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Court of First Instance of the National District  
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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. 730/2015

THE NATIONAL CONGRESS  
IN THE NAME OF THE REPUBLIC

Law No. 331-15

LAW NO. 331-15 AUTHORIZING THE ISSUE AND PLACEMENT OF GOVERNMENT DEBT SECURITIES BY THE EXECUTIVE BRANCH, THROUGH THE MINISTRY OF FINANCE, IN AN AGGREGATE AMOUNT OF UP TO RD\$ 114,500,000,000.00, OR ITS EQUIVALENT IN FOREIGN EXCHANGE

**FIRST WHEREAS**, pursuant to the provisions of the Constitution of the Republic, it is for the National Congress to legislate as regards public debt and approval or disapproval of credits and loans subscribed by the Executive Branch, in accordance with this Constitution and the laws;

**SECOND WHEREAS**, the National Congress approves the National General Budget Law for each financial year, where potential sources of revenue and expenditure are shown, including the deficit and funding approved for each fiscal year;

**THIRD WHEREAS**, minimizing medium to long-term financing costs while maintaining a prudent level of risk is one of the objectives of the debt management strategy of the Ministry of Finance;

**FOURTH WHEREAS**: through the deepening of domestic capital market by way of developing a liquid and efficient primary and secondary market, a major source of funding for the Government is made available, with a consequent improvement of conditions of domestic financing;

**FIFTH WHEREAS**: funding through international capital markets provides a country risk reference rating for both corporate entities wishing to borrow in foreign currency and foreign investors wishing to invest in the country;

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**SIXTH WHEREAS:** Timely access to domestic and international capital markets allows the government to achieve its funding objectives in an efficient and economical manner;

**SEVENTH WHEREAS,** the Dominican government should have the flexibility to take advantage of more favorable financing conditions in both the domestic and international capital markets, which, because of their nature, tend to change in the short term;

**EIGHTH WHEREAS:** the contracting of public debt through the issue of public debt securities in both local and international capital markets was authorized in the General State Budget for fiscal year 2016, in order to complete the financing requirements for the aforementioned financial year.

**HAVING SEEN:** The Constitution of the Dominican Republic;

**HAVING SEEN:** Law No. 19-00, which regulates the Securities Market in the Dominican Republic, dated May 8, 2000;

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

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

**HAVING SEEN:** The Law approving the General State Budget for the year 2016.

**HAS PASSED THE FOLLOWING LAW:**

**Article 1. Issue and placement.** The Executive Branch is hereby authorized, through the Ministry of Finance, to provide for the issuance and placement



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of government debt securities for a maximum nominal amount of one hundred fourteen billion five hundred million Dominican pesos (RD\$110,888,746,507.00) or its equivalent in foreign exchange.

**Article 2 - Financial conditions.** The Executive Branch is hereby authorized, through the Ministry of Finance, so that, based on the favorability of financial market conditions, it may undertake all acts necessary to provide for the issuance and placement of a part or all of the indebtedness referred to in Article 1 above, in the international or domestic capital markets, in Dominican pesos or in the currency which is more advantageous for the country.

**PARAGRAPH I:** In cases where the placement of the securities is completed in Dominican pesos in the local market, such placements shall be made through auctions or direct placements.

**PARAGRAPH II:** For cases where the placement is done directly, it must be approved by a motivated Resolution of the Ministry of Finance.

**Article 3. Definitions.** For the purposes 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 Directorate General of Public Credit, which can compete through a rating and ranking system for a slot to become a Market-Maker.



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- 2) **Advance Security Purchase:** is the purchase of securities held by holders prior to maturity in an amount, a currency and a price that may or may not be predetermined.
- 3) **Consolidation:** is the transformation of one or more parts of short-term or medium term domestic public debt into long-term debt, allowing for possible changes in the financial conditions.
- 4) **Conversion:** This is the exchange of one or more securities for other certificates representative of the same amount of outstanding principal, allowing for changes in deadlines and other financial conditions.
- 5) **Market Maker:** multiple banks, stockbrokers, savings and loan associations, and any other entities authorized by the Directorate General of Public Credit, designated through a rating and ranking system as responsible for conducting daily marketing, purchase and sale price quotes, execution of authorized financial transactions of and with Public Debt in order to develop the secondary market for such Securities.
- 6) **Public Debt:** public debt shall be construed as debt resulting from the operations of public credit in accordance with the provisions of Law No. 6-06 on Public Credit, dated 20th January 2006°.
- 7) **Differentiated Issuer:** Differentiated Issuers refers to the Ministry of Finance, the entity which, in accordance with the provisions of Article 9 of Law No. 19-00 on the Securities Market, is not required to obtain approval from the Superintendence of Securities of the Dominican Republic; however, it shall submit information on the securities issued for the purpose of registration with the market of securities and products.

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8) **Custodial Entity:** A custodial entity shall mean any one providing the services of Central Securities Depository under the statutory and regulatory provisions established for such purposes.

9) **ISIN:** International Securities Identification Number shall mean the International Identification Code assigned to the securities issued under this Law by the Custodial Entity appointed by the Ministry of Finance, in order that they are properly identified.

10) **Primary Offering:** This term refers to securities being placed on the market for the first time.

11) **Security:** This term refers to the right or set of rights, essentially of an economic nature, freely negotiable, incorporating a literal and autonomous right, which is exercised by its legitimate holder under the Law. Included within this concept are derivative instruments that are recorded on the registry of the Securities Market.

**Article 4. Placement Modality.** The amount of the issue and placement of the securities, which are approved under this Law, shall be determined by the type of placement established by the Minister of Finance.

**Article 5. Placements within the financial year.** The amount approved under this Law shall be placed within budget year 2016, according to the scheduling provided thereto by the Minister of Finance acting on a proposal from the Directorate General of Public Credit.

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**PARAGRAPH:** If at the end of financial year 2016, there is a portion of unplaced government securities, authorization from the Legislature must be obtained prior to its use in the General State Budget for the relevant financial year.

**Article 6. Local market securities.** For cases of securities placed in the local market, their financial characteristics, tax regime and system of registration, shall be as follows:

1. The securities authorized by this Law shall be placed at the lowest possible cost in terms of market rate of interest. Interest shall be payable semi-annually, computed on the basis of the number of calendar days in each year, or the equivalent on an ACTUAL/ACTUAL basis, where all months and years are calculated by the real number of days they have. The coupon interest rate is specified in each Series/Tranche, and shall be indicated in the public offering notice.
2. Repayment of the securities to be placed under this Law may be made at maturity or through an installment arrangement and shall be specified in the notice of public offering, but in no case shall such period be less than one year from its issuance.
3. The securities shall be issued in multiples of one hundred thousand Dominican pesos (RD\$100,000.00).
4. The securities shall be freely tradable in the secondary and stock and over-the-counter markets, as defined in the Law of Securities of the Dominican Republic and in the Government Securities Trading Market

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at the Ministry of Finance, managed by the Directorate General of Public Credit.

5. The Ministry of Finance in its capacity as Differentiated Issuer may, through the Directorate General of Public Credit, create and manage a Government Debt Securities Trading Market exclusively for entities designated by the Directorate General of Public Credit as Market Makers and Candidates for Market Makers, which are subject to the applicable legal regulations issued by the Ministry of Finance.

6. The securities issued shall have an International Securities Identification Number, designated as ISIN.

7. The securities to be issued by the Ministry of Finance shall be entered in the Securities and Products Market Registry of the Superintendence of Securities, in accordance with the provisions of Law No.19-00 of May 8, 2000, which regulates the Securities Market of the Dominican Republic.

8. The securities to be issued by the Dominican government, through the Ministry of Finance, shall be registered in an applicable Electronic Securities Registration System to be designated by the Ministry of Finance in accordance with the legislation in force in the Dominican Republic.

9. The securities shall be kept with the applicable Custodial entity to be designated by the Ministry of Finance in accordance with the legislation in force in the Dominican Republic.

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10. The principal and interest on the securities issued by the Ministry of Finance shall be exempt from the payment of any tax imposition whatsoever or any taxes, duties, fees, surcharges, assessment, fees or governmental or municipal contribution.

11. The disposal of the securities issued by the Government under this Law, whether for free or for consideration, shall be exempt from the Income Tax applied to Capital Gain, as provided in the Tax Code, as amended. Consequently, the said disposal shall be subject to all kinds of operations without any permission or authorization.

12. The securities shall be accepted as collateral or security by the Dominican State, its autonomous and decentralized bodies, the National District and the Municipalities. Additionally, the securities may be used by insurance companies for the composition of their technical reserves in accordance with the provisions of Law No.146-02 as well as investment instruments for the Pension Fund Administrators (AFP) and the funds they manage.

13. The face value of the securities, once they become due, may be used for the payment of income taxes by companies legally incorporated in the Dominican Republic, provided they are in compliance and up-to-date on all their tax liabilities to the Dominican State.

**Article 7. International market securities.** In the case of securities placed in the international market, their financial characteristics,



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tax regime and registration system shall be as follows:

1. The issue date of each Tranche/Series of the securities shall be indicated in the notice of public offering.
2. The method of placement and allocation of the primary offering of securities shall be pursuant to the terms and conditions normally used when trading in external markets or in compliance with the laws of the jurisdiction in which the issue is made.
3. Interest on the securities shall be payable semi-annually, calculated on the basis of calendar days in each year, or on a 30/360 basis, which assumes each month has 30 days and each year has 360 days. The benchmark coupon interest rate shall be specified in the terms for each Tranche/Series of the securities, in the public offering notice.
4. Repayment of the securities may be made at maturity or through an installment arrangement and shall be specified in the notice of public offering, under the various applicable types of public offering, in compliance with the laws of the jurisdiction in which the issue is made; but in no event shall such period be less than five (5) years for foreign exchange-denominated securities, nor less than five (3) years for Dominican peso-denominated securities.
5. The securities shall be freely tradable in the secondary exchange, stock and over-the-counter markets provided for in the Securities Law of the Dominican Republic and on the Exchange Market for Government Debt Securities at the Ministry of Finance, managed by the Directorate General of Public Credit, referred to herein.

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6. The principal and interest on the securities issued by the Ministry of Finance under this Law shall be exempt from the payment of any taxes, duties, fees, surcharges, assessment, fees or governmental or municipal contribution whatsoever.

7. The securities issued shall have an International Securities Identification Number, ISIN, for its English acronym.

8. The securities to be issued by the Ministry of Finance shall be entered in the applicable Registry of Securities to be designated by the Ministry of Finance in compliance with the laws of the jurisdiction in which the issue is made.

9. The securities shall be registered electronically on an applicable Electronic Securities Registration System to be designated by the Ministry of Finance in compliance with the laws of the jurisdiction in which the issue is made.

10. The securities shall be kept with the applicable Custodial entity to be designated by the Ministry of Finance in compliance with the laws of the jurisdiction in which the issue is made.

**Article 8. Trading market.** The Ministry of Finance may conduct liability management transactions with the debt securities it has issued, directly or indirectly, through the Directorate General of Public Credit, with authority to use domestic or foreign financial institutions such as: commercial banks, stockbrokers, savings and loan associations, Market Makers and Candidates for Market Makers or others entities authorized by the Directorate General of Public Credit. The redemption price of a security may be equal, lower or higher than

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its PAR value, according to the current conditions on domestic and foreign financial markets.

**PARAGRAPH I:** These operations must be approved by the Executive Branch, subject to a prior favorable opinion from the Council of Public Debt, and reported to the National Congress in the quarterly reports on Public Credit prepared by the Ministry of Finance.

**PARAGRAPH II:** the liability management operations to be performed by the Ministry of Finance include Conversion, Consolidation and Advance Purchase of Securities, amongst others.

**PARAGRAPH III:** These liability management operations shall not be binding upon bondholders being targeted for a certain kind of operation. Participation in the operation by the bondholder shall be only voluntary.

**PARAGRAPH IV:** The Ministry of Finance, through the Directorate General of Public Credit, shall determine the means to perform these operations, such as auctions and/or other arrangements.

**PARAGRAPH V:** If the Ministry of Finance's issue is oversubscribed, securities shall be allocated amongst securities holders on a pro rata basis in proportion to their bids.

**Article 9. Authorization.** The Executive Branch is hereby authorized, through the Ministry of Finance, to conduct liability administration and/or management operations during 2016 for up to ten percent (10%) of the nonfinancial public sector debt, which are aimed to reduce the

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amount and/or service of the foreign and domestic debt of the nonfinancial public sector, through issuances of debt to redeem or repurchase debt liabilities of the nonfinancial public sector. The debt securities to be issued in United States dollars and/or in Dominican pesos shall be placed on the most convenient maturity schedule for the debt of the nonfinancial public sector. In no case shall these operations lead to an increase in the level of debt of the nonfinancial public sector.

**PARAGRAPH:** The Executive Branch is hereby authorized, through the Ministry of Finance, to make appropriate budget modifications in cases that are necessary when some of the operations provided for in this Article are carried out.

**Article 10. Compensation for modification of Financial Sources.** The amount of the issue approved through this Law may be increased in the event of any change in the composition of the net financial items of the Central Government's deficit set forth in the Law on the Government's General Budget for 2016. In no event shall such increase further augment the total amount of financial sources approved to finance the Government's General Budget for 2016.

**Article 11. Transfer.** Proceeds from this issue shall be transferred to the National Treasury, and this entity shall implement financial strategies to minimize the cost of carry to be generated by the operation.

**Article 12. Entry into force.** This law shall take effect on January 1st, 2016.

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**PASSED** in the Assembly Hall of the Senate, in the Palace of the National Congress, in Santo Domingo de Guzmán, National District, the capital of the Dominican Republic, on this second (2<sup>nd</sup>) day of the month of December in the year two thousand and fifteen (2015); of the National Independence the 172<sup>nd</sup>, and of the Restoration (of the Republic) the 153<sup>rd</sup>.

**CRISTINA ALTAGRACIA LIZARDO MEZQUITA,**  
Speaker.

**AMARILIS SANTANA CEDANO,**  
Secretary.

**ANTONIO DE JESUS CRUZ TORRES,**  
Secretary.



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**PASSED** in the Assembly Hall of the Chamber of Deputies in the Palace of the National Congress, in Santo Domingo de Guzmán, National District, the capital of the Dominican Republic, on this eighth (08<sup>th</sup>) day of the month of December in the year two thousand and fifteen (2015); of the National Independence the 172<sup>nd</sup>, and of the Restoration (of the Republic) the 153<sup>rd</sup>.

**Lucia Medina Sanchez**  
Acting Vice-President

**Orfelina Liseloth Arias Medrano**  
Secretary

**Jose Luis Cosme Mercedes**  
Secretary

RHPG-LSSF / ap-mb

**DANILO MEDINA**  
President of the Dominican Republic

In exercise of the powers conferred upon me by Article 128 of the Constitution of the Republic.

**I PROMULGATE** the present law and order that it be published in the Official Gazette so that it shall come to be known and obeyed.

**GIVEN** Santo Domingo, National District, the Capital of the Dominican Republic, on this eleventh (11<sup>th</sup>) day of the month of December in the year two thousand and fifteen (2015); of the National Independence the 172<sup>nd</sup>, and of the Restoration (of the Republic) the 153<sup>rd</sup>.

**Danilo Medina**

*IN WITNESS WHEREOF, I have hereunto set my hand and Official Seal at my office in Santo Domingo, National District, the Capital of the Dominican Republic, on this the twenty-first (21<sup>st</sup>) day of December, A.D. 2015.*



*Ramon Cedano Melo*  
**RAMON CEDANO MELO, MBA**  
Judiciary Interpreter