

OFFICIAL GAZETTE

OF THE BOLIVARIAN REPUBLIC OF VENEZUELA

YEAR CXLIII – MONTH III Caracas, Wednesday December 30th of 2015 N° 6.211 Extraordinary

NICOLAS MADURO MOROS

President of the Republic

With the supreme commitment and will 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 Council of Ministers.

ENACT

The following,

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

TITLE I

BYLAWS OF THE CENTRAL BANK OF VENEZUELA

Chapter I

Of 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, part of the National Public Power.

Article 2. The Central Bank of Venezuela is autonomous to formulate and exercise policies in its field of competence and it performs its 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 guidelines of the Executive Power. 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 patrimony 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 patrimony of the Central Bank of Venezuela is inalienable.

Chapter II

Of the Domicile

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

Chapter III Of 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 harmonic development of the national economy, taking into consideration the fundamentals of the socioeconomic regime of the Republic. 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 the 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 international monetary reserves of the Republic.
6. To estimate the proper level of the International Reserves of the Republic.
7. To participate in foreign currency markets and exercise the vigilance and regulation thereof on such terms as agreed to with the National Executive.
8. To ensure the proper functioning of the country's payment system and establish its operating rules.
9. To exercise, on an exclusive basis, the power to issue monetary instruments.
10. To advise the national public powers in matters regarding its competence.
11. To exercise the rights and assume the Republic's obligations in the International Monetary Fund, as stipulated in the corresponding 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 economical, monetary, financial, exchange, price, and balance of payment statistics.

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

15. To perform the other operations and proper services of the central banking, pursuant to the Law.

TITLE II OF THE DIRECTION AND ADMINISTRATION OF THE CENTRAL BANK OF VENEZUELA

Chapter I Of the Board of Directors and Executive Bodies

Article 8. The direction and administration of the Central Bank of Venezuela shall be in charge 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 following the procedure provided in this Decree with Rank, Value and Force of Law, for the constitution of the the Board of Directors.

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

1. To lead the Bank, administer its business and other operations, and be its authorized spokesperson. The office of the spokesperson may be exercised by a director, as previously authorized by the President.

2. To represent the Board of Directors, convene and chair its meetings.

3. To exercise the legal representation of the Bank, except for judicial matters where the representation is exercised by the legal representative(s) as well as by the judicial attorneys 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 national and international institutions and organs in which the Bank shall participate, notwithstanding that the President may temporarily delegate this representation to the First Managing Vice President or to any of the Bank's Directors or Vice-Presidents'.

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

6. To ensure the compliance of the Decree with 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 the right to speak but not vote where he/she acts 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 given a motivated decision by the Board of Directors, upon proposal of the Bank's President.

Article 13. Division Vice Presidents shall be proposed for their appointment 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 the various technical areas assigned to them by the respective regulation. They report to and advise the First Managing Vice President in matters related to his/her specific competences, 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 the 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 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 in the terms provided in this Decree with Rank, Value and Force of Law.

For the purposes of this Decree with Rank, Value and Force of Law, a temporary absence is understood as an office vacancy not exceeding four uninterrupted months or six accumulated months in a term of one year, and by permanent absences those who exceed that term.

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

Chapter II Of the Board of Directors

Article 15. The Board of Directors of the Central Bank of Venezuela is constituted by the Bank's President and six Directors, five of whom, notwithstanding the provisions of the Sole Paragraph of article 19 of this Decree with 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 economical matter, 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 interest of the Nation.

The members of the Board of Directors, including the Bank's President, may be ratified in their positions. Once their term in office has expired without them having been ratified, the President and the members of the Board of Directors shall remain in their offices until their respective substitutes are 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 the President and the Directors of the Central Bank of Venezuela, one of who shall be the Minister of the People's Power with competence in financial matter.

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.

Article 17. The President of the Republic shall create a committee for the evaluation of merits and credentials and the eligibility requirements of the candidates to the Board of Directors. Such committee shall consist 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 of the Council of Ministers.

The Comimitte for the evaluation of merits and credencials 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 of each candidate in a curriculum vitae that allows the clear and unequivocal verification of the requirements for office, and detect any conflict of interests interfering with function fulfillment.
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 that shall meet the candidates in order to be members of the Board of Directors of the Central Bank of Venezuela are the following:

1. Be a Venezuelan national and be in full enjoyment of his/her civil and political rights.
2. Be a person 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 in bankruptcy or convicted of crimes against the public faith, against property or against public finances, nor disqualified to carry out 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 manage before it personal business or other party's business, while being in office and during the 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 the exercise 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 those of the Central Bank of Venezuela, when the President of the Republic has appointed any of them for such purpose, or when it is so provided 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 whenever it concerns matters directly 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 to the regime of incompatibilities set forth in this Decree with 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 set forth herein shall

not be applied to the Minister of the People's Power 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 exercise the supreme direction of the Central Bank of Venezuela. In particular, they shall have the following powers:

1. To ensure the compliance with the purposes and objectives of the Central Bank of Venezuela.
2. To formulate and execute the monetary policy guidelines and establish mechanisms for their implementation, as well as to make the adjustments that result from its monitoring and evaluation. In this respect, the Board shall exercise the authorities vested in the Central Bank of Venezuela regarding the reserves and other monetary policy instruments. In the exercise of 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 the selective criteria determined to that end, as well as special reserves in the cases that it may deem appropriate.
3. To regulate the organization and functions of the Bank according to this Decree with Rank, Value and Force of Law.
4. To approve the administrative and personnel policies, and its relevant regulations for a better functioning of the Bank and of the internal regime of the Board of Directors.
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 salary policy of the Bank's, 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 attorneys-at-law.
9. To approve the 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 Rank, Value and Force of Law and, in general, by the laws regarding this matter. The Board of Directors shall submit to the National Assembly, for its approval, the budget of income and operating expenses. Likewise, the Board of Directors is responsible for monitoring and assessment of the budget implementation.
10. To establish the systems of internal control and management of the Central Bank of Venezuela, and ensure its proper functioning.
11. To perform a study to assess the Adequate Level of international Reserves pursuant to the provisions of this Decree with 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 power of regulation in matter of interest rate of the financial system, according to the provisions of this Decree with Rank, Value and Force of Law.
14. To extend the terms stated in the instruments that have discounted or rediscounted, 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 according to the corresponding agreements signed with the National Executive, and to establish the mechanisms for its implementation.
17. To set, in agreement with the National Executive, the prices in Bolivars that shall govern the purchase or sale of foreign currencies.
18. To exercise the supervision and surveillance of the various payment systems of the country either operated or not by the Central Bank of Venezuela, as well as to issue the operating rules with the purpose to assure the efficiency of the operation of such systems within the highest standards of security for the participants and the general public. The Central Bank of Venezuela shall be the only entity that is authorized to sign agreements establishing operating rules for the payment systems, of national and international nature.
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 for 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 to exercise it's monitoring.
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 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 according to this Decree with 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, goals, and results of the Central Bank of Venezuela, as well as periodical reports on the behavior of the country's macro-economic variables and on the other topics requested, in the terms provided for herein. The President of the Central Bank of Venezuela shall attend the interpellations or invitations made on this matter.

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

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

28. To elect two controllers and their alternates, 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 held when three Directors thus request. Special meetings shall be held whenever the Board of Directors thus decides.

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 condition. 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 the terms set forth in 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 of the Bank and the elected Directors shall be removed from office when incurring in the following events:

1. Non-compliance of the requirements set forth in this Decree with Rank Value and Force of Law to become a member of the Board of Directors.

2. Carry out any of the 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. Non-compliance of the acts or agreements of the Board of Directors.

6. Serious damage caused intentionally or by gross negligence to the patrimony of the Central Bank of Venezuela or of 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 members of the Board of Directors. For such purposes, the request for removal shall be sent to the Board of Directors who prior to the compliance and substantiation of the procedure and not exceeding sixty days shall send the proceedings 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 their due reasons.

The 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 that will be sent for the consideration and decision by the President of the Republic. In any case, the removal shall not apply to those members of the Board of 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 its members shall proceed, the President of the Republic must make a new appointment in the terms as provided in this Decree with Rank, Value and Force of Law for the term remaining in office to the member (s) that were removed.

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

Chapter III Of 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 establish the career regime of the officials, employees of the Central Bank of Venezuela through the norms relating to the

entry, promotion, transfer, suspension and termination of the public employment relationship and other norms deemed relevant. Such regulations shall at least provide the Bank's employees with the rights relating to prior notice, social benefits, vacations, profits sharing and compensation for unjustified dismissal, as set forth in the Decree with Rank, Value and Force of Organic Labor Law.

The provisions of this article shall not apply to the Minister Director of the Central Bank of Venezuela 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 the special regulations to be enacted by the Board of Directors.

The personnel hired to perform special work or activities different from the regular work performed by the public officials, of a nonpermanent basis, or those replacing public officials or employees shall be governed by the respective contract and, supletorily, 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 strike, to unionize and to collective bargaining recognized in the Constitution of the Bolivarian Republic of Venezuela and in 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, after hearing the opinion of the respective union representatives, the specific tasks not subject to suspension as a consequence of strikes or labor conflicts, according 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 FUNCTIONING OF THE CENTRAL BANK OF VENEZUELA

Chapter I Of 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, national and foreign, and to the population about the performance of its policies, the decisions and agreements of its Board, the reports, publications, investigations, as well as about the pertaining statistics, according to practices accepted by the central banking which allow to have the best information on the evolution of the Venezuelan economy,

notwithstanding the 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 noted mandate, it is the duty of the Central Bank of Venezuela to hold periodical meetings of monetary policies, and publish the minutes of such meetings in the media that it deems most appropriate, including the use of the 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 its actions, based on the goals set by the Bank.

In that sense, the Board shall consider and assess the middle- and long-term projections and scenarios referring to the various development options of the Venezuelan 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 bodies with competence in matters of surveillance of the financial system entities shall send to the Central Bank of Venezuela the reports of the inspections carried out on such entities under its 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 monitoring of the 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 monetary, financial and Exchange information flows, with the aim of providing a greater ease in the decision making by the economic authorities on the channeling and coupling of the credit destined for the productive sectors, the monitoring and control of the payment systems, and on the implementation of the exchange policy, among others .

To this end, individuals and public and private entities are to furnish the information required by the Central Bank of Venezuela on the economic transactions performed thereby as well as any other necessary information determined to the benefit of the system operation, on the conditions and terms to be indicated for such purpose.

The Central Bank of Venezuela may suspend all or some of its operations with the institutions that violate the provisions of this article.

Public bodies and institutions 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 financial matters, and the Central Bank of Venezuela, represented through its President.

Article 35. Without detriment to the provisions of Article 10, section 3 of this Decree with Rank, Value and Force of Law, the Central Bank of Venezuela shall appoint one (1) or more judicial representative who shall be freely elected and removed by the Board of Directors. The judicial representatives are the only officials, except for the 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 all the acts that they may deem convenient 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 tax, rate, tariff 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 is hereby equated to the National Treasury Office and, therefore, enjoys from the franchises and privileges enjoyed by such office.

Article 37. The Central Bank of Venezuela is forbidden:

1. To agree the validation or monetary funding of deficit tax policies.
2. To grant direct credits to the National Government as well as to guarantee the obligations of the Republic, the States, the Municipalities, Autonomous institutes, Governmental corporations, or any other entity of a public or mixed nature. Exceptionally, and providing it does not collide with the prohibition set forth in the section above, the Central Bank of Venezuela may obtain, 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 account.
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 appearing in such instruments, prepared with no more than one year in advance. However, when the debt instrument has been presented by a bank or other financial institution, the balance sheet thereof and the financial statement of the instrument drawer or of the last endorser will be enough.

8. To extend 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 in the case of corporations whose main objective is directly related to the specific or necessary activities for the operations of the Bank, as well as in 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 under execution of guarantees.

11. To grant loans or advance payments to the President, Directors, the First Managing Vice President, Vice Presidents, employees of the Central Bank of Venezuela, as well as to their respective 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 Employees' Fund of Social Welfare, Pensions and Retirement, as provided 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 their corresponding spouses, is a shareholder or holds an interest therein.

13. To purchase real property, except those required for the performing of 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 patrimony, in payment of credits that have been granted or acquired as a result of the execution of guarantees.

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

Article 38. The properties that the Central Bank of Venezuela may receive to safeguard its patrimony, in payment of credits it may have granted or that it acquires by virtue of the execution of guaranties, shall be sold within three (3) years from the acquisition

date.

If within the aforementioned 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 reasons 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 they have ceased in their functions, shall keep secret of the privileged and confidential information that he/she may be aware of. The 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 service, 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 equally applies to all persons who, for any reason, have access to 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 the anticipated dissemination or public disclosure of the monetary, fiscal or financial policy may cause damage to the general interests 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 the publication of information for the time during which there exist internal or external situations representing a threat to the National Security and to the economic stability of the Nation. The Central Bank of Venezuela shall meet the petitions made by the people in the exercise of their right to access to administrative registers and files provided in article 143 of the Constitution of the Bolivarian Republic of Venezuela, except documents or information classified as secret or confidential, on the terms set forth in the Constitution of the Bolivarian Republic of Venezuela and in this Decree with 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 the rights of the people provided in the Constitution of the Bolivarian Republic of Venezuela.

Article 42. The National Assembly or its Commissions may access to the information and documents classified as secret or confidential, through a request opportunely

addressed to the President of the Central Bank of Venezuela who will value the referrals of such information or documents, or its substitution by a report that includes the aspects of interest for the requesting body, when the nature or the character of the information compromises the security or the functioning 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 the secret meetings.

Article 43. The Central Bank of Venezuela shall have an integral protection and security system of its own, responsible for the security of the Bank's personnel, properties and facilities.

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 bodies, the security personnel of the Central Bank of Venezuela shall cooperate in the investigation of felonies which may occur in the facilities 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 **Of the operations of the Central Bank of Venezuela** **with the Government**

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

The Central Bank of Venezuela may open and keep subaccounts in foreign currency in favor of the National Treasury in accordance with the law and to the agreements that are concluded with the National Executive.

Article 46. The Central Bank of Venezuela may be financial agent of the National Executive in its internal 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 in this Article, and shall manage the placement, repurchase and purchase with repurchase option 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 National Executive through the Ministry of People's Power with competence in Financial Affairs shall agree with the Central Bank of Venezuela the terms under which it will perform the services and operations provided herein and the operations that 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 it deems 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 is required by the Republic and the projects of public credit operations, on the terms and conditions stipulated in the Law.

4. Issue opinions in the cases as provided in the law.

Article 48. The Central Bank of Venezuela may receive income and execute payments from the entities integrated in 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 in the terms and conditions agreed to.

Chapter IV **Of the 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 the banks and financial institutions:

1. Receive sight and term deposits and necessarily the part of the reserves 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 market 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 payment, repurchase, on the conditions and terms determined by the Board Directors of the Central Bank of Venezuela. Likewise, in exceptional circumstances the Bank may receive as security of these operations any other asset of credit nature from the banks

and financial institutions or of other character in the terms or under the defined conditions by the Board of Directors for such purpose.

The Board of Directors may establish special conditions regarding terms and interest rates for the operations provided herein, including the direct credit mode when deriving from the financing of programs determined by the National Executive as priority for the country concerning the agricultural, manufacturing, construction, and agrofood sectors as well as projects with export capacity, as well as those destined for the formation of monetary and non-monetary gold. For the latter purposes, the terms of the operations shall be determined according to the nature of the sector and/or project and, shall count with sufficient security, in the opinion of the Board of Directors.

7. Enter into repurchase operations, acting as receiver or provider, in 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 the financing operations of the agriculture, construction, and agrofood sectors and to strengthen the exporting capacities of national companies based on export promoting programs as well as financing operations of industries, for the processing of raw materials, 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 regarding the term, it will 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. When such operations consist in the discounting or rediscounting of debt instruments derived from the financing granted to institutes or funds of the State whose purpose is the financing of the the sectors and/or activities provided in this paragraph, the Central Bank of Venezuela may establish rediscounting quotas of debt instruments in order to assist the aforementioned special programs.

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

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

10. Carry out other operations expressly authorized 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 to the credits indicated in paragraphs 6 and 8 of this article, or on which assistance has been given pursuant to the provisions of the mentioned paragraphs, and the maximum percentage of the value thereof that shall be used as the basis for setting the 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 in paragraphs 6 and 8 of this article shall not be subject to the prohibitive provisions contained in paragraph 5 of Article 37 hereof concerning the financing programs involving long-term investments and with a real security on the property that constitute 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 the exercise of such exclusive and excluding power, 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 the accessory operations and the different services that might be qualified as directly or indirectly related to the abovementioned lending and borrowing transactions. The Bank may set such fixing despite the fact that the services or accessory operations are performed by individuals or legal entities other than the 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 by them.

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

Article 51. In order to regulate the general volume of bank credit, and to prevent inflationary trends from accentuating, the Central Bank of Venezuela may set the maximum rate of loans and investments growth for determined periods of time, as well as portfolio ceiling 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 any other suitable selection criterion that the Board of Directors of the Central Bank of Venezuela may determine.

Likewise, in the exercise of this power of selective control of the credit for the purposes of directing it to those sectors that are more convenient to the economy, and to contribute to the estimation of 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 opinion regarding the proposals to establish managed credit portfolios. Such opinion shall be issued within the 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 the reports that are required on their financial condition or on any of its operations. 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 the legal reserve 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 the legal reserve, which the Central Bank of Venezuela may determine, based on its monetary policy.

Said legal reserve shall be constituted by a legal tender, save in the case of reserve for obligations in foreign currencies in which case such legal reserve is to be constituted by the kind of currency approved by the Central Bank of Venezuela.

Article 55. The portion of the legal reserve deposited in 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 the Central Bank of Venezuela may establish.

Article 56. The Central Bank of Venezuela shall establish the method of calculation, in order to determine the situation of the legal reserve, the exemptions and non-qualifying items, as well as the interest rates that banks and other financial institutions shall pay for the uncovered amount of said reserve.

Article 57. Without detriment to the imposing of sanctions deemed appropriate, the Central Bank of Venezuela may adopt, in exercise of the discretionary powers established for the appropriate compliance of its object, and for the purpose of preventing or avoiding the potential damages and losses which for the financial system may cause the non-compliance of the of the provisions enacted by the Bank in the matters of its competence, all the acts and measures that it deems convenient, of strict compliance by the banks and other financial institutions, including the establishment of interest rates, and their 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, may directly perform with the public and within the limits that the Board may set, 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 the 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 operations are executed with the participation of State institutions or funds created for the development of the sectors and activities provided for in the mentioned paragraph; in this case, operations are to be secured by a sufficient guarantee, in accordance with what the Board of Directors of the Central Bank of Venezuela determines for that purpose, and likewise said body will establish special conditions of a preferential nature in terms of the period and the

financial aspects of the operations, in attention objective aforementioned. When these operations are guaranteed with credit instruments, those of any nature will 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 the prohibition contained in section 5 of article 37 of this Decree with the Rank, Value and Force of Law in relation to the financing programs involving long-term investments and with real guarantees on the properties that constitute 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 repurchased by the Central Bank of Venezuela and placed again in the market prior to its maturity date. Until they are placed again in the market or while its expiration occurs, 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 the securities and other financial instruments massively issued that the Board of Directors may determine for this purpose.

The operations provided herein shall be carried out under market conditions. Securities shall be offered by third parties different from the issuing entity, except for those issued by the Central Bank of Venezuela and Petr6leos de Venezuela S.A. or the entity created for the managing of the oil industry. In that sense, the offer for the acquisition of securities issued by Petr6leos de Venezuela or the entity created for the management 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 OF 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 its operating and/or functioning regulations, with the purpose to ensure their efficient functioning within the highest levels of security for the participants and the general public.

For the purposes of this Decree with Rank, Value and Force of Law, it is understood by "payment systems" the set of regulations, agreements and procedures, that have as 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 attributions corresponding to the governing body of the National Treasury System and of the subsystem that constitute it, in the matters of its competence. At any case, in the exercise of these powers, the Central Bank of Venezuela shall coordinate its actions with said body as regards to the payment

systems that the latter administers.

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

Article 63. In the exercise of 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 attribution, the Bank may issue regulations on the organization, functionality, and operability of each one of the payment systems, 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 functioning 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 developing and incorporating 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 deficiencies that may impair the proper functioning, jeopardize the security of the orders or directions processed through the system or involve noncompliance of the regulations governing the matter are detected.
4. Suspend and even repeal the decisions adopted by the administrators of the payment systems, and adopt the appropriate actions whenever it considers that such decisions violate the regulations in force, or significantly affect the secure and efficient functioning thereof.
5. Formulate the information requirements to the administrators of the payment systems, their participants, and bodies that provide services to such systems, necessary to assess the efficiency and security of the payment systems and instruments.
6. Participate whenever it deems convenient, in the design of payment systems promoted by the initiative of third parties.
7. Establish cooperation agreements with other authorities or organisms that monitor the institutions of the financial system, national and international, of the stock 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 Rank, Value and Force of Law is understood as any legal entity, public or private, of a financial nature or not, that operates a payment system and coordinates the actions of

the participants therein as long as it has been authorized as such by the Central Bank of Venezuela. In order to be administrator of a payment system it is an essential requirement not to be involved in any of the cases of disqualification or of incompatibility established for the exercise of banking, finance, stock market or insurance activities.

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

1. The time, in which the orders or directions of funds or securities transfer, placed by the participants to a payment system or to 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 the 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 instructions of funds or values transfer 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 the notice thereof is served, and it shall be set considering the general interest.
5. The order in which funds and/or securities clearing and liquidation may be performed.
6. The obligation to constitute guarantees, as well as its order and execution procedure.

Article 66. The Central Bank of Venezuela, along with the supervisory and control bodies of the financial system entities and of the stock market, may issue the regulations that are deemed relevant for guaranteeing that the administrators of a payment system or the participants therein, in the performance of activities that are proper according to its object, comply with 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 possible disturbances to the other participants, and to other systems.

Article 67. The sums of money to be paid by the participants of a payment system for membership fees and/or for 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 relating to the vigilance and surveillance function of the payment systems, which it performs, to be paid by the administrators and/or participants of the systems that have been recognized as payment.

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 of 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 in which the contribution will be paid, as well as the amount of the input 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 it is required, the contributor shall pay arrears interests at 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 in this regard, the Central Bank of Venezuela may pass the regulations that will govern the coordinating relations among the various organisms, which competences influence in the participants of the payment systems, for the purposes of formulating recommendations regarding the regulation of the operations performed by the participants of such systems, analyzing the operation schemes thereof, as well as monitoring the different initiatives proposed to that end, that in this regard are carried out with the purpose ensuring its harmonization and/or upgrading.

TITLE V OF THE ECONOMIC REGIME OF THE CENTRAL BANK OF VENEZUELA

Chapter I Of 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 enshrined 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 operating measures for the annual plan execution and monitoring.

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

In the formulating of the strategic plan of the Central Bank of Venezuela, the attention to the general guidelines of the Nation's Socioeconomic Development Plan must be assured, as well as the correspondence of the Bank's budget with the plan's financial expression.

Article 72. The Budget fiscal year of the Central Bank of Venezuela commences on January 1st and ends on December 31st 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 by financial investments and the income and operational expenses budget.

For purposes of this Decree with 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 to which the Bank's management must comply 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 its discussion and approval to the National Assembly during the first fortnight of October of the immediate preceding fiscal year 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 the examination by the National Assembly.

When in the operational expenses budget some items exceeding the fiscal year's Budget are contemplated, the timely information will be included in the exercise of the budget of the corresponding fiscal year and of the following ones.

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

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

Chapter II

Of the Economic Year, Financial Statements and Reports

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

Article 79. Within the first fifteen business days of each month, the Central Bank of Venezuela shall publish the financial statements corresponding to the month 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 facilitated 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 the formation of such statements, the Bank must comply with the norms and accounting principles set by the Superintendence of the Banking Sector Institutions.

Article 81. Notwithstanding its 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 financial statements and reports.

The Central Bank of Venezuela shall prepare and publish within the first six months of every year the annual economic report corresponding to the immediately previous fiscal year which shall contain the statistical series and their corresponding analysis, as well as 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 Of the Comptrollers

Article 82. The comptrollers appointed in accordance with the Decree with Rank, Value and Force of Law shall prepare and refer their reports and actions within the 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 Of 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 semiannual net profits, upon deduction of the reserves determined in the paragraph above and the voluntary ones, which at any rate shall not exceed the five percent (5%) of said net profits, shall be delivered to the National Treasury at the opportunity 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 Institutions. 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 that 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 the allocation of the corresponding credits in the budget of the subsequent fiscal year following the one on which the required amount was determined.

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

TITLE V OF THE CONTROL AND RELATIONS OF THE CENTRAL BANK OF VENEZUELA WITH THE PUBLIC POWERS

Chapter I Of the Relations with the Executive Power

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 Financial matter.

Article 86. The Minister of the People's Power with competence in Financial matter 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 planned for the following four weeks. The National Treasurer must daily review such schedule 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 year, which shall be updated within the first two weeks of each month, with regard to the period of time not executed.

On the other hand, the Ministry of the People's Power with competence in Planning matter 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 issues of its competence. 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 circumstances so advise, at the discretion of the Board of Directors of the Bank. In such study, the level of operating international reserves is included with the purpose to comply with the provisions set forth in Article 125 of this Decree with Rank, Value and Force of Law.

The Central Bank of Venezuela shall agree with the National Executive the information provision scheme during internal or external circumstances that threat the National Security and the economic stability of the Nation.

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

Chapter II

Of 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 Rank, Value and Force 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 of the behavior of the country's macroeconomic variables and the circumstances influencing such results, and an analysis facilitating its assessment.

Article 92. Regardless of the periodical reports, the National Assembly may request from the Central Bank of Venezuela that information it may deem advisable, as well as to request 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 its disclosure. Such remittance shall be made in accordance with the provisions of article 42 of this Decree with Rank, Value and Force of Law. The members of the National Assembly having access to this information must comply with the duty of secrecy set forth in this Decree with Rank, Value and Force of Law.

Chapter III

Of the Relations with the Comptroller's General Office of the Republic

Article 93. The Comptroller's General 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 Comptroller's General Office of the Republic may perform its duties based on the principles of sincerity, timeliness, efficiency and effectiveness of the administrative management of the central Bank of Venezuela and shall only refer to the proper execution of the operating budget.

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

Article 95. In the exercise of its powers, the Comptroller's General Office of the Republic will have access to confidential information in cases of absolute necessity for the fulfillment of its competences in accordance with the Law.

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

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

Chapter IV Of Other Controlling Instances

Article 97. The Superintendence of the Banking Sector Institutions is in charge of the supervision and surveillance of the activities of its competence, performed by Central Bank of Venezuela, therefore, for a better performance of its functions, the Superintendent of the Banking Sector Institutions may attend the meetings of the Board of Directors where he/she will have the right to speak but not to vote.

The guarantees in the exercise of its functions provided in articles 95 and 96 of this Decree with Rank, Value and Force of Law will 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 those recommendations they may deem appropriate for a better functioning of the Bank, according to the scope of their competences.

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

Chapter V Of the External Audit

Article 99. The financial statements of the Central Bank of Venezuela shall be annually examined by means of an external audit that 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 that 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 that could replace it or keeps a direct relation with the firm through its owners or directors.

The cost of the external audit shall be incorporated to 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 OF THE 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 the 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 according to what is provided in this Decree with Rank, Value and Force of Law, in the provisions that were enshrined in other norms and in regulations to be established in macroeconomic coordination matter.

Article 102. The macroeconomic coordination shall be agreed on the basis of an annual policies agreement signed by the National Executive represented by the Ministry of the People's Power with competence in Financial matter 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 of the competence of both bodies with the purpose of achieving the macro economic objectives that may be established.

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

balance. 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 body 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 the 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 Financial matter, 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 bodies 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 in the Agreement, and of the scope of the objectives set, by explaining and assessing, as is appropriate to each body, the effect on the compliance of the Agreement of the deviations relating to the influences of exogenous variables to the Venezuelan economy. Likewise, prior to the presentation 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 been 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 in this Decree with Rank, Value and Force of Law.

TITLE VIII OF THE NATIONAL MONETARY SYSTEM

Chapter I Of the Issuance and Circulation of Monetary Species

Article 106. The Bolivar is the legal tender of the Bolivarian 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 the currency object of an agreement signed by the Republic.

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

The regulation related to the emission of species for the exchange of goods and services between prosumers in the communal sphere is excepted.

Article 108. Coins and banknotes issued by the Central Bank of Venezuela shall have the denominations, dimensions and colors that the Board of Directors may agree to. For the coin minting, the Central Bank of Venezuela is hereby empowered to employ the metal or the metal alloy 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 production process of banknotes and coins of the Central Bank of Venezuela 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 decides that such originals shall be used for its file and possible exhibition purposes. In these cases, they will be kept with 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 Bank itself 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 currencies and through the performance of other operations authorized by this Decree with Rank, Value and Force of Law.

Article 114. The coins and banknotes returning to the Bank as a consequence of the sale of gold, foreign currencies or of other assets or as 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, the 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 the shortage of fractioned coins and to guarantee the 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 the 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 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 from the territory of the Bolivarian Republic of Venezuela of monetary species representing the bolivar.

Article 119. Acceptance of perforated or altered coins and banknotes, or banknotes that are worn out to the extent of having lost its respective printing on both sides 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 initiating the corresponding criminal trial. In the respective sentence, the Court shall order the destruction of the instruments employed to commit the 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 its materials.

Chapter II

Of 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 its payments shall be made by the Central Bank of Venezuela through checks, drafts or transfers of funds deposited in firstclass banks abroad and denominated in a foreign currency, which may be freely used.

Article 122. The Central Bank of Venezuela shall regulate, on the terms agreed to with the National Executive, the negotiation and trade of foreign currency in the country; fund transfers both in national and foreign currency from the country to other countries and from other countries to this country, as well as the international payment agreements.

In the 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 the special commissions to be created by the National Executive in order to hear and decide those issues determined by the 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 body. The issues taken into consideration in such commissions concerning aspects of strategic nature in the Exchange operating environment shall be submitted to the consideration of the Board of Directors and to the Minister with competence in Financial matter.

Article 123. In the exchange agreements that the Central Bank of Venezuela enters into with the National Executive, the 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 currencies will be set.

Article 124. The exchange agreements signed by the National Executive and the Central Bank of Venezuela will regulate everything corresponding to the country's exchange system. These may establish limitations or restrictions on the free convertibility of the national currency when deemed necessary for its stability, as well as for the continuity of the country's international payments or to counteract inconvenient movements of capital.

Article 125. The currencies obtained by way of exports of hydrocarbons, gaseous and others, must be sold to the Central Bank of Venezuela at the exchange rate in force for the date of each operation, except those that are necessary to comply with tax contributions in foreign currency to which the subjects authorized to carry out the aforementioned activities are obliged in accordance with the Law.

Petróleos de Venezuela SA, or the entity created for the management of the oil industry, may keep funds in foreign currency, with the prior favorable opinion of the Central Bank of Venezuela, for the purpose of paying its financial commitments abroad, as well as to cover its Operational and investment payments abroad, as provided by law, which will be reflected in the company'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 currency incomes that it obtains by any concept, 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, Value and Force of Law, the average of such reserves observed in the period as well as its projected evolution for the next period shall transfer to the National Development Fund (FONDEN), if such is the case, the corresponding surplus so 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 attend 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 the 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 financial institutions, according to internationally recognized criteria.
3. Sight or term deposits, and deposits of securities in reserve currencies issued by international public entities and foreign financial institutions in which the Republic has a participation or an interest and which are of easy performing and negotiability.
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 that 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, it is understood as reserve currency the freely convertible and universally accepted currencies, 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 **Of the Obligations, Accounts and Instruments in Foreign Currencies**

Article 128. Unless there exists a special convention, 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. However, international exchange operations contracted in foreign currencies may be entered, although the respective countervalue in bolivars shall be kept in bolivars. 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 at the same time the equivalent value in bolivars.

Article 131. Quotes or references to documents that have been executed or that are to be effective overseas may contain expression of monetary amounts in foreign currencies without the need to indicate its equivalence in bolivars.

TITLE IX **OF THE SANCTIONS REGIME**

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

Article 133. The Central Bank of Venezuela has the authority to impose administrative sanctions, through resolutions, on those who fail to comply with the obligations determined in this Decree with Rank, Value and Force of Law as well as in the resolutions that the Bank passes in the exercise of the functions vested to it.

Article 134. The sanctions provided for in this Decree with the Rank, Value and Force of Law shall be applied 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 established in this Decree with Rank, Value and Force 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 the terms 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 be 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 submit on a timely basis the 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 Rank, Value and Force of Law on Banking Sector Institutions, shall be subject to the sanctions that may be previously established by its Board of Directors, and which can not be superior to the value corresponding to each operation.

Article 137. Whoever imports or trades Venezuelan or foreign legal tender in their respective countries, without prior compliance with the regulations issued by the Central Bank of Venezuela, 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 with numismatic, commemorative or any other purpose. Coins subject to such illegality shall be seized.

Article 138. Whoever carries out operations concerning the negotiation or trade of foreign currency in the country, transfer of funds, or import, export, or purchase and 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 the amount corresponding to the value of each operation.

Article 139. Whoever refuses to receive legal tender for the release of financial obligations, on the terms set forth in this Decree with Rank, Value and Force of Law shall be sanctioned with triple the amount whose acceptance has 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 those who in acknowledgment of such circumstance trade the product of such processes, shall be sanctioned with a fine up to four thousand tax units (4.000 T.Us.).

Article 141. Without detriment to other liabilities, which could be demanded, the person who violates the duty of secrecy set forth in this Decree with Rank, Value and

Force of Law shall be sanctioned with an amount up to four thousand tax units (4,000 T.Us.).

In the event that the infringer forms part of the Bank's staff, the transgression will also be the cause of dismissal from office, as the case may be.

If the infringement is due to acts performed by the firm in charge of the external audit provided for in this Decree with Rank, Value and Force of Law, such company shall also 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 its settlement. 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 consider 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 their final 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 perform their duties until the expiration of the period 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 in what does not collide with this Decree with Rank, Value and Force of Law.

Without detriment to the legislation on pensions and retirement plans applicable to the personnel of the Central Bank of Venezuela, its Board of Directors shall determine a percentage out of the personnel's total wages paid in the respective previous semester, which shall be deposited in the Welfare, Pension and Retirement Fund of the Institute Workers. 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 Law of Macroeconomic Coordination 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 of two thousand and fifteen. Years 205° of the Independence, 156° of the Federation and 16° of the Bolivarian Revolution.

Let it be enforced,
(L.S.).

NICOLAS MADURO MOROS

Endorsed
The Executive Vice-President
of the Republic and First Vice-President
of the Council of Ministers
(L.S.)

JORGE ALBERTO ARREAZA MONZERRAT

Endorsed
The Minister of the People's Power of
the Presidency Office and Monitoring
of the Government Management
(L.S.)

JESUS RAFAEL SALAZAR VELASQUEZ

Endorsed
The Minister of the People's Power
for Internal Relations, Justice and Peace
(L.S.)

GUSTAVO ENRIQUE GONZÁLEZ LÓPEZ

Endorsed
The Minister of the People's Power
for External Relations and Sixth
Sectorial Vice-President
for Economy and Finances
(L.S.)

DELCY ELOINA RODRÍGUEZ GÓMEZ

Endorsed
The Minister of the People's Power
of Economy and Finances

and Second Sectorial Vice-President
for Economy and Finances
(L.S.)

RODOLFO CLEMENTE MARCO TORRES

Endorsed
The Minister of the People's Power
for the Defense
(L.S.)

VLADIMIR PADRINO LÓPEZ

Endorsed
The Person in charge of the Ministry of the People's
Power for Industry and Commerce
(L.S.)

JOSÉ DAVID CABELLO RONDÓN

Endorsed
The Minister of the People's Power for
Tourism
(L.S.)

MARLENY JOSEFINA CONTRERAS HERNÁNDEZ

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The Minister of the People's Power
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(L.S.)

YVAN EDUARDO GIL PINTO

Endorsed
The Minister of the People's Power for
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RODULFO HUMBERTO PÉREZ HERNÁNDEZ

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The Minister of the People's Power for
Health
(L.S.)

HENRY VENTURA MORENO

Endorsed
The Minister of the People's Power for
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(L.S.)

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(L.S.)

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of Planification and Fourth Sectorial
Vice-President for the Planification and Knowledge
(L.S.)

RICARDO JOSÉ MENÉNDEZ PRIETO

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(L.S.)

MANUEL ÁNGEL FERNÁNDEZ MELÉNDEZ

Endorsed
The Minister of the People's Power for
Communication and Information
(L.S.)

DESIRE SANTOS AMARAL

Endorsed
The Minister of the People's Power for
Communes and Social Movements and
Seventh Sectorial Vice- President
of Territorial Socialism
(L.S.)

ISIS OCHOA CAÑIZALEZ

Endorsed
The Minister of the People's Power for
Culture

(L.S.)

REINALDO ANTONIO ITURRIZA LÓPEZ

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of the Missions

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The Person in charge of the Ministry of the People's Power
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(L.S.)

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Electric Energy

(L.S.)

LUIS ALFREDO MOTTA DOMÍNGUEZ

Endorsed
The Minister of State
for the New Peace Frontier
(L.S.)

GERARDO JOSÉ IZQUIERDO TORRES