



RAMÓN CEDANO MELO, MBA
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Santo Domingo, Dominican Republic

I, Ramón Cedano Melo, Judiciary Interpreter of the Court of First Instance of the National District, duly licensed to practice as such in the district courts, HEREBY CERTIFY that the following is a true and accurate translation from Spanish into English of the document hereunto annexed. I further certify that I am competent in both Spanish and English to render and certify such translation.

Reg. No.590 /2013

Law No. 143-13 authorizing the Executive Branch, through the Ministry of Finance, to contract public debt on the international market in the form of global bonds for the equivalent of up to U.S. \$ 500.000.000.00. This law amends Law No. 58-13 of February 5, 2013. Gazette No. 10731 of October 3, 2013.

THE NATIONAL CONGRESS
In the Name of the Republic

Law No. 143-13

FIRST WHEREAS: The Constitution establishes that it is the duty of Congress to legislate with respect to public debt and to approve or disapprove credits and loans executed by the Executive Branch in accordance with the provisions of the Constitution and the laws.

SECOND WHEREAS: The issue and placement of Securities is one of the most common, efficient and transparent means for the State to secure credits and it is incumbent upon the Executive Branch to conduct the issue and placement of such Securities, subject to prior compliance with the constitutional mandate in respect thereof.

THIRD WHEREAS: Law No. 58-13 authorized the Executive Branch, through the Ministry of Finance, to contract public debt in the amount of forty-five thousand two hundred and eight million three hundred and forty-seven thousand five hundred and three Dominican pesos and 00/100 (RD \$ 45,208,347,503.00) through Securities to be placed in the local market and used as a source to finance the deficit referred to in the State's General Budget for 2013.

FOURTH WHEREAS : Of the maximum amount of the issuance of bonds authorized by the said Law No. 58-13, there is a remaining balance pending placement in an amount equivalent to half a billion dollars of the United States of America and 00/100 (U.S. \$ 500,000,000.00).

FIFTH WHEREAS: Debt markets are dynamic and conditions and financing options may change in the short term, both in local and international markets, and consequently flexibility and capacity should exist to adjust to these changes so that the most favorable conditions are obtained at all times, and thereby meet the goal of securing financing by the Dominican State



under the best cost conditions in the short, medium and long term, while taking into account the levels of risks to which we are exposed and the debt sustainability for which we must strive.

SIXTH WHEREAS : Under circumstances such as those being experienced by both the national and international economies, one of the most recommended measures for the management of the country's public finances is to change the funding source for the deficit projected in the current budget, especially with regard to the provisions of Law No.58-13.

SEVENTH WHEREAS : By virtue of the foregoing it is appropriate and recommended that the Executive Branch be granted the power to take the necessary actions so that, among other measures, it is able to place on the international market a part of the remaining balance of the bond issue authorized by Law No. 58-13, targeting both domestic and international investors.

HAVING SEEN: The Constitution of the Dominican Republic, proclaimed on January 26, 2010.

HAVING SEEN: Law No. 19-00, which regulates the stock market in the Dominican Republic, dated May 8, 2000.

HAVING SEEN: Law No. 6-06, on Public Debt, dated January 20, 2006.

HAVING SEEN: Law No. 423-06, Organic Budget Law for the Public Sector, dated November 17, 2006.

HAVING SEEN: Law No. 311-12, on the State's General Budget for 2013.

HAVING SEEN: Law No. 58-13, on Internal Public Debt for 2013, dated February 5, 2013.

HAS PASSED THE FOLLOWING LAW:

Article 1. - Law No. 58-13 is hereby amended to formally authorize the Executive Branch to secure, through the Ministry of Finance, the placement of public debt on the international market in the form of global bonds for the equivalent of up to five hundred million U.S. dollars and 00/100 (U.S. \$ 500,000,000.00), by converting part of the outstanding balance pending placement in the local market of the aforesaid Bond Law No. 58-13, in the most favorable conditions for the country, without such modifications resulting in an increase in the amount of deficit financing authorized in the State's General Budget for 2013.

Sole Paragraph. - the Executive Branch, through the Ministry of Finance, is authorized to make the necessary budgetary changes to the financial sources established by Law No. 311-12, of the State's General Budget.

Article 2. - Definitions. For the purpose of this Law, the following definitions shall apply:



- 1) **CANDIDATE FOR MARKET-MAKERS:** multiple banks, stock brokers, savings and loan associations and any other entity authorized by the General Directorate of Public Credit, which can compete with a rating and ranking system for Market Maker.
- 2) **Bonds:** Debt securities issued by the Ministry of Finance for a term exceeding one year, giving the owner thereof the right to receive in the future a stream of periodic payments, in accordance with the terms under which the security was issued.
- 3) **Advance bond purchase:** is the purchase of bonds held by holders prior to maturity in an amount, a currency and a price that may or may not be predetermined.
- 4) **Consolidation:** is the transformation of one or more parts of the domestic public debt in the medium or short term to long-term debt, allowing for possible changes in the financial conditions of their service.
- 5) **Conversion:** This is the change of one or more bonds by one or more other new titles representing the same principal owed, and may change the terms and other financial conditions.
- 6) **Market Maker:** Multiple banks, stock brokers, savings and loan associations, and any other entity authorized by the General Directorate of Public Credit, designated through a rating and ranking system as responsible for carrying out the marketing, quotation of buying and selling price, implementing and authorizing financial transactions of and with bonds in order to develop a secondary market for such bonds.
- 7) **Public Debt:** Public debt shall be defined as indebtedness resulting from public credit operations in accordance with the provisions of Law No. 6-06 on Public Credit.
- 8) **Differentiated Issuer:** Differentiated Issuers shall be those entities such as the Ministry of Finance and the Central Bank of the Dominican Republic which do not require approval of the Superintendence of Securities to issue and place Securities, in accordance with the provisions of Article 9 of Law No. 19-00 on the Securities Market.
- 9) **Custodial Entity:** For the purposes of this law, Custodial Entities shall be those offering Central Securities Depository services.
- 10) **ISIN:** For the purposes of this Law, ISIN (International Securities Identification Number) shall be the International Identification Code assigned to bonds issued under this Law by the Custodial Entity appointed by the Ministry of Finance in order that they are properly identified.
- 11) **Primary Offering:** This refers to the placing of bonds for the first time on the market.
- 12) **Securities:** Securities shall mean the right or set of essentially economic rights traded on the stock markets.
- 13) **External Securities:** External Securities representing public debt shall mean securities for which payment is payable outside the Dominican Republic.



Article 3. - Specifications. Bonds issued pursuant to this Law shall meet the following specifications:

- 1) The issue date must be specified on the characteristics of each Series-Tranche, or the legend: "To be indicated in the tender offer announcement" may be included.
- 2) The form of distribution and allocation of the primary offering shall be by the conditions normally used in foreign markets or according to the legislation under which the issue is to be subscribed.
- 3) Interest shall be payable semiannually, calculated on the basis of the calendar days in each year, or based on 30/360, where all months and years are calculated on the basis of 30-day months and 360-day years. The coupon interest rate is specified in each Series-Tranche, or the legend: "To be indicated in the tender offering announcement" may be included.
- 4) Amortization of the bonds may be made at maturity or split up in installments and shall be specified in each Series-Tranche, or the legend to be indicated in the tender offering announcement" may be included, and shall take place under the different applicable modalities of public offering in accordance with the legislation under which the issue is to be subscribed. Maturity term shall be determined by taking into account market conditions.
- 5) The bonds shall be issued in multiples of not less than one thousand U.S. dollars (U.S. \$ 1,000.00).

Article 4. - Trading Market. The bonds shall be freely tradable in the applicable secondary, on- or off-exchange trading market in accordance with the legislation under which the issue is to be subscribed and on the trading market for Debt Securities within the Ministry of Finance, managed by the General Directorate of Credit Public, to which this law refers.

Article 5. - Administration. In its capacity as a differentiated issuer, the Ministry of Finance may, through the General Directorate of Public Credit, create and manage a trading market for Debt Securities in the domestic market exclusively targeted to entities called Market Makers and Candidates For Market-Makers, which are subject to Resolution No. 051-2012, dated February 6 of 2012, approving the regulations for the Market Makers Program for Public Debt Securities issued by the Ministry of Finance.

Article 6. - Exemptions. The principal and interest of the bonds to be issued by the Ministry of Finance under this Law shall be exempt from any kind of taxes, duties, rates, surcharges, excises, fees or municipal or governmental public tributes.

Article 7. - International Identification Code. The bonds issued shall be identified by an International Identification Code called ISIN, as per its English acronym.

Article 8. - Registration. The bonds issued by the Ministry of Finance shall be registered with the Stock Market to be designated by the Ministry of Finance in accordance with the legislation under which the issue is to be subscribed.



Article 9. - Record-Keeping. The bonds shall be registered electronically on an Electronic Securities Registration System designated by the Ministry of Finance in accordance with the legislation under which the issue is to be subscribed.

Article 10. - Custody. The bonds shall be kept with the Custodial Entity to be designated by the Ministry of Finance in accordance with the legislation under which the issue is subscribed.

Article 11. - Liabilities Management Operation. The Ministry of Finance shall be entitled to conduct liability management transactions with the bonds that it issues, both directly or indirectly, through the General Directorate of Public Credit, with authority to use domestic or foreign financial institutions such as commercial banks, stock brokers, savings and loan associations, Market Makers and Candidates for Market Makers and others authorized by the General Directorate of Public Credit. The redemption price of a bond may be the same, lower or higher than its 100% of face value (PAR), according to conditions prevailing on domestic and foreign financial markets.

Article 12. - Approval. These operations must be approved by the Executive Branch, subject to a prior favorable opinion from the Council of Public Debt, and reported to Congress in the quarterly reports on Public Credit prepared by the Ministry of Finance.

Article 13. - Operations. Amongst the liability management operations the Ministry of Finance may perform are Conversion, Consolidation and Advance Purchase of bonds.

Paragraph I. - These liability management operations shall not be binding on bondholders on whom application of a certain kind of operation may become desirable. Participation in the operation by the bondholder shall only be voluntary.

Paragraph II. - The Ministry of Finance, through the General Directorate of Public Credit, shall determine the means to perform these operations, such as auctions and others.

Paragraph III. - If bondholders' offering exceeds the amount demanded by the Ministry of Finance, prorating shall be used as per bondholders' bids.

Article 14. - Transfer. The proceeds from this bond issue shall be transferred to the National Treasury, the entity entrusted to implement the financial strategies that shall ensure that the cost of Carry to be generated by the operation is minimized.

Article 15. - Entry into Force. This law shall take effect after passage and publication as required by the Constitution of the Republic.

PASSED in the Assembly Hall of the Senate, Palace of the National Congress, in Santo Domingo de Guzmán, National District, capital of the Dominican Republic, this eighteenth (18th) day of the month of September in the year two thousand thirteen (2013); of the National Independence the 170th year, and of the Restoration (of the Republic) the 151th year.

Reinaldo Pared Pérez
Speaker

Manuel Antonio Paula Vargas
Secretary

Manuel De Jesús Güichardo
Secretary

PASSED in the Assembly Hall of the Chamber of Deputies, Palace of the National Congress, in Santo Domingo de Guzmán, National District, capital of the Dominican Republic, this first (1st) day of the month of October in the year two thousand thirteen (2013); of the National Independence the 170th year, and of the Restoration (of the Republic) the 151th year.

Abel Martínez Durán,
Speaker

Ángela Pozo Mercedes
Secretary

José Luis Cosme
Secretary

DANILO MEDINA
President of the Dominican Republic

Acting by virtue of the authority vested in me by Article 128 of the Constitution of the Republic,

PROMULGATE this law, and instruct that it be published in the Official Gazette, so that it may come to the knowledge of all, and be obeyed by all.

PASSED in the city of Santo Domingo de Guzmán, National District, Capital of the Dominican Republic, this second (2nd) day of the month of October in the year two thousand thirteen (2013); of the National Independence the 170th year, and of the Restoration (of the Republic) the 151th year.

IN WITNESS WHEREOF, I have hereunto set my hand and Official Seal at my office in Santo Domingo, National District, Capital of the Dominican Republic, on this 7th day of October, A.D. 2013.



Ramon Cedano Melo
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Judiciary Interpreter