist the aforementioned special programs.

The Board of Directors shall establish and approve the yearly amount for financing the abovementioned productive sectors.

9. Acquire credit assets from financial institutions as well as receive credits as assignee for the purposes of preserving the liquidity of the national financial system, on the terms and conditions stipulated by the Board of Directors of the Central Bank of Venezuela for such a purpose.

10. Carry out other operations as expressly stipulated in this Decree with Rank, Value and Force of Law.

The Board of Directors of the Central Bank of Venezuela

shall establish the bases for determining the value of the instruments and the assets that shall serve as a guarantee for the credits as stipulated in paragraphs 6 and 8 of this article, or to which assistance has been given pursuant to the provisions of the mentioned paragraphs, and the maximum rate of the value thereof that shall be used as the basis for setting credits amount; as well as the bases for determining the value of the assets to be purchased pursuant to the provisions of paragraph 9 of this article.

The credits provided for in paragraphs 6 and 8 of this article shall not be subject to such prohibitive provisions contained in paragraph 5 of Article 37 hereof concerning financing programs involving long-term investments and with a real security on the property constituted by the assets of such programs.

Article 50. The Central Bank of Venezuela is the only body empowered for regulating the interest rates of the financial system. In exercising such exclusive and excluding powers, The Board of Directors of the Central Bank of Venezuela may set the minimum and maximum rates that banks and other financial institutions, either private or public, governed by the Decree with Rank, Value and Force of Law of Banking Sector Institutions or by

other laws, may charge and pay for the different kinds of active and passive operations which they carry out.

The Central Bank of Venezuela is the only body empowered to set the maximum and minimum fees and surcharges caused by accessory operations and the different services that might be qualified as directly or indirectly related to the abovementioned asset and liability operations. The Bank may set such fixing despite the fact that said services or accessory operations are performed by individuals or legal entities other than banks and credit institutions. The Bank is likewise empowered to set the fees that said banks or credit institutions might charge for the different services rendered thereby.

The modifications to interest rates and commissions, charges or fees shall only be binding on future operations.

Article 51. In order to regulate general bank credit volumes, and to prevent inflationary trends, the Central Bank of Venezuela may set the maximum rate of growth for loans and investments for any determined period of time, as well as portfolio ceilings or limitations for such loans and investments.

These measures may be established on a selective basis

by sectors, zones, banks and financial institutions, or by using any other suitable selection criterion that the Board of Directors of the Central Bank of Venezuela may determine.

Likewise, in exercising this selective credit control power for the purposes of directing it to those sectors that are more convenient to the economy, and to contribute to estimating the resources to be placed in such a way that they match the actual needs of each productive sector, the Board of Directors shall issue binding opinions regarding the proposals to establish managed credit portfolios. Such opinion shall be issued within fifteen business days following the relevant petition; upon expiration of this term without there being an opinion, the portfolio in reference shall be established.

Article 52. Notwithstanding the provisions of Article 33 hereof, the banks and financial institutions are obliged to submit to the Central Bank of Venezuela such reports as are required on their financial condition or on any of the operations thereof. This obligation extends to those individuals and legal entities that, due to the nature of their activities and their relevant relation to the functions of the Bank, the Board of Directors of the Central Bank of Venezuela may determine.

Article 53. The amounts corresponding to legal reserves kept in the Central Bank of Venezuela by banks or any other financial institution cannot be seized.

Article 54. Banks and other financial institutions shall keep such legal reserves, which the Central Bank of Venezuela may determine, based on its monetary policy.

Said legal reserves shall be made up of legal tender, save in the case of reserves for obligations in foreign currencies in which case such legal reserves are to be made up by the kind of currency as approved by the Central Bank of Venezuela.

Article 55. The portion of the legal reserve deposited with the Central Bank of Venezuela may be compensated by reasons of monetary and financial policy on the terms and conditions, which, for such purpose the Board of Directors of Central Bank of Venezuela may establish.

Article 56. The Central Bank of Venezuela shall establish the method to calculate, so as to determine the situation of the legal reserve, exemptions and items that may not be estimated, as well as the interest rates that banks and other financial institutions shall pay for the uncovered of said reserve.

Article 57. Without detriment to the imposing of sanctions deemed appropriate, the Central Bank of Venezuela

may adopt, in exercising such discretionary powers as vested therein for appropriate compliance with its object, and for the purposes of preventing or avoiding potential damages and losses which such noncompliance of the provisions passed by the Bank covering all the matters of its competence may cause to the financial system, all the acts and measures that may be deemed convenient, which are of strict compliance by banks and other financial institutions, including the establishment of interest rates, and the suspension of the latter to participate in the different operations and systems administered by the issuing institutions.

#### Chapter V

##### On the Operations of the Central Bank of Venezuela with the Public

Article 58. The Central Bank of Venezuela, directly with the public and within the limits that the Board may set, may perform the following operations:

1. Receive deposits of any kind.
2. Perform the operations specified in paragraphs 2, 3, 4, 6, 7, 8, and 9 of Article 49.

For the purpose of contributing to the harmonic development of the national economy and to ensure social welfare, the Central Bank of Venezuela shall, through its

supreme governance body, establish special conditions for the operations provided for in paragraph 8 of Article 49 herein, when such are executed with the participation of State institutions or funds created for developing the sectors and activities provided for in the mentioned paragraph; in this case, operations are to be secured by a sufficient guarantee, as the Board of Directors of the Central Bank of Venezuela may determine for such a purpose, and likewise said body may establish special conditions for the operations referred to in section 8, article 49 of this Decree with the Rank, Value and Force of Law when performed with the participation of State institutions or funds constituted for developing sectors and activities contemplated in said section; in this regard, operations must count on sufficient guarantee as determined by the Board of Directors of the Central Bank of Venezuela which shall also establish special preferred conditions in terms of time and financial aspects of such operations in view of the said objective. When these operations are guaranteed with credit instruments, those of any nature shall be admissible including those from operations destined for the financing of special programs determined by the National Executive, and carried out to comply with the object of said funds and institutions. The credits referred to



herein shall not be subject to such prohibition as contained in section 5 of article 37 of this Decree with the Rank, Value and Force of Law as regards financing programs involving long-term investments and with real guarantees on properties constituting the assets of such programs, and may not be granted when they imply a violation of section 1 of said article.

Article 59. The Central Bank of Venezuela may issue securities and trade them in accordance with the regulations governing each issuance. The securities referred to in this Article may be bought back by the Central Bank of Venezuela and placed again in the market prior to the maturity date. Until they are placed again in the market or until the maturity date, as the case may be, said securities shall remain in a temporary account belonging to the accounting system of the Bank.

Article 60. In order to comply with the guidelines of the monetary policy, the Central Bank of Venezuela may purchase and sell in open market securities and other financial instruments massively issued as the Board of Directors may determine.

The operations provided herein shall be carried out under market conditions. Securities shall be offered by third parties other than the issuing entity, except for

those issued by the Central Bank of Venezuela and Petróleos de Venezuela S.A. or the entity created for the managing of the oil industry shall be authorized by the National Executive, and the operation shall take place pursuant to the objectives contemplated in the interinstitutional coordination.

#### TITLE IV

##### ON THE PAYMENT SYSTEMS OPERATING IN THE COUNTRY

Article 61. The Central Bank of Venezuela has the duty to exercise the vigilance and surveillance of the payment systems operating in the country, as well as to establish the operating and/or functioning regulations thereof, for ensuring their efficient functioning within the highest levels of security for both participants and the public.

For the purposes hereof, "payment systems" mean the set of regulations, agreements and procedures, having as one main object the processing and performing of orders of transfers of funds and/or securities among the participants that have been acknowledged as such by the Central Bank of Venezuela, pursuant to the regulations issued in such regard.

The powers vested in the Central Bank of Venezuela pursuant to the provisions of this Title shall be exercised

notwithstanding the authorities corresponding to the governing body of the National Treasury System and the subsystems making it up, in the matters of its competence. At any rate, in exercising these powers, the Central Bank of Venezuela shall coordinate its actions with said body in relation to such payment systems the latter administers.

Article 62. The activity of the payment systems is of general interest, and the provisions stipulated for this matter in the Decree with the Rank, Value and Force of Law are public policy.

Article 63. In exercising its powers regarding the payment systems, the Central Bank of Venezuela may:

1. Qualify a payment system and authorize its operation.
2. Enact general regulations and particular directions to regulate the operation of the payment systems, the instruments, and the behavior of the participants therein; in the exercise of these authorities, the Bank may issue regulations on the organization, functionality, and operability of every payment system, its policies and management measures, and risk mitigation, as well as the protection of the user's rights.
3. Supervise the compliance with the regulations adopted by the Central Bank of Venezuela concerning the func-

tioning of the payment systems as well as the operations involving the disposal, liquidation, encumbrance or delivery of funds, securities, and other financial instruments for the purposes of determining risk sources and develop and incorporate the corresponding corrective actions; therefore, it may design and/or approve adjustment programs, of mandatory compliance by the administrators of the payment systems intended to correct deviations therefrom when detecting deficiencies that may impair the proper functioning, jeopardize the security of the orders or directions processed through the system or involving noncompliance with the regulations governing the matter.

4. Suspend and even repeal the decisions adopted by the administrators of the payment systems, and adopt appropriate actions whenever it considers that such decisions violate the regulations in force, or significantly affect the secure and efficient functioning thereof.

5. Formulate information requests from the administrators of the payment systems, their participants, and the bodies rendering services to such systems that may be deemed necessary to assess the efficiency and security of the payment systems and instruments.

6. Participate whenever it deems convenient, in the de-

sign of payment systems promoted by initiative of third parties.

7. Establish cooperation agreements with other authorities or organisms that monitor the institutions of the financial system, domestic and international, of the stock exchange market, and of consumer protection, for the purposes of guaranteeing the secure and efficient functioning of the payment systems. Perform any other act and/or activity that is necessary for the purposes of ensuring the operational continuity of the country's payment systems.

Article 64. Administrator of a payment system for the purposes of this Decree with the Rank, Value and Force of Law is understood as any legal entity, public or private, either of a financial nature or not, that operates a payment system and coordinates the actions of the participants therein if the Central Bank of Venezuela has authorized it as such. In order to be administrator of a payment system it is an essential requirement not to be involved in any presumptions of disqualification or incompatibility stipulated for exercising of banking, finance, stock exchange market or insurance activities.

Article 65. The Central Bank of Venezuela, in the regulations that it shall issue for such a purpose, may es-

tablish:

1. The time, by which the orders or directions of funds or securities transfer, placed by participants to a payment system or securities liquidation may not be revoked by the ordering party or a third party.
2. The possibility a system has to perform the clearing of the obligations existing among two or more participants who are reciprocally debtors and creditors in a liquidation period in a same payment system, for the purpose of extinguishing such obligations up to the concurring amount, so only a net credit or obligation shall be payable without requiring the express consent of the participants.
3. The opportunity and degree of firmness, demandability and opposability to third parties of the funds or values transfer instructions processed in a payment system or of securities liquidation.
4. The time from which the orders or directions emanating from judicial or administrative authorities may be payable in the respective payment system which under no circumstance shall be longer than one banking day after notice thereof is served, and it shall be set by considering the general inter-

est.

5. The order in which funds and/or securities clearing and liquidation may be performed.

6. The mandatory nature of the provision of securities as well as their order and execution procedure.

Article 66. The Central Bank of Venezuela, along with the supervisory and control bodies of the financial system institutes and the stock exchange market, may issue the regulations that may deem relevant for guaranteeing that the administrators of a payment system or the participants therein, in the performance of the proper activities concerning their goal, abide by the provisions of the regulations issued by the Central Bank of Venezuela in order to guarantee the proper functioning of the relevant payment system, avoiding disturbances to the other participants, and to other systems as well.

Article 67. The sums of money to be paid by the participants of a payment system for the fees of association and/or operation are to be notified to the Central Bank of Venezuela.

Article 68. The Central Bank of Venezuela may establish the payment of an annual contribution regarding the vigilance and surveillance functions which it performs and the contribution shall be paid by the administrators

and/or participants of the systems that have been recognized as payment ones.

The contribution shall be considered as expenses of the contributors corresponding to the exercise in which it is paid.

The Board of Directors of the Central Bank of Venezuela may establish exceptions to the obligation of making the payment of the contribution as established in this article.

Article 69. The Board of Directors of the Central Bank of Venezuela shall determine the manner and time for the payment, as well as the amount of the contribution mentioned above, which shall be comprised between a minimum of zero point one percent (0.1%) and a maximum of zero point five percent (0.5%) of the average of the assets of each contributor corresponding to the immediately previous fiscal year.

When the contribution is not paid by the date when required, the contributor shall pay arrears interests on the average active rate of the six main commercial and universal banks of the country with the highest volume of deposits, excluding the portfolios with preferred interests, calculated by the Central Bank of Venezuela for the immediately previous calendar month.



Article 70. Without detriment to the conventions and agreements that may be signed to in this regard, the Central Bank of Venezuela may pass the regulations that shall govern the coordinating relations among the various organisms, which competences influence the payment system participants, for the purposes of formulating recommendations regarding the regulation of the operations performed by the participants in such systems, by analyzing their functioning patterns, as well as monitoring the different initiatives proposed to that end, so it may ensure their harmonization and/or updating.

#### TITLE V

#### ON THE ECONOMIC REGIME OF THE CENTRAL BANK OF VENEZUELA

#### Chapter I

#### On the Plan and Budget of the Central Bank of Venezuela

Article 71. The administration and internal management of the Central Bank of Venezuela shall be ruled by a multi-annual institutional strategic plan which, upon taking into account the objectives stipulated in Article 5 hereof, formulates the strategic framework of the Institute, assesses and proposes the enhancement of its internal capabilities and establishes the set of operat-

ing measures for the annual plan execution and follow-up.

To this end, the Bank shall apply the latest methodological techniques and procedures of greatest validity intended to guarantee the systematic incorporation of automation processes, the greatest participation of the Bank's organizational units, the follow-up of the domestic and international environments, and the permanent upgrading of the new trends in the theory and practice in central banking and its internal influence.

Upon formulating the strategic plan of the Central Bank of Venezuela, attention is to be given to the general guidelines of the Nation's Socioeconomic Development Plan and that the Bank's budget matches the plan's financial expression.

Article 72. The budgetary fiscal year of the Central Bank of Venezuela commences on January 1 and ends on December 31 of every year.

Article 73. The annual budget of the Central Bank of Venezuela shall be made up by the income and expense budget of the monetary policy, and financial investments and the income and operational expenses budget.

For purposes of this Decree with the Rank, Value and Force of Law, operational expenses shall be understood

as current and capital expenses related to the management of the Bank.

Article 74. The Board of Directors shall approve the instructions which Management of the Bank shall abide by in relation to the preparation and execution of the budget.

Article 75. The draft of the operational income and expenses budget of the Central Bank of Venezuela shall be sent for discussion and approval by the National Assembly during the first fortnight of October of the immediately preceding fiscal the year to which the draft of budget refers.

The income and expenses budget of the monetary policy and financial investments of the Central Bank of Venezuela shall not be subject to examination by the National Assembly.

When the operational expenses budget provides for some items exceeding the fiscal year's budget, timely information relating to enforcement thereof in the corresponding fiscal year and following fiscal years shall be included.

Article 76. During the discussion of the budget of the Central Bank of Venezuela, the National Assembly may not directly amend the items or allocations provided for in

the draft of budget. Should it be deemed advisable, the National Assembly shall return the draft of budget to the Board of Directors of the Central Bank of Venezuela with recommendations for amendment.

In case the National Assembly fails to approve the budget of the Central Bank of Venezuela prior to December 15 of the corresponding fiscal year, the budget corresponding to the preceding year shall be then renewed.

## Chapter II

On the Economic Year, Financial Statements and Reports

Article 77. The Central Bank of Venezuela shall close and liquidate its accounts on June 30 and December 31 of every year.

Article 78. Within the thirty business days following the end of every fiscal year, the Central Bank of Venezuela shall publish the financial statements of the six-month term then ended.

Article 79. Within the first fifteen business days of each month, the Central Bank of Venezuela shall publish the financial statements of the month then ended.

Article 80. The monthly and biannual financial statements of the Bank shall be published in a newspaper of national circulation and access to the data shall be given through the Bank's electronic means. The financial

statements corresponding to the closing of every fiscal year shall be published in the Official Gazette of the Bolivarian Republic of Venezuela.

In preparing such statements, the Bank shall abide by the norms and accounting principles set by the Venezuelan Superintendence of the Banking Sector Institutions.

Article 81. Notwithstanding the publication, within the ninety days following the ending of the fiscal year, the Board of the Central Bank of Venezuela shall submit to the National Assembly and to the National Executive the comptroller's the financial statements and reports.

The Central Bank of Venezuela shall prepare and publish the annual economic report corresponding to the immediately previous fiscal year within the first six months of every year which shall contain such statistical series and their corresponding analysis, as well as such other data allowing to obtain updated information regarding the state of the national economy and its most important variables. This report shall be approved by the Board of Directors.

### Chapter III

#### On the Comptrollers

Article 82. The comptrollers appointed in accordance with the Decree with the Rank, Value and Force of Law

shall prepare and file their reports within forty-five days following the closing of each fiscal year which shall be sent to the National Executive and to the National Assembly together with the financial statements.

#### Chapter IV

##### On the Profits and Reserves

Article 83. Ten percent (10%) of all the semiannual net profits of the Central Bank of Venezuela, regardless of its origin or nature, shall be set aside for the General Reserve Fund, whose quantitative limit shall be set by the Board of Directors of the Central Bank of Venezuela based on a reasoned decision. The Board of the Bank shall on the basis of a reasoned decision agree that the remaining net semiannual earnings, upon deduction of such reserves as determined in the paragraph above and the voluntary ones, which at any rate shall not exceed five percent (5%) of said earnings shall be delivered to the National Treasury at the such as determined by the Board of Directors within the six months following the closing of the corresponding economic fiscal year.

The calculation of the profits to be delivered to the National Treasury shall be based on the semiannual net profits realized and collected pursuant to the Regulations of the Superintendence of the Banking Sector In-

stitutions. The remaining profits of the Central Bank of Venezuela shall be delivered to the National Executive on a scheduled basis and pursuant to the goals and objectives set forth in the Macroeconomic Coordination Agreement.

Article 84. In case the balance of the undistributed profit accounts and capital reserves, as mentioned in the preceding Article is insufficient to cover the financial unbalances of an economic fiscal year, the Bolivarian Republic of Venezuela shall make the necessary contributions for its replenishment.

For purposes of this article, the aforementioned contributions shall be made through allocation of the respective credits in the budget for the subsequent fiscal year following the one on which the required amount was determined.

In case the situation of the fiscal accounts does not allow the performance of the budgetary allocation, the National Assembly shall authorize special issuance of national public debt bonds on market conditions and with a maturity term not exceeding five years.

#### TITLE V

ON THE CONTROL AND RELATIONS OF THE CENTRAL BANK OF VENEZUELA WITH THE PUBLIC BRANCHES

## Chapter I

### On the Relations with the Executive Branch

Article 85. The relations between the National Executive and the Central Bank of Venezuela shall take place through the Minister of the People's Power with competence in Finances.

Article 86. The Minister of the People's Power with competence in Finances shall, through the National Treasurer, send to the Central Bank of Venezuela the following information:

1. Daily movement of regular and special income and expenditures of the National Treasury.
2. At the beginning of every week, a schedule relating to the regular and special income and expenditures for the following four weeks. The National Treasurer must review such schedule daily and inform the Central Bank of Venezuela about any change that may take place in such schedule.
3. Within the first fifteen (15) days of the fiscal year, a schedule of the aforementioned income and expenditures for the four quarters of the respective fiscal, which shall be updated within the first two weeks of each month, with regard to such period of time which has not been executed.



On the other hand, the Ministry of the People's Power with competence in Planning shall inform the Central Bank of Venezuela about the preparation and execution process of the Nation's Economic and Social Development Plan in order to hear their opinion on such issues. The aforementioned Ministry shall furnish the Bank the information that it may require in accordance with the law.

Article 87. The Central Bank of Venezuela shall report on a timely basis to the National Executive or at its request about the behavior of the economy, the adequate level of the international reserves, and about the measures adopted in the framework of its competences, notwithstanding the publication of the reports as provided for in this Decree with Rank, Value and Force of Law.

Likewise, the Bank shall submit to the National Executive the results of the study whereby the adequate level of the international reserves is estimated, which might be on a biannual basis if so advisable due to the circumstances, at the discretion of the Board of Directors of the Bank. In such study, the level of operating international reserves is included for complying with the provisions set forth in Article 125 of this Decree with

the Rank, Force and Value of Law.

The Central Bank of Venezuela shall agree to with the National Executive an information-supplying schedule during internal or external circumstances deserving National Security and the economic stability of the Nation.

Article 88. The Board of Directors of the Central Bank of Venezuela or its President shall, if necessary, on its/his/her own initiative or at the request of the Minister of the People's Power with competence in Finances, recommend to the National Executive such measures it may deem appropriate, in order achieve the goals and objectives set forth in the policies agreements and the essential purposes of the State.

## Chapter II

### On the Relations with the National Assembly

Article 89. The Central Bank of Venezuela shall be accountable for its actions, goals and results of its policies to the National Assembly in accordance with the terms of this Decree with the Rank, Force and Value of Law.

Article 90. The Board of Directors shall send a summary of its decisions to the National Assembly no later than thirty days, unless the Board requests and obtains a

longer term from the National Assembly.

Article 91. During the first forty-five business days of each year, the Board of Directors of the Central Bank of Venezuela shall, through its President, produce a report to the National Assembly about the results achieved, the accomplishment of its goals and policies, as well as about the behavior of the country's macroeconomic variables and the circumstances influencing such accomplishments, and an analysis facilitating the assessment thereof.

Article 92. Regardless of the periodical reports, the National Assembly may request from the Central Bank of Venezuela such information it may deem advisable, and may ask the Bank's President to appear before the Assembly.

When it is necessary for the exercise of its powers, the National Assembly requires confidential information, these shall be sent directly to the President of the National Assembly who shall be responsible for the disclosure thereof. The members of the National Assembly accessing such information shall be bound by the duty of secrecy as set forth in this Decree with the Rank, Force and Value of Law. Such remittance shall be made in accordance with the provisions of article 42 of this De-

cree with the Rank, Force and Value of Law. The members of the National Assembly having access to such information must comply with the duty of secrecy as set forth in this Decree with the Rank, Force and Value of Law.

### Chapter III

#### On the Relations with the Republic's General Comptroller's Office

Article 93. The General Controller's Office of the Republic is responsible for the subsequent control of the Central Bank of Venezuela. In this regard, the control activity shall never occur prior to the execution of the decisions of the Bank.

Article 94. The General Controller's Office of the Republic may perform its duties based on the principles of sincerity, timeliness, efficiency and effectiveness of the Central Bank of Venezuela's management and shall only refer to the proper execution of the operating budget.

The principles referred to in the preceding paragraph involve adequate performance of the comptroller's function, without detriment to the objectives, goals and results of the Central Bank of Venezuela's management.

Article 95. In the exercise of its powers, the General Comptroller's Office of the Republic shall access confi-

dential information in cases of absolute necessity for the performance of its competence in accordance with the Law.

The officials of the General Comptroller's Office of the Republic who may access the aforementioned type of information shall comply with the duty to secrecy duty as set forth in this Decree with the Rank, Force and Value of Law.

Article 96. The General Comptroller's Office of the Republic may not include in its management reports confidential data relating to the Central Bank of Venezuela, nor may it disclose them or deliver them, except cases in which the National Assembly or the National Executive may so require, upon hearing the opinion of the Bank.

#### Chapter IV

##### On Other Controlling Instances

Article 97. The Superintendence of the Banking Sector Institutions is in charge of the supervision and surveillance of the activities in its competence, performed by Central Bank of Venezuela, therefore, for a better performance of his/her functions, the Superintendent of the Banking Sector Institutions may attend the meetings of the Board of Directors in an advisory capacity with a say but no vote.

The guarantees on the exercise of its functions as provided for in Articles 95 and 96 of this Decree with the Rank, Force and Value of Law apply to the Superintendence of the Banking Sector Institutions.

Article 98. Public entities which participate in the control of the Central Bank of Venezuela may send to the President of the Bank such recommendations they may deem appropriate for a better functioning of the Bank, according to the scope of their competencies.

Auditing firms shall disclose the aforementioned recommendations solely in the final reports to be sent to the National Executive.

## Chapter V

### On the External Audit

Article 99. The financial statements of the Central Bank of Venezuela shall be examined annually under an external audit which shall focus on the operational and administrative accounts of the Bank, excluding the budget for monetary policy and the financial investments made by the Bank.

External auditors shall be independent. The National Executive shall, upon hearing the opinion of the Central Bank of Venezuela, select through a public bidding process the specialized national or foreign firm which shall conduct the audit. The firm may not be hired to do

more than three audits during the subsequent three-year period, and this limitation shall apply to any other company which could replace it or keeps a direct relationship with the firm through its owners or directors.

The cost of the external audit shall be incorporated into the budget of the Central Bank of Venezuela.

Article 100. In no event, the external auditors shall have access to confidential information in accordance with the National Constitution and the laws governing this matter, or information that has been classified as such by the Board of Directors of the Bank. Auditors shall keep confidential all the information of which they have become aware during the audit process of the Central Bank of Venezuela, and their reports are likewise confidential.

## TITLE VII

### MACROECONOMIC COORDINATION

Article 101. The Central Bank of Venezuela and the National Executive shall act jointly for the purpose of promoting and defending the country's economic and financial stability, prevent the vulnerability of the economy and ensure monetary and price stability in order to assure social welfare and human development consistent with the goals outlined in the context of the economic policy and particularly, with the general

guidelines of the Nation's Socio-Economic Development Plan.

The macroeconomic coordination between the Central Bank of Venezuela and the National Executive shall be governed by the provisions of this Decree with the Rank, Force and Value of Law, by such stipulations as provided in other statutory regulations, and by those established in macroeconomic coordination.

Article 102. The macroeconomic coordination shall be agreed to focus on an Annual Policies Agreement signed by the National Executive represented by the Ministry of the People's Power with competence in Finances and the President of the Central Bank of Venezuela. The Agreement shall be rigorous and consistent with the goals outlined in the context of the economic policy.

The Annual Policies Agreement shall contribute to the harmonization of the policies in the competence of both agencies for meeting the macro economic objectives that may be established.

Among other aspects, the Agreement shall contain the scopes in which the macroeconomic goals shall be assured the purposes of which shall be to guarantee the growth of the economy, price stability through an inflation goal, the fiscal balance sheet and the external balance



sheet. Likewise, it shall assess the social repercussions of the economic policies that shall be used in order to achieve the mentioned goals.

The Central Bank of Venezuela shall be autonomous to define and apply the set of instruments and policies variables, which shall assure the closest relationship among the fiscal, monetary, and exchange managements.

The Agreement shall establish the duties of each agency when defining its goals, as well as the methodology and mechanisms to measure the macroeconomic goals that must be met.

The Annual Policies Agreement may not, in any case, include monetary policies validating or financing deficit tax policies. The disclosure of the Agreement shall be made at the time of approval of the national budget by the National Assembly.

Article 103. Controversies which may arise between the Central Bank of Venezuela and the Ministry of the People's Power with competence in Finances shall, regarding the preparation and execution of the agreement, shall be resolved by the National Assembly, including the establishment of a special accountability system between the agencies involved.

Article 104. The heads responsible for the Annual Policy

Agreement shall inform the National Assembly within the first forty-five business days of each semester, about the execution of the policies and actions provided for in the Agreement, and the scope of the objectives set, by explaining and assessing, as is appropriate to each agencies, the effect, on the compliance of the Agreement, of the deviations relating to the influences of exogenous variables on the Venezuelan economy. Likewise, prior to the production of the new Agreement, they shall be accountable to the National Assembly about the effectiveness of the instruments used, the conditions of the economy under which the Agreement has developed, and the obtaining of the expected results.

Article 105. The public and private sector entities have the obligation to provide in a timely manner to the Central Bank of Venezuela, all the statistical information that it requires to design the participation of the Bank in the Annual Policy Agreement, as well as to prepare the reports provided for in this Decree with the Rank, Value and Force of Law.

## TITLE VIII

### THE NATIONAL MONETARY SYSTEM

#### Chapter I

##### On the Issuance and Circulation of Monetary Species

Article 106. The Bolivar is the legal tender of the Bol-

ivarian Republic of Venezuela. In case a common legal tender is instituted within the framework of the Latin American and Caribbean integration, the country may adopt such currency which is the subject of an agreement signed to by the Republic.

Article 107. The Central Bank of Venezuela shall exercise the exclusive right to issue banknotes and mint coins throughout the territory of the Republic. No other institution, either public or private, whatever the nature thereof, may issue monetary species.

An exception is made to such regulation relating to the issuing of species for the exchange of goods and services among within the communes.

Article 108. Coins and the banknotes issued by the Central Bank of Venezuela shall have such denomination, dimensions and colors which the Board of Directors may agree to.

For coinage, the Central Bank of Venezuela is hereby empowered to employ such metals or metal alloys it may deem most appropriate and advisable, in accordance with their value, endurance and other intrinsic properties, as well as to set the weight and standards thereof.

Article 109. The original elements used in the banknotes and coins producing process of the Central Bank of Vene-

zuela shall be inventoried and subsequently destroyed, pursuant to the procedures and complying with the security measures which may be established for such purposes. The aforementioned destruction shall not proceed if the Board of Directors of the Central Bank of Venezuela decide that such originals shall be used for filing and possible exhibition purposes. In these cases, they shall remain under the necessary custody.

Article 110. The Central Bank of Venezuela may produce coins for numismatic or commemorative purposes, and to that end, the Bank is free to establish the issuing characteristics and the distribution or commercialization thereof.

Article 111. The Central Bank of Venezuela shall regulate the coinage and commercialization of coins for numismatic, commemorative or any other purposes.

Article 112. The Central Bank of Venezuela may produce nonmonetary valued species and other security instruments whose design and other properties shall emanate from the very Bank or from third parties.

Article 113. The Central Bank of Venezuela may only place in circulation banknotes and coins through the purchase of gold, foreign exchange and through the performance of other operations authorized by this Decree

with the Rank, Force and Value of Law.

Article 114. The coins and banknotes returning to the Bank as a consequence of the sale of gold, foreign exchange or other assets or as a payment of credits shall be removed from circulation and may not be placed in circulation again, unless new operations as those specified in the preceding article are performed.

Article 115. The Central Bank of Venezuela shall organize throughout the national territory the necessary services to ensure the supply of banknotes and coins and to facilitate, to the public, exchange of the legal tender monetary species for other representing an equal value.

Banks and other financial institutions authorized to receive deposits in legal tender shall be obliged to provide the service of monetary species exchange in their offices, branches or agencies, pursuant to the regulations that for such purpose the Central Bank of Venezuela may pass.

In order to prevent shortage of fractioned coins and guarantee an adequate service, the Central Bank of Venezuela may require that banks and other financial institutions keep in their various offices, branches or agencies, at the public's disposal, a minimum stock of coins in the amounts which the Central Bank of Venezuela may determine for each kind of coin, it being understood

that said banks or financial institutions shall immediately replenish the minimum stock required to meet the public's demand, which in all events shall be met.

Article 116. Coins and banknotes issued by the Central Bank of Venezuela shall have releasing power without any limitation whatsoever in the payment of any public or private obligation, without detriment to special provisions in laws prescribing payment of taxes, fees or obligations in a certain mode and the right to stipulate special modes of payment.

Article 117. The Central Bank of Venezuela may order the demonetization of all or part of the issues of currency in circulation by reimbursing the issuance of money in circulation, in whole or in part, thus reimbursing the holders the value of the species subject to such measure.

Article 118. The import, export or trade of Venezuelan or foreign currencies of legal tender in their respective countries, is subject to the regulations set forth by the Central Bank of Venezuela, including the authorization for the entry and exit of monetary species representing the bolivar.

Article 119. Acceptance of perforated or altered coins and banknotes, or banknotes that are worn out to the ex-

tent of having lost on both sides its respective printing is not mandatory.

Article 120. Without detriment to the applicable criminal provisions, counterfeited coins and banknotes, wherever they are, shall be seized and placed at the disposal of the appropriate authority for the purposes of continuing the corresponding criminal indictment. In the respective sentence, the Court shall order the destruction of the instruments employed to commit the aforementioned felony and shall order the delivery of the counterfeited coins and banknotes to the Central Bank of Venezuela for their disabling, and should that be the case, for the use of their materials.

## Chapter II

On the External Convertibility, Exchange Operations, International Reserves and Adequate Level of International Reserves

Article 121. Legal tender coins and banknotes shall be freely convertible to the bearer and at sight, and payments thereof shall be made by the Central Bank of Venezuela through checks, drafts or transfers against funds deposited in first-class banks abroad and denominated in a foreign currency, which may be freely used.

Article 122. The Central Bank of Venezuela shall regulate, on such terms as agreed to with the National Exec-

utive, currency negotiation and trade of in the country; fund transfers in both domestic and foreign currency from this country to other countries and from abroad to this country, as well as the international payment agreements.

In a regulation to be passed to that end, the Central Bank of Venezuela may establish requirements, conditions and procedures in relation to the issues referred to in this article.

The Central Bank of Venezuela shall be represented in such special commissions to be created by the National Executive in order to hear and decide those issues determined by exchange agreements through one of the members of the Board of Directors of the Central Bank of Venezuela or a senior official of the Bank appointed by the said agency. The issues taken into consideration in such commissions concerning aspects of strategic nature and the change of preparation level shall be submitted to the consideration of the Board of Directors and to the Minister with competence in Finances.

Article 123. In exchange, agreements that the Central Bank of Venezuela enters into with the National Executive, profit margins that the Central Bank of Venezuela as well as the banks and other financial institutions participating in the purchase and sale of foreign cur-



rencies shall obtain shall be set.

Article 124. Exchange agreements entered into by the National Executive and the Central Bank of Venezuela shall govern all the matters relating to the exchange system in this country. These may set out limitations or restrictions to the free convertibility of the legal tender whenever it is deemed necessary for the sake of the system's stability, as well as for the continuity of the international payments of the country or for the counteraction of inconvenient capital movements.

Article 125. The currencies obtained from the exports of hydrocarbons, gases, and others, shall be sent to the Central Bank of Venezuela at the exchange rate valid at the date of each operation, except those necessary to comply with the tax payments in currencies, to which the subjects authorized to carry out said activities are obliged according to the law.

Petróleos de Venezuela S.A., or the body created to manage the petroleum industry, may keep funds in foreign currencies, upon the favorable opinion of the Central Bank of Venezuela, for the purposes of paying its financial commitments abroad, as well as meeting its operational and investment payments abroad, and as provided for in the laws, which shall be reflected in the compa-

ny's balance sheets. Likewise, it shall inform quarterly or at the request of the Central Bank of Venezuela about the use and destination of the referred funds.

Petróleos de Venezuela S.A., or the body created to manage the petroleum industry shall keep the Central Bank of Venezuela informed about the foreign exchange income that it obtains for whatever reason, for the purposes of the corresponding programming.

The Central Bank of Venezuela, taking into consideration the estimate of the adequate level of the operational international reserves that have been set by the Board of Directors, pursuant to article 87 of this Decree with the Rank, Force and Value of Law, the average of such reserves observed in the period as well as their projected evolution for the next period shall transfer to the National Development Fund (FONDEN), if such is the case, the corresponding surplus to that it may be used to finance investment projects in the real economy, education and health, improvement of the profile and balance of the public debt and to take care of special and strategic situations.

The transfer of resources referred to in the paragraph above shall be made through the accreditation of the corresponding balance in a special deposit account in

foreign currency open in the name of the National Development Fund (FONDEN) at the Central Bank of Venezuela, under which the payments ordered by the National Development Fund (FONDEN) shall be made in order to meet the purposes indicated above, whether in foreign currency or in bolivars upon sale of the corresponding currencies to the Central Bank of Venezuela.

Article 126. For the purposes of estimating the adequate level of the international reserves, the Central Bank of Venezuela shall establish a methodology whose parameters shall fit into the structural characteristics of the Venezuelan economy.

Article 127. The assets in currencies other than the bolivar kept by the Central Bank of Venezuela may be classified as international reserves or as other assets in foreign currencies.

The international reserves held by the Central Bank of Venezuela shall be represented in such proportion which the Board of Directors deem advisable, as follows:

1. Gold in coins and in bars, deposited in its own vaults and in foreign first-class financial institutions, according to internationally recognized criteria.
2. Sight or term deposits and deposits of securities in reserve currencies issued by foreign first-class finan-

cial institutions, according to internationally recognized criteria.

3. Sight or term deposits, and deposits of securities in reserve currencies issued by foreign public bodies and international financial institutions in which the Republic has a participation or an interest and which are easy to realize or negotiate.

4. Special drawing rights or other international fiduciary currency.

5. Net credit rating at the International Monetary Fund.

6. Diamonds and other stones or precious metals or other assets subject to transaction in the international financial markets, which had been rated by the Board of Directors as reserve assets and are deposited in its own vaults or in foreign first-class financial institutions according to internationally recognized criteria.

7. Any other assets or rights which had been classified as reserves by the Board of Directors according to internationally recognized criteria.

For the purposes of this article, freely convertible currencies and universally accepted as well as those foreign currencies easily convertible at the major international markets and used as account or payment currency in commitments assumed by the Bolivarian Republic

of Venezuela.

In its function of managing international reserves, the Central Bank of Venezuela shall meet the general criteria of liquidity, security, and profitability of the instruments, in the observation of the international financial markets and the analysis of the different kinds of risks existing in investment activities. Due to the nature of this function as an obligation of means, the Bank may carry out operations that seek to attenuate the risks existing in international financial markets where the country's reserves are invested.

### Chapter III

#### On the Obligations, Accounts and Instruments in Foreign Currencies

Article 128. Unless specially provided for otherwise, payments in foreign currency shall be made by delivering the equivalent value in legal tender, at the exchange rate in force at the place of the payment date.

Article 129. In the accounting of the public or private offices and in the ledgers whose use is mandatory, in accordance with the Commercial Code, values shall be stated in bolivars. Notwithstanding, international exchange operations carried out in foreign currencies may be entered and references thereto may be made although the respective counter value in bolivars shall be kept

in the accounting. Likewise, auxiliary ledgers may be kept for the same kind of operations, with indications and entries in foreign currencies.

Article 130. All official bulletins, writings, records or documents filed before the courts and other public offices concerning international exchange operations in foreign currencies shall contain the equivalent value in bolivars at the same time.

Article 131. Quotes or references to documents that have been executed or that are to be effective overseas may state pecuniary amounts in foreign currencies without the need to indicate equivalence in bolivars.

#### TITLE IX

##### ON THE SANCTIONS REGIME

Article 132. Every and all individuals and legal entities are subject to this Decree with the Rank, Force and Value of Law. A reference to banks and other financial institutions contained in this Title shall be understood in a wide meaning and, at any rate, it shall include institutions and subjects regulated by the laws governing banking, insurance and capital market activities.

Article 133. The Central Bank of Venezuela has the authority to impose administrative sanctions, through resolutions, upon those who fail to comply with the obliga-

tions stipulated in this Decree with the Rank, Force and Value of Law as well as in resolutions which the Bank passes in the exercise of the functions vested therein.

Article 134. The sanctions provided for in this Decree with the Rank, Force and Value of Law shall be apply notwithstanding criminal and civil actions that may be filed as well as the possibility of claiming compensation for damages and losses which could be ascertained.

The sanctions stipulated in this Decree with the Rank, Force and Value of Law shall be imposed and liquidated by the Central Bank of Venezuela, in accordance with the procedure established in the Organic Law of Administrative Procedures. Resolutions to this end may be appealed on such terms as provided for in the Law.

Article 135. The people subject to the regulations emanating from the Central Bank of Venezuela who violate the resolutions passed by said Bank relating to interest rates, commissions, tariffs and/or surcharges, credit regulation and payment systems, shall sanctioned up to one percent (1%) of their paid capital and reserves. Likewise, they shall be sanctioned up to zero point five percent (0.5%) of their paid capital and reserves in case of failure to submitting on a timely basis reports about their financial statements or any of their operations as may be required, and such sanctions

may be increased up to an additional one percent (1%) if the submitted information is found to be false.

Article 136. Failure to comply with the general prudential rules or rules on foreign currencies which may be adopted by the Central Bank of Venezuela to guarantee the provisions of the Decree with the Rank, Force and Value of Law on Banking Sector Institutions, shall be subject to such sanctions which may be previously established by its Board of Directors, which may not be greater than such value corresponding to each operation.

Article 137. Whoever imports or trades with Venezuelan or foreign legal tender in their respective countries, without prior compliance with the regulations issued by the Central Bank of Venezuela on this matter, shall be sanctioned with a fine equivalent to the value of the respective operation.

Subject to the same sanction shall be those who, upon failing to comply with the regulations adopted by the Central Bank of Venezuela, mint or trade coins for numismatic, commemorative or any other purpose. Coins subject to such illegality shall be seized.

Article 138. Whoever carries out operations concerning the negotiation of or trade with foreign exchange in this country, funds transfer, import, export operations



or purchase or sale of gold and its alloys, either in coins or in bars, melted, manufactured or in any other manner, without having complied with the regulations emanating from the Central Bank of Venezuela, shall be fined with such amount corresponding to the value of each operation.

Article 139. Whoever refuses to receive legal tender for release from pecuniary obligations, on the terms set forth in this Decree with the Rank, Force and Value of Law shall be sanctioned with three times the amount the acceptance of which was refused.

Article 140. Without detriment to the corresponding criminal liability, those who without the prior authorization emanating from the Board of the Directors of the Central Bank of Venezuela, alter, melt or in anyway destroy monetary species of legal circulation, as well as he/she being aware of such circumstance trades with the product from such processes shall be sanctioned with a fine up to four thousand tax units (4,000 TUs).

Article 141. Without detriment to other liabilities which could be demanded, he/she who violates the duty of secrecy as set forth in this Decree with the Rank, Force and Value of Law shall be sanctioned by an amount up to four thousand tax units (4,000 TUs).

In the event that the infringer is personnel to the service of the Central Bank of Venezuela, such violation shall further be grounds for dismissal, as the case may be.

If the infringement is due to acts and deeds by the firm in charge of such external audits as provided for in this Decree with the Rank, Force and Value of Law, such company shall further be disqualified to carry out audits in the Central Bank of Venezuela during the ten years thereafter.

In these cases, the Board of Directors of the Central Bank of Venezuela shall be the competent entity to determine the amount of the sanction and to proceed with the settlement thereof. The National Executive, the National Assembly and the Superintendence of the Banking Sector Institutions shall be given notice of said sanction for the appropriate purposes.

#### TITLE X

##### ON THE SPECIAL JURISDICTION

Article 142. The competent court to hear actions brought against the decisions emanating from the Board of Directors of the Central Bank of Venezuela shall be the Supreme Court of Justice.

## TRANSITORY PROVISIONS

FIRST: The provisions contained in this Decree with Rank, Value and Force of Law shall be immediately applicable from the date they become effective. Nevertheless, administrative procedures in progress shall continue their course until conclusion. Likewise, the Personnel Statute and other provisions emanating from the Board of Directors of the Central Bank of Venezuela in the scope of their competences are hereby ratified.

SECOND: The President and the Directors of the Central Bank of Venezuela currently in office shall continue to discharge their duties until expiration of the term of office for which they were appointed by the President of the Republic.

THIRD: The provisions of the Personnel Statute governing the employees of the Central Bank of Venezuela, and the personnel management regulation governing the protection, custody and security personnel shall remain effective provided they are not contrary to this Decree with the Rank, Force and Value of Law.

Without detriment to the legislation on pensions and retirement plans applicable to the Central Bank of Venezuela personnel, its Board of Directors shall determine a percentage out of the total wages paid in the respec-

tive previous semester, which shall be deposited in the Welfare, Pensions and Retirement Plan Fund of the Bank. Said amount shall be charged to the Bank's current expenses.

FOURTH: The provisions set forth in Title VII, of the Macroeconomic Coordination, in articles 101, 102, 103, 104 and 105 of this Decree with Rank, Value and Force of Law, shall apply until the corresponding Macroeconomic Coordination Law is published.

#### FINAL PROVISION

SOLE: This Decree with Rank, Value and Force of Law shall enter into force as of its publication in the Official Gazette of the Bolivarian Republic of Venezuela.

Given in Caracas, this thirtieth day of the month of December two thousand and fifteen.

205th Year of Independence, 156th Year of Federation and 16th Year of the Bolivarian Revolution.

Let it be enforced

(LS.)

NICOLAS MADURO MOROS