

## **CURRENCY EXCHANGE AGREEMENT N° 18**

Between the National Executive, represented by the citizen Jorge Giordani, in his capacity of Minister of the People's Power for Planning and Finance, authorized by Decree No. 2.278, dated January 21<sup>st</sup>, 2003, and the Central Bank of Venezuela, represented by its President, Nelson J. Merentes D., authorized by the Board of Directors of this Institute in session No. 4.296, held on June 1<sup>st</sup>, 2010, pursuant to provisions set forth in Article 318 of the Constitution of the Bolivarian Republic of Venezuela, in accordance with Articles 5, 7, numbers 2), 5) and 7), 21, numbers 16) and 17), 34, 122 and 124 of the Law of the Central Bank of Venezuela; 9 of the Law Against Illegal Foreign Exchange; and 3 of the Currency Exchange Agreement No. 1 dated February 5<sup>th</sup>, 2003 agreed to the following:

**Article 1.** The Central Bank of Venezuela will regulate, through the Resolution issued by the Bank's Board of Directors, the terms and conditions of negotiation, in domestic currency, and through the system made available for that purpose, of securities issued or to be issued in foreign currency by the Republic, its decentralized entities or any other issuer.

To this end, the Institute shall determine an exchange rate band according to the methodology deemed appropriated.

**Article 2.** In the regulation to be issued by the Central Bank of Venezuela pursuant to Article 1 herein, the Institute shall establish the institutions authorized to participate in the afore said system, the requirements to be fulfilled for its participation, the types of operations to be authorized and the terms thereof, the monitoring and control mechanisms for the transactions performed through said system, and the method to assess its performance.

**Article 3.** The Board of Directors of the Central Bank of Venezuela, when deemed appropriate, shall be able to authorize, through the corresponding regulation, the terms and conditions for the exchange of domestic-currency-denominated securities for foreign - currency-denominated securities before their due date, with the aim of liquidating balances in foreign currency.

**Article 4.** Currency exchange brokers operating at the border and authorized by the Central Bank of Venezuela shall abide by the provisions set forth in the General Law on Banks and other Financial Institutions, therefore, they shall only be able to perform purchase or sale transactions in Colombian pesos or Brazilian reais, according to their geographical location, in bills and coins, whenever authorized by the Board of Directors of the Central Bank of Venezuela through Resolution issued for that purpose, subject to the faculties of inspection, surveillance, supervision, regulation and control granted to the Superintendence of Banks and other Financial Institutions.

Currency exchange brokers operating at the border shall provide the Foreign Currency Administration Commission (CADIVI) with any information required, and are exempted from the obligation of selling foreign currency to the Central Bank of Venezuela.

**Article 5.** This Agreement will enter into force as of its publication in the Official Gazette of the Bolivarian Republic of Venezuela.

Given in Caracas, in the first (1<sup>st</sup>) day of June of two-thousand and ten. 200<sup>th</sup> anniversary of the Independence and 151<sup>st</sup> anniversary of the Federation.

Jorge Giordani  
Minister of the People's Power  
for Planning and Finance

Nelson J. Merentes D.  
President of the Central  
Bank of Venezuela