

Leonel Fernández
President of the Dominican Republic

Number: 630-06

HAVING SEEN: Law 6-06 of January 20, 2006, on Public Credit.

Acting by virtue of the authority vested in me by Article 55 of the Constitution of the Republic, do hereby make the following:

PUBLIC CREDIT REGULATION

TITLE I
OBJECTIVE AND CONTEXT

Article 1. The purpose of this Regulation is to set the ground rules for the application of Law 6-06 of January 20, 2006, which establishes the standards and principles that shall regulate the Public Credit System; therefore, it is of general and compulsory character for all entities and institutions covered by the Law.

TITLE II
THE PUBLIC CREDIT SYSTEM

Article 2. Public credit is governed by this Law and its Regulation as well as by the Revenues Budget and Public Expenditure Law pertaining to each fiscal period and the laws approving specific financing operations.

Article 3. Public credit shall be understood to mean the capacity of the State to indebted itself in order to attract financing resources to make reproductive investments, to respond to exceptional cases of national emergency, such as those defined in Dominican legislation; to restructure its organization or refinance its liabilities, including interest. It is hereby prohibited to assume public credit with the object of funding operating expenses.

Article 4. The Public Credit System (PCS) shall be unique, uniform, integrated and of universal application throughout the Non-Financial Public Sector and shall produce consistent, verifiable, timely, useful and comprehensible information within a transparent public accountability framework.

Article 5. The Public Credit System (PCS) together with the Budget, Accounting and Treasury systems comprise the Integrated Financial Management System (IFMS), and is interrelated with the latter in a conceptual, normative, organic and functional manner.

TITLE III
INSTITUTIONAL ORGANIZATION OF THE SYSTEM

The Public Debt Council

Article 6. The Public Debt Council shall be summoned by the Ministry of Finance, in his capacity as Chair, and shall meet at least twice a year in the headquarters of the Secretariat of State for Finance; the first meeting shall take place during the first half of May of each year, at which time it shall consider the Financing Policy that shall be part of the Budgetary Policy to be implemented in the following fiscal period. The second meeting shall be held in the first half of January of each year, in order to program the development during the fiscal period of all actions pertaining to the Annual Debt Policy and Strategy laid down in Article 8 of this Regulation. The Ministry of Finance may call other meetings of the Council, if considered appropriate, in which case he shall notify the other Council members at least 7 days in advance.

Paragraph I: The Ministry of Finance, in his function of Chair of the Public Debt Council, shall be in charge of setting the order of the day in each of the meetings of the Council, as well as distributing to the other Council members, at least 7 days in advance of each meeting, the proposals and recommendations included in Articles 7 and 8 of this Regulation and any others considered necessary for the special meetings of the Council summoned by him/her.

Paragraph II: At the meetings of the Public Debt Council the proposals referred to in Paragraph I of this article shall be discussed and decisions shall be made thereon. The decisions of the Public Debt Council shall where possible be made by consensus, although in the event of disagreement the view of the Ministry of Finance shall prevail.

Paragraph III: All decisions of the Public Debt Council shall be communicated to the Presidency of the Republic in a period not to exceed two working days after each meeting.

Paragraph IV: In the case of absence of the incumbents defined in Article 10 of Law 6-06, the Public Debt Council shall be comprised of: The Deputy Secretary of State, representing the Ministry of Finance; the Director of Monetary Programs, representing the Governor of the Central Bank; and the Director of the National Planning Office, representing the Technical Secretary to the Presidency.

Paragraph V: The Chair of the Public Debt Council shall be vested with full discretion to ask other officials of government or the Central Bank to attend any meeting of the Council. Such officials may contribute to the Council's discussions but shall not be entitled to participate in any decisions.

Article 7. In the context of the functions described in Article 11 of Law 6-06, the Public Debt Council is entitled to:

- a) Define, as a function of the relevant macroeconomic indicators in each case, the public debt ceilings that guarantee its sustainability over the medium to long term.
- b) Recommend adequate debt management practices geared toward achieving a lower risk premium in the interest structure over the medium to long term and, generally, to reduce the liability portfolio's exposure to volatility factors and to the degree of dispersion of market variables.
- c) Define clearly, and disclose as fully as possible public debt management objectives, explaining the measures to be taken toward achieving tolerable cost and risk indicators, thus imparting credibility to the public credit policy and minimizing its level of uncertainty.
- d) Select and prepare the list of financial agents who shall perform public credit operations, as proposed by the Ministry of Finance; this list shall have a permanent character until such time as the Public Debt Council orders new additions or deletions.

Paragraph I: The proposals and recommendations made by the Public Debt Council shall be released within the seven (7) days following each meeting; for that purpose it shall employ all the communication channels at the disposal of the Central Government, among them the Public Credit General Office's website.

Article 8. The Public Debt Council shall propose to the Executive Branch an Annual Debt Strategy and Policy for inclusion in the draft Public Revenues and Expenditures Budget; the proposal shall cover, as a minimum, the following issues:

- a) Amounts and financing sources (domestic and external capital markets, multilateral organizations, commercial credit, government-to-government and supplier's credit) of the public credit operations foreseen for the following fiscal period, describing the use of each financing operation. In the case of project financing, it shall contain the name of the executing unit as well as an estimate of the disbursements to be made until project completion; in case of public credit operations for budgetary financing in which the disbursement schedule extends beyond the following fiscal period, estimates of the amounts to be disbursed in each fiscal period shall be included.
- b) Definition of the means through which the debt resources shall be raised.
- c) Definition of the primary markets to which financing procurement shall be oriented, as a function of the prevailing conditions in the relevant markets.
- d) Frequency of issuance and mechanisms to be followed for financing procurement through bonds (auctions or direct public offerings) in domestic and external credit markets.
- e) Interest rates (fixed or variable) and currencies toward which financing procurement efforts shall be preferentially oriented.

f) Issuance deadlines and update rates (if applicable) to be used preferentially for certain financing instruments, in the context of short, medium and long range macroeconomic projections.

Article 9. The General Director of Public Credit shall act as Executive Secretary of the Public Debt Council and, in this capacity, shall perform the following functions:

a) Summon the Council, on instructions from the Ministry of Finance, and offer the administrative support needed for the normal performance of the functions of the entity.

b) Prepare the order of the day, to be defined by the Ministry of Finance, as well as all the proceedings of the Council's meetings; write the documents and communications deriving from such meetings.

c) Distribute to the Council members, inter alia, the order of the day plus any complementary studies and/or documentation at least five (5) working days prior to each meeting.

d) Follow up periodically on the decisions emanating from the Public Debt Council, keeping its members informed of such decisions.

e) Any other function assigned to him/her by the Ministry of Finance.

The Public Credit General Office

Article 10. The Public Credit General Office is responsible for performing the functions established for it in Law 6-06, those established in this Regulation as well as those which, in matters pertaining to its competence, shall be assigned by the President of the Republic or the Ministry of Finance.

Article 11. In addition to those established in Law 6-06 and in Article 6 of this Regulation, the Public Credit General Office shall have the following functions and attributions:

a) To propose for its approval by the Public Debt Council, through the Ministry of Finance, the policy and strategy of the Central Government in respect of public debt.

b) To propose, for approval by the Public Debt Council, through the Ministry of Finance, and in coordination with other relevant administrative units of the Secretariat of State for Finance, the policies of the Central Government for procurement of resources in external credit markets, as well as the bilateral organizations financing foreign trade and to determine, as the case may be, notwithstanding the applicable rules, the Regulations for access to the entities of the Central Public Administration to those markets.

c) To issue a prior binding opinion, every time that rules are proposed which affect the Public Credit System, in the draft Revenues Budget and Public Expenditure Law or other bills or decrees of the Executive Branch.

d) To act as the receiving institution of all offers that may result in the constitution of public credit operations and to evaluate their sources, in the context of the national policy and strategies for annual borrowing limits established by the Public Debt Council, as provided in Articles 7 and 8 of this Regulation. In accordance with such analysis, to recommend in writing the rejection or previous approval of each of them, as set forth in Article 20 of Law 6-06.

e) In accordance with Article 29 of Law 6-06, to participate in all debt negotiations to be conducted by the institutions within the context of the law; evaluate and issue opinions on the financing offers received by the Non-financial Public Sector.

f) To establish common standards for the processes of issuance, placement and redemption of securities, as well as those of negotiation, contracting and amortization of loan throughout the non-financial public sector.

g) To prepare, in coordination with the relevant administrative units of the Secretariat of State for Finance, the opinions necessary for the Execution of legal instruments, within the competence of the Public Credit General Office, such as: bills, regulations, agreements, contracts, official notes, circulars, decree initiatives and other provisions of a general character, amendments, subsidiary agreements, etc.; as well as to propose and participate in scheme for the systematization and reporting of such rules.

h) To organize a system for support and guidance for the negotiations to be carried out for the issuance of securities representative of public debt or contract loans and participate and play a role therein.

i) Subject to the approval of the Secretariat of State for Finance, propose Regulations for easing access to the domestic and external credit markets by the entities of the Central Administration and the rest of the institutions comprising the non-financial public sector.

j) To prepare and propose to the Secretariat of State for Finance the list of the financial agents who shall participate in the process of issuance of securities and/or restructuring of liabilities in domestic and external capital markets, which shall be of a permanent character until such time as new additions or deletions are made. The list shall be made up of first-rate financial institutions, which show a high degree of solvency, responsibility and management capability. If possible, such institutions shall be listed in the most important surveys of the world's principal financial institutions.

k) To propose the designation of representatives for the negotiation and contracting of credits, non-reimbursable technical cooperation and grants with national and international financial institutions.

- l) To encourage studies in the field of negotiation and contracting of public credit; as well as comparative studies of legal and administrative studies of other countries in matters within the competence of the Public Credit General Office.
- m) To maintain up-to-date records on public debt, duly integrated to the government accounting system. For that purpose the Public Credit General Office shall issue specific rules and mandatory mechanisms relating to the recording of direct public debt and that guaranteed by the Central Government within the proceedings which shall be enacted by the General Directorate of Government Accounting for such purpose, for its integration to the government accounting systems and public debt registration unit, respectively, and within the context of the Integrated System of Financial Management.
- n) To organize and maintain up to date records for public debt operations, to which end all the jurisdictions and entities of the non-financial public sector shall, within the deadlines determined in this Regulation or those stipulated on a case by case basis by the Public Credit General Office, abide by the requirements of information concerning the afore-mentioned records.
- o) To require the documentation and information necessary in order to address the matters within its competence and to access all the data and documentation which support the financial statements and other information required of the institutions of the General Administration.
- p) To participate in the collection, analysis and evaluation of the financial aspects related to private sector external debt.
- q) To establish the estimations and budgetary projections of the public debt service in the framework of the debt sustainability policies and of the disbursements corresponding to each public credit operation, providing the relevant information to the National Budget Office and the National Treasury, with the characteristics and within the deadlines determined by the Secretariat of State for Finance.
- r) To establish the rules and Regulations for the follow-up, reporting and monitoring of use of the loans.
- s) To ensure the resources obtained through public credit operations are used for the intended purposes and that these be obtained in accordance with the timetable originally envisaged. In the case of investment projects, the application of the funds obtained on the basis of public credit operations shall be coordinated with the National Planning Office, under the authority of the Technical Secretary to the Presidency.
- t) To participate in the formulation of rule proposals and regulations for the evaluation, acknowledgement and settlement of "administrative debt" with suppliers and others, maintaining the necessary registers.

u) To resolve the matters pertaining to public debt, entrusted to the Secretariat of State for Finance by the law, as long as they do not form part of non-delegable duties of the Secretary. To participate, when required by the Secretariat of State for Finance, in the resolution of matters pertaining to the application of Law 6-06 not explicitly provided in this Regulation.

v) To participate, in the context of its competence, in the commissions or committees to which he may be designated.

w) To participate in national and international forums, conferences, seminars and other events dealing with matters in its area of competence.

x) To lend its support in addressing the requirements formulated by the auditing organizations and other requirements of the competent authorities; as well as those requests or consultations made by the public, the entities and departments under their authority, within the area of competence of the Public Credit General Office.

General Director and the Deputy General Director

Article 12. The top management of the Public Credit General Office shall be held by the General Director and the General Deputy Director of Public Credit.

Paragraph I: The General Director shall be responsible for establishing the internal administrative policies concerning the improvement of efficacy, efficiency and quality of the Public Credit system and for coordinating the action of the different areas of the institution.

Paragraph II: The General Director and the General Deputy Director shall be responsible personally and functionally for the accuracy and clarity of the financial statements prepared and published by the Public Credit General Office, in the context of law 6-06 and this Regulation.

Paragraph III: The function of the General Deputy Director of Public Credit shall be determined by the General Director of Public Credit, through the internal regulation of the institution.

Article 13. In addition to the responsibilities set forth in Article 14 of law 6-06, the following shall be responsibilities of the General Director of Public Credit:

a) To issue the internal standards and procedures needed for the normal functioning of each of the operating areas comprising it.

b) To summon, at the instruction of the Ministry of Finance, the meetings of the Public Credit Council and to participate in such meetings.

Organizational Structure of the Public Credit General Office

Article 14. The organizational structure of the Public Credit General Office shall identify a first level corresponding to top level management, a second level related to the middle management of the institution and a third level corresponding to all the administrative units placed hierarchically lower than those previously mentioned.

Paragraph I: The top management of the Public Credit General Office shall be entrusted to the General Director and the General Deputy Director of Public Credit.

Paragraph II: The second level of the organizational structure shall be made up of the following Departments:

a) Department of Credit Negotiations: Shall be responsible for providing assistance in all matters pertaining to loan negotiations and the issuing and placement of securities and debt securities and bonds made in the context of Law 6-06, as well as Treasury bill placement operations. For that purpose, it shall participate in the negotiation of all public credit operations to be carried out by the public sector institutions included in the scope of Law 6/06, making sure that the best financial terms and conditions are secured and that credit exposure to the State is minimized. Likewise, it shall design and propose standards to regulate the proceedings of negotiation, contracting, disbursement of loans and shall process the issuing of securities in local and international credit markets. In this context, it shall also be responsible for proposing and participating in negotiations for public debt restructuring.

b) The Department of Information, Financial Analysis and Risk Control: Shall be responsible for providing assistance in all matters pertaining to the development of a debt strategy in order to achieve the best financing conditions for the State, the analysis of the current operations in the capital markets, the different risk types, the financial conditions for the Central Government to access the various sources of financing, as well as assisting in the evaluation of applications for authorization of public credit operations by public sector institutions.

c) The Department of Public Debt Management: Shall be responsible for keeping reliable records of all direct and indirect public debt operations, on which shall be based the information necessary for the management of the State's liabilities, programming and execution of the debt service budget, and serving as support for the successful accomplishment of the missions assigned to the other departments comprising the Public Credit General Office. For that purpose, it shall maintain an updated register of direct and indirect public indebtedness, through accounting of all stages of public credit operations carried out by the institutions included in the scope of the Law, in an integrated manner with the Financial Management System and shall generate the analytical financial statements which may be required. In this context, it shall also be responsible for preparing estimates and budgetary projections of public debt servicing, coordinating the planning of financial execution, making payment orders for and

demanding payment in respect of the Central Government's external and domestic debt service.

Paragraph III: The specificity of the functions and responsibilities assigned to the Departments shall be considered in order to determine the third level of the organizational structure, as well as those corresponding to the central activities of the GDPC. The organizational structure corresponding to this level shall be approved and aligned as authorized by the Internal Regulation of the Institution and in compliance with the Institutional Strategic Plan that shall be submitted by it.

TITLE IV THE SYSTEM'S REGULATORY FRAMEWORK

Article 15. The Public Credit System shall be developed and shall sustain itself in the content of the general provisions established by Law 6-06, which creates the Public Debt Council and the Public Credit General Office, through the Guidelines for Public Debt Management and the Manual on Fiscal Transparency prepared by the International Monetary Fund; External Debt Statistics prepared by the International Monetary Fund, the World Bank, UNCTAD and other international organizations.

Article 16. The Public Credit General Office shall, in the exercise of its legal powers, prepare and approve the policies, rules, manuals, proceedings and specific systems required for the adequate functioning of the Public Credit System and shall disclose the same through the relevant normative instruments, which shall be signed and put into operation through a ruling of the General Director of Public Credit.

Article 17. The Public Credit General Office shall be responsible for developing the procedural and functional manuals for each of the departments and divisions comprising it.

TITLE V THE CREDIT MARKET INFORMATION SYSTEM

Article 18. The Public Credit General Office shall be in charge of organizing an information system on national and international credit markets, to which end it shall organize a system of information on the operations and credit offers available in the national and international markets, multilateral organizations, official international financing organizations and those offered by the various branches of economic activity, with the objective of providing criteria which shall make feasible a better use and negotiation of the operations of loan contracting and the issuance of public securities.

Paragraph I: The above mentioned system shall be based on a permanent statistical register of the evolution of interest rates in internal and external credit markets, the fluctuation of the rates of exchange in the various currencies and all other financial information which may help achieve the best options for the design of an indebtedness

policy in general, or which may be used as support when conducting a public credit operation. This shall permit the analysis of all matters pertaining to the market, amount and opportunity of new issuance and/or contracting of public debt, in the context of the debt strategy established by the Public Debt Council over the short, medium and long term range. It shall, in a complementary manner, carry out the design of models to allow the identification, analysis and, wherever possible, the quantification of the various types of risk: monetary, interest rate, exchange rate, refinancing, among others, and propose measures that shall allow adjusting the public debt exposure to such risks.

Paragraph II: Moreover, it shall maintain updated statistics of the liabilities of the non-financial private sector, in foreign currency, for which it shall coordinate with the Central Bank and may recur to the compilation through direct surveys of the entities most representatives of the sector, as well as other sources considered most appropriate.

TITLE VI PUBLIC CREDIT OPERATIONS - LOANS

Public Credit Operation Authorizations

Article 19. All financing offers from multilateral or bilateral organizations, private or public institutions or of any other nature resulting in a public credit operation, under the terms of Article 4 of Law 6-06, which target the institutions of the Non-Financial Public Sector, must be submitted to the Public Credit General Office of the Secretariat of State for Finance, which shall act as the only administrative receiving unit for such offers.

Paragraph I: It is strictly forbidden to the entities included in the context of the Law, the reception and processing of credit offers which do not comply with the requirements established in this article.

Article 20. The public organizations included in Article 3 of Law 6-06 shall not undertake any action intended to incur internal or external public credit operations without the previous authorization of the Secretariat of State for Finance, which shall consider their merits in the context of the policy and annual debt strategy, whose elements are defined in Article 8 of this Regulation.

Paragraph I: Initial steps to undertake public credit operations shall be understood to mean each financing application submitted for consideration by national or international financing organizations, the call for financing offers in national or international credit markets; as well as the inclusion of financial conditions in bidding terms which involve a public credit operation under the terms of Article 4 of Law 6-06.

Paragraph II: The application for previous authorization to contract debt shall be submitted to the Public Credit General Office of the Secretariat of State for Finance and shall, as a minimum, be accompanied by the following information:

- Destination of the financing
- Maximum amount foreseen for the operation and an estimated schedule of disbursements
- In a non-binding manner, whether there are financial institutions interested in making financing offers (non-binding)
- In a non-binding manner, all information associated with the available offers, including type of debt (external or internal), currency, interest rate, term and expected schedule for financial service payments, commissions and other committed expenses, matching funds required or whether there are other related obligations.
- When investment projects are in consideration, it shall include a physical and financial execution plan of the project, economic, social and environmental impact studies; as well as a notice written by the National Planning Office (an agency under the authority of the Technical Secretariat to the Presidency) evaluating the relevance of the project within the National Public Investment Plan, including the estimated starting date of such project in the Plan.

Paragraph III: Once a previous authorization application has been formalized, the Public Credit General Office shall analyze it and evaluate its appropriateness and convenience in the context of the national debt policy and strategy established by the Public Debt Council, provided in Articles and 8 of this Regulation and on the basis of the data contained in the information system on credit markets. In addition, the following elements shall be taken into consideration:

- 1) Compliance with the formal aspects required for incurring indebtedness
- 2) Financial terms and conditions that maybe obtained for the debt operation and its comparison with others of similar characteristics
- 3) Impact of the operation on the balance of payments and on the general public debt situation
- 4) Consistency of the credit operation with the sustainability of the public debt over the short and medium term.

Paragraph IV: In addition to credit-risk rating reports on the applying entity by specialized agencies or banking entities, reports of the relevant controlling agencies may be required for the purpose of conducting the corresponding evaluation.

Paragraph V: The results of the evaluation of the financing offer shall be communicated by the General Director of Public Credit by means of a notice addressed to the Ministry of Finance containing the relevant observations and recommendations, and including advice on whether to approve or reject the financing offer.

Article 21. The prior authorization of the credit operation shall be given by means of a notice signed by the Ministry of Finance, addressed to the applying agency, which shall, as a minimum, cover the following aspects:

- 1) Details of the financial conditions of the debt (amortization method and schedule, interest rates, etc.) to which the operation must adhere.

- 2) Deadline for execution of the debt operation (reception of funds and/or goods, etc.)
- 3) Procedures to be observed for the permanent information on the evolution of the debt operation being authorized.

Article 22. The Public Credit General Office shall analyze the applications for authorization of the Public Credit Operations submitted by Non-financial Public Enterprises and Municipal Governments in the light of Law 6-06, and shall prepare a report containing the evaluation conducted and its corresponding recommendation.

Paragraph I: In addition to those listed in the previous paragraphs, the entities listed below shall submit the documentation indicated in each case:

Non-Financial Public Enterprises

- 1) Authorization by the Directorate and/or maximum authority of each entity for contracting debt.
- 2) Balance Sheet containing the net worth and results of the last three (3) fiscal periods.
- 3) Cash flow statements of the last three (3) financial periods.
- 4) Monthly flow of income, expenses and financing of the last three (3) fiscal periods.
- 5) Annual statement of Execution of the Revenue/ Expenditure Budget.

Municipal Governments:

Savings - Investment – Financing Accounts, on an accrual basis, of last three (3) fiscal years.

Paragraph II: Once the operation of indebtedness has been analyzed, the Public Credit General Office shall issue and submit a report to the Secretariat of State for Finance, with the relevant conclusions and recommendations on each of the operations of indebtedness, noting as well if said operations fit within the Fiscal and Economic Policy of the Government and the strategy of indebtedness established by the Public Debt Council. The prior authorization for the operations laid down in the present article shall be prepared as established in Article 21 of the present Regulation.

Article 23. The General Provisions of the Revenues Budget and Public Expenditure Law shall, for each public credit operation, including sureties, bonds or guarantees of any nature to be granted by the Central Government, specify the following basic characteristics:

Type of debt, specifying whether it is domestic or external

Instrument of indebtedness

Type of currency (Dominican pesos or foreign currencies)

Maximum amount authorized for the operation

Minimum term of amortization

Maximum interest rate

- Destination of financing.

Paragraph I: Once approved by the Congress of the Republic by means of the General Provisions of the Revenues Budget and Public Expenditure Law, the operations of Public Credit shall be deemed formally approved in the terms required by Article 37 of the Constitution of the Republic.

Paragraph II: If the public credit operations of the Central Administration were not authorized in the general budget of the respective year, a law specifically authorizing them shall be required.

Loan Negotiation and Signing of Loan Agreements

Article 24. Before undertaking any negotiation towards an operation of public credit, compliance with the following requirements shall be demonstrated:

Authorization in the Revenues Budget and Public Expenditure Law or in a specific Law;
Evaluation of the Public Credit General Office and prior authorization by means of a notice signed by the Ministry of Finance, in keeping with the provisions established in Article 21 of the present Regulation.

Paragraph I: The Public Credit General Office shall participate directly in the negotiation of all indebtedness operations conducted by institutions included in the scope of the Law 6-06. This power may be delegated in writing to the institutions receiving the prospective credit, subject to the establishment of the specific policies and conditions for each of them. In each instance, final approval of the GDPC shall be required.

Paragraph II: The Public Credit General Office shall be in charge of negotiation with Multilateral and/or Bilateral Financing Organizations for all said loan operations regardless of the executing institution. To this end, it shall negotiate and sign all the documentation required by the World Bank, the Inter-American Development Bank and other multilateral organizations.

Paragraph III: The Ministry of Finance, through the Public Credit General Office, shall propose the policies and develop standards and criteria for loan negotiations. He/she shall also exercise the rights and discharge the responsibilities which derive from the participation of the Central Government in the World Bank, the Inter-American Development Bank, export-import agencies or other activities and similar or related international institutions or funds involving the granting of credits.

Article 25. The Public Credit General Office shall, within the scope of its competence and in coordination with the relevant administrative units, take part in the negotiation of financing for those investment projects in infrastructure including Central Government participation, and shall opine on the projects' terms and financial conditions, of an equal nature, by institutions comprising the nonfinancial public sector likely to fund their operations with resources from national and foreign financial entity or bilateral and multilateral institutions.

Paragraph I: The Public Credit General Office shall coordinate with the National Planning Office (ONAPLAN) the preparation of relevant studies and shall be entitled to require all documentation it may consider necessary.

Article 26. The Public Credit General Office shall, in coordination with the National Treasury, negotiate, organize and, where appropriate, shall sign financing operations, hedging, derivatives and special schemes, intended to reduce the different types of risks for Central Government's liabilities.

Article 27. The Public Credit General Office shall negotiate the terms for the financial assets resulting from those operations, such as loans from bilateral and/or multilateral lending agencies, referred to other public institutions responsible for their execution.

TITLES VII

PUBLIC CREDIT OPERATIONS – SECURITIES AND BONDS

Article 28. The Public Credit General Office shall, within the framework of the financing strategy and policies established by the Debt Council, determine and propose the issuance of bond or security offering the most convenient financing options for the Central Government, adopting procedures to optimize the transparency, security and liquidity of the transactions as well as the efficient settlement of the operations, thus leading to strengthening and greater development of the local capital market.

Article 29. Securities and bonds shall be represented in a written form and securitization thereof shall be registered by the Secretariat of State for Finance, the Central Bank of the Dominican Republic or the designated official or private institutions, and shall be credited through "*certificates of deposit*" granted by those institutions.

Paragraph 1: The securities or bonds shall adopt some of the following options:

"amortizing": those through which the Government commits itself to pay interest and principal (debt service) periodically.

"*bullet*": those through which the Government commits itself to pay interest periodically, fully amortizing the payments of the principal of the security on the maturity date thereof.

"*zero-coupon bonds*" those through which the Government commits itself to completely pay off interest and principal on the maturity date thereof.

Article 30. The securities and bonds shall be denominated in Dominican pesos or in foreign currency, with advanced or past due, fix or floating rate, other financial structures currently in use on the local or international markets being able to be applied.

Issuance and Placement of Government Securities and Bonds

Article 31. The Secretariat of State for Finance, through the Public Credit General Office, is hereby authorized to:

a) Issue and place the financial instruments in domestic and foreign capital markets laid down in Article 4 subsection (b) of Law 6-06, in the terms, for the purposes and in the maximum amounts stipulated in the Revenues Budget and Public Expenditure Law of the subject fiscal year;

b) Enter into all agreements or contracts with official or private agencies, self-regulated markets and institutions engaging in information services and settlement of financial operations, or any other domestic or foreign, physical or legal persons, that may become necessary for the implementation and the development of the operation relating to the financial instruments that are issued;

c) Accept, acknowledge and pay participating agents and financial organizations potential commissions in respect of services on usual market terms.

Article 32. The placement of securities and bonds intended to raise funds in the domestic or foreign capital markets shall be made through public bidding and the terms and conditions thereof shall be disclosed at time of the launching of the call for bids for each instrument.

Paragraph I: In cases of emergencies and by express authorization of the Public Debt Council and the President of the Republic, the Secretariat of State for Finance shall be entitled to conduct direct placements.

Paragraph II: The official or private agents and financial institutions participating in the public biddings or directly hired for the issuance and placement of a security or bond, shall have to be included on the list of financial organizations authorized by the Public Debt Council.

Article 33. The Public Credit General Office shall, consistently with the debt strategy established by the Public Debt Council, carry out the actions for the issuance, placement and eventual extensions of the medium and long-term securities and bonds in order to raise funds in the domestic or foreign capital markets through public bidding, based on the following procedure:

a) The Public Credit General Office shall assess and evaluate the financing needs, the annual cash plan prepared by the National Treasury, and the market situation, and shall prepare a proposal for the issuance and the placement of the financial instruments that it considers most advisable, which shall be submitted to the Ministry of Finance for his approval, and shall, as a minimum, contain the following information:

a.1) Financial Terms and Conditions: Date of issuance, date of maturity, term, currency, amount of issuance and payment, amortization, interest rate, minimum denomination, frequency for the placement, condition of negotiability, forms in which the securitization of bonds shall be credited, tax treatment, procedures for meeting financing service payments.

a.2) Terms of bidding: Date of the call for bids, maximum amount to be bid, date and closing date for the reception of offers, date of settlement, definition of bid award system, minimum amount for submission of bids, and any other additional information considered necessary.

b) Written evidence that the operation is authorized in the current Revenues Budget and Public Expenditure Law, and the placement balance available.

c) The Secretariat of State for Finance shall analyze the afore-mentioned proposal and, if no remarks need be added, it shall instruct the Public Credit General Office to carry forward with the public offering for the issuance of the medium and long-term security or bond in the domestic and/or foreign capital markets.

d) At least five (5) days before the date on which each bidding process is scheduled to take place, The Public Credit General Office shall proceed to issue a call to bid through an "official press notice", along with the relevant terms, inviting applicants to participate in a Public Bidding for securities or bonds.

e) Form of presentation: Applicants' bids to purchase the securities shall have to be made on a firm basis, through the means to be prescribed, containing the following information:

Identification of the agent or the bidding firm.

Amount of original nominal value offered.

Each bidder shall be entitled to submit one or several bids, being allowed to quote different prices for each of them.

All incomplete bids, having errors or that do not conform to the requirements of the established presentation system, shall automatically be rejected.

f) Proposals shall be submitted to the Public Credit General Office through the means to be determined in each instance, in the presence of representatives from the Office of the Comptroller General of the Republic, and the former shall order the said proposals by quoted price.

g) The Public Credit General Office shall prepare a prequalification list, detailing the amounts in nominal and effective values to be placed and shall provide other necessary analysis criteria so as to allow the Secretariat of State for Finance to decide the cutting value for the award.

h) The Secretariat of State for Finance shall put together the bidding process, being entitled to declare the bid void.

i) The Public Credit General Office shall compile the definitive results of the bidding and awarding process, with the intervention of the Office of the Comptroller General of the Republic, and shall communicate the corresponding results for the call to bid through the official web page of the Secretariat of State for Finance and other means.

j) The Public Credit General Office shall, based on the awarding list put together by the Secretariat of State for Finance, proceed to prepare the Global Certificate in the total nominal amount to be placed, which shall be deposited with the organization acting as “registrar and payment agent” under the authority of the Secretariat of State for Finance, the Central Bank of the Dominican Republic or the entity designated for this purpose.

Paragraph I: The Global Certificate shall be signed by the Ministry of Finance and the Head of the Public Credit General Office or the person designated, and shall contain the following information:

1. Bidding Date
2. Settlement Date
3. Bond or security denomination
4. Amount of total nominal value of placement

k) The Public Credit General Office shall, based on the result of the bidding, prepare a list of the awardee financial institutions and shall communicate to the depository entity of the Global Certificate the credit to each of the accounts of the bid-winning institutions, detailing:

1. Account number that the bid-winning financial institution has in the Registry of Deeds.
2. Amount in nominal value that shall have to be credited to each bid-winning financial institution.

l) The Central Bank of the Dominican Republic, or the entity designated by the Secretariat of State for Finance, shall also be entitled to open accounts in the name of other intermediaries authorized to act in the public offering of the securities and/or markets for the securities and other security markets, authorized by the competent authorities and/or local or international institutional depositories.

m) The Public Credit General Office shall communicate to the bid-winning agents or financial institutions that they shall have to deposit the funds in the accounts of the National Treasury in the agreed manner.

n) The National Treasury shall record the accounting entry for funds received at its net value, which shall be adjusted later at the Public Credit General Office to be registered at its total nominal value of the bond or security actually placed.

Article 34. If a security or bond is to be placed by direct subscription, the following procedure shall be followed:

a) The Public Credit General Office shall prepare a detailed report on the reasons of urgency justifying the direct subscription, which shall, with the prior consent of the Secretariat of State for Finance, be submitted for approval of the Public Debt Council and the President of the Republic.

b) Once the authorization of the relevant authorities has been obtained, the Public Credit General Office shall proceed to formally invite at least five (5) financial institutions included on the list of the financial agents authorized to perform public credit operations for that fiscal year by the Public Debt Council to participate in the bidding process at a determined date and hour.

c) Once the proposals have been received from the invited financial institutions through the appropriate channel, the Public Credit General Office, with the participation of the Office of the Comptroller General of the Republic, shall prepare a technical report with the bid results and shall submit it to the Secretariat of State for Finance. If no objections are made, the Secretariat of State for Finance shall put together the said report and order that the corresponding placement be made.

d) The Public Credit General Office shall proceed to make the corresponding Global Certificate in compliance with the procedures established in Subsections (k),(l), (m) and (n) of Article 33 of the present Regulation.

Article 35. The procedures described in Article 33 of this Regulation shall, to all relevant purposes, be applied for the placement of medium and long-term bonds and securities in the case of Treasury Bills, whose maturity extends beyond the budgetary cycle, issued by virtue of Article 4, Subsection (c) of Law 6-06.

Paragraph I: The documentation associated with the issuance and placement of securities and bonds, as well as that of short-term Treasury Bills shall be placed in the hands of the General Directorate of Credit, and of the National Treasury, as appropriate, to be subjected to the supervision of Office of the Comptroller General of the Republic. The Public Credit General Office shall keep a copy of all the documentation associated with the issuance of Treasury Bills for information and registration purposes.

Article 36. The financial terms and conditions of the securities intended to pay off the administrative debt shall be subject to the provisions laid down in the specific Law authorizing them.

Paragraph I: The following procedure shall be followed for the issuance and placement of securities intended to pay off “administrative debt” of the Central Government:

a) A Global Certificate in the total amount of the issuance authorized by Law shall be signed by the authority designated in the procedure, whose depositor shall be the institution acting as “registration and payment,” under the authority of the Secretariat of State for Finance, of the Central Bank of the Dominican Republic or the person designated for that purpose.

b) The depository financial institution holding the Global Certificate shall proceed to:

b.1) open accounts in the name of each person (physical or legal) whose credit balance is acknowledged by the competent authority.

b.2) credit the accounts by the nominal values of the bonds, as instructed, granting “*certificates of deposit*” to their holders

b.3) record the transfer operations that are carried out among their holders.

c) The Public Credit General Office shall record the accounting entry when the placement or deposit of the securities or bonds is carried out in the name of the person (physical or legal), with the financial institutions hired as “*registration and payment agent,*” in the amounts authorized by the relevant authorities.

Liquidation and Redemption of the Securities and Bonds

Article 37. As service (amortization and interest) on the securities or bonds comes due, the Public Credit General Office shall, by the deadline prescribed in Article 52 of this Regulation, reconcile the total amount entered in the accounting records in respect of each kind of security with the total amount registered in the individual accounts by the financial institutions hired as “*registration and payment agents,*” and shall order the relevant payments.

Paragraph I: The funds corresponding to each service payment (amortization and interest) due on the security shall be determined and ordered to be paid by the Public Credit General Office on the nominal and/or residual amount of the Global Certificate. The National Treasury shall credit the funds to the account of the public or private financial institution hired as depository and “*registration and payment agent,*” which shall then credit the funds to the individual owners’ accounts.

Article 38. Early redemption or cancellation of a security or bond shall be carried out through a bidding process similar to that established in Article 33 of this Regulation. This process shall be conducted through the intermediary of financial institutions that shall be selected by the Secretariat of State for Finance from the list of financial institution authorized by the National Public Debt.

TITLE VIII SURETIES AND GUARANTEES

Article 39. Public credit operations requiring the extension of bonds, sureties, or guarantees of any nature by the Central Government, shall be included in the Revenues Budget and Public Expenditure Law or in a specific law.

Paragraph I: The Public Credit General Office shall be responsible for analyzing the requests for the extension of bonds, sureties or guarantees of any nature by the Central Government as well as the signing of letters of credit by the institutions of the Public Sector, to which end it shall require the documentation that it may consider necessary in

order to carry out the financial evaluation and assess the contingent risk that the Central Government would incur as a result of these operations.

Paragraph II: For these purposes, the institutions of the public sector requiring the granting of a bond shall have to conduct a presentation to the Secretariat for Finance, through the Public Credit General Office, which shall, as a minimum include the following:

- 1 Detailed technical justification of the need to carry out the operation and the inability to access to other financing instruments.
- 2 Financial conditions of the contingent liabilities that the State would assume (terms, interest rates, etc.)
3. Purpose of financing.

Paragraph III: The proposal shall be analyzed and evaluated by the Secretariat of State for Finance and, if approved by it, shall be included in the draft Revenues Budget and Public Expenditure Law, or in a specific law, as established in Article 26 of Law 6-06.

Article 40. Once the requirement for the authorization of the extension of bond, surety or guarantee has been complied with in the Revenues Budget and Public Expenditure Law, or in a specific law, the institutions having required the granting of bond, surety or guarantee by the Central Government shall conduct a new presentation to the Public Credit General Office where they shall, in addition to the requirements provided in Article 20 for the prior authorization to incur indebtedness, request and include the following information:

1. balance sheet to the date of the request, with a detailed account of assets and liabilities;
2. forecast of statements of cash flow and source and application of funds for the entire duration of the indebtedness;
3. detail of all bank accounts held by the applicant institution and the authorization to be debited thereto in the event of execution of the surety bond;
4. updated report on state of the operations guaranteed by the Central Government to the date of the formulation of the new requirement, identifying the contractual currency, names of the creditor and the intervening banking institution and amount of the pending outstanding balance;
5. all other background information the Public Credit General Office may consider necessary.

Paragraph I: The issuance of surety bonds or guarantees shall be arranged by means of a notice addressed to the debtor institution or entity, signed by the Ministry of Finance, wherein evidence of the following shall be required:

1. financial terms and conditions of the guaranteed operation,

2. responsibility assumed by the Central Government in the event of default by the main debtor,
3. **minimum** term in which the institution or entity shall serve notice before proceeding to the execution (debit the current accounts of the National Treasury, etc.) of the surety bond or guarantee.

Paragraph II: The institutions of the public sector set out in Article 3 of Law 6-06 and the private or mixed enterprises for which financial operations guaranteed by the Central Government are authorized shall be responsible for arranging the payment of the respective services using their own funds, and only subsidiarily, in the event of temporary shortfalls, shall the National Treasury's accounts be charged or debited. In such instances, the Secretariat of State for Finance shall be automatically empowered to:

- a) Place an encumbrance in an amount equivalent to the service paid on the funds of existing payment orders drawn on behalf of the afore-cited entities at the National Treasury. This shall be expressed by considering the updated rate of exchange for the Dominican peso vis-à-vis the US dollar. The same shall not apply to obligations referred to in the present article corresponding to institutions included within the Central Government.
- b) Place encumbrance on any other resources going to the institution defaulting on their obligation.
- c) Encumber funds in the bank accounts of any nature held by those institutions, to which end the official, private and mixed banks shall transfer such amounts in favor of the National Treasury on simple demand by the Secretariat of State for Finance.

Paragraph III: The Secretariat of State for Finance shall update the credits in favor of the Central Government arising from defaults in payment obligations by the above said institutions, to which end the lapse of time between the debits made at the National Treasury and the reimbursement by the said institutions shall be taken into consideration.

Paragraph IV: The Public Credit General Office shall prepare a monthly report, arranged by institutions or enterprise, on surety bonds extended and executed because of default by main debtor, which have been debited in the accounts of the National Treasury during the month.

Paragraph V: The Ministry of Finance shall direct that these institutions and enterprises reimburse the National Treasury the amounts that it has had to pay on account of the extended guarantees.

Paragraph VI: As of the date of entry into force of the present Regulation, authorizations extending surety bonds by the Central Government, including those in specific laws, and which remained unfulfilled as of the said date shall be deemed expired.

Paragraph VIII: The Ministry of Finance shall be entitled to order changes in the budgetary funds allocated in Line Item “Public Debt Servicing” for the single purpose of incorporating the amounts arising out of default of surety bonds not recovered through the current fiscal year and the increase in resources in respect of amounts collected from previous periods.

Paragraph IX: The Secretariat of State for Finance shall be entitled to dispose of, renew and/or adapt surety bonds extended in respect of public credit operations within the framework of Law 6-06, to the extent that such a move would imply an improvement in the amounts, terms and/or interests of the original operations.

Paragraph X: The public entities and any other institutions whose obligations are guaranteed by the Central Government, and that pay the service on their debt using their own resources, shall, within three (3) days from the conduct of the operation, inform the Public Credit General Office the effective payment of the afore-cited service, enclosing the backing documentation. In addition, they shall submit to the Secretariat of State for Finance a quarterly report on the state of the guaranteed operation.

TITLE IX

TREASURY BILLS WITH MATURITY DATES WITHIN THE FISCAL YEAR

Article 41. Once financing needs have been determined, the National Treasury shall coordinate with the Public Credit General Office the actions for the issuance and placement of short-term Treasury Bills to cover cash needs or to carry out liability management operations, such as purchase and sale of financial instruments and any other common financial transaction in the derivative markets.

Paragraph I: For the issuance and placement of Treasury Bills with maturity within the same fiscal year, the procedures established in Articles 32, 33 and 34 of this Regulation shall be followed in all relevant respects.

Paragraph II: The Ministry of Finance shall be entitled to authorize and to set the conditions for the direct subscription of issuance operations of Treasury Bills when the purchasing institutions are a part of the Public Sector.

TITLE X

RECORDING AND FINANCIAL STATEMENTS

Article 42. The Public Credit General Office shall maintain up-to-date information on the direct and indirect public indebtedness resulting from credit operations conducted by the institutions included in the scope of the law, in an integrated manner with the Financial Management System and generating analytical financial statements as may be required.

Article 43. The recording of public credit operations shall be carried out through the Debt Management Financial Analysis System (DMFAS), which shall operate in an integrated manner with the System of Financial Management (IFMS) through a software program called “DMFAS- IFMS Link”.

Paragraph I: The DMFAS shall record the entire public debt, grouping it according to the following types of creditors: a) Multilateral and Bilateral loans; b) Public Bonds and Securities; c) Commercial and Bank loans and others.

Paragraph II: The interconnection between the IFMS and the DMFAS shall have to automatically link the transactions processed on the DMFAS with its budgetary counterpart of Treasury and accounting on the IFMS.

Paragraph III: The points of integration of the Public Credit Subsystem (DMFAS), with the Integrated Financial Management System (IFMS), shall be:

1. With the **Budget System**, through the calculation of annual budgetary projections of public debt service payments, changes in approved budgetary appropriations and programming of execution of the public debt service budget, at commitment level.
2. With the **Treasury System**, basically through the programming and recording of proceeds in respect of financing, originating from loans or placement of securities and programming of interest payments and amortization of debt service.

With the **Accounting System**:

- a) In terms of revenue through:
 - a.1) Recording of loan contracts
 - Authorization of indebtedness
 - Hiring
 - Disbursements
 - a.2) Registration of securities or bonds
 - Authorization of indebtedness
 - Issuance of security or bond
 - Placement
- b) In terms of expenditures through:
 - Commitments
 - Accrued expenses
 - Public debt services Payments

Article 44. The Public Credit General Office shall, not later than May 15th of each year, identify and propose to the Secretariat of State for Finance the budgetary appropriations required to service the public debt for inclusion in the debt policy, as part of the Budgetary Policy of each year.

Paragraph I: By September 30th of each year, it shall also submit updated public debt service projections for the following year for inclusion in the respective Revenues Budget and Public Expenditure Law.

Article 45. The Public Credit General Office shall, in collaboration with the Department of Information, Financial Analysis and Risk Control, through the Integrated Financial Management System, prepare budget estimates and projections for national debt service, and do the follow-up and evaluation of its execution. It shall also coordinate financial execution planning and the appropriate changes to the public debt service budget.

Article 46. To that end, the Public Credit General Office shall, within the deadline and in the manner defined by it, require information to the agencies responsible for implementing projects funded through public credit operations relating to applications for disbursements in cash or kind, submitted to lending institutions. It shall also require Non-financial Decentralized or Autonomous Institutions, Institutions of Social Security, Non-financial Public Enterprises, and units executing projects with external funding and those whose obligations are guaranteed by the Central Government to provide periodic reports on the budgetary execution and any other of a financial nature as it deems necessary.

Article 47. The Public Credit General Office shall maintain records of indebtedness authorizations extended by the Secretariat of State of Finance and issue the certification on the balance available on the authorization conferred by the Legislative Branch for internal and external indebtedness operations or on that granted in order to extend guarantees on behalf of Non-financial Public Sector institutions. It shall, also maintain records and follow-up on payments made by entities whose obligations are guaranteed by the Central Government, and who arrange for the payment of their debt service from their own resources, and shall report default cases for collection purposes.

Article 48. The Public Credit General Office shall (in conjunction with the General Directorate of Government Accounting) be responsible for the design of standards, coordination and technical supervision of the methodology for recording the public credit operations carried out by the non-financial decentralized or autonomous institutions, institutions of social security, non-financial public enterprises, units executing projects with external financing and those whose obligations are guaranteed by the Central Government, while instructing on the respective analytical financial statements.

Article 49. The Public Credit General Office shall be responsible for preparing quarterly reports on the state and the evolution of the domestic and external public debt during the period as thoroughly and with as much detail as possible for inclusion and publication in the official reports and the media considered most appropriate, and shall, in general, coordinate all publications and reports on the public debt.

Paragraph I: The above-mentioned quarterly reports shall have to include, in an analytical and/or aggregate manner, the gross balances of each one of the liabilities

assumed by the Central Government and the net balances of the financial assets as of the date of the reporting period.

Paragraph II: For the purpose indicated in the previous paragraph, the Public Credit General Office shall maintain the accounting records of the financial assets of the Central Government relating to credit public operations consisting of:

a) liabilities reallocated to the agencies of the public sector comprising the institutional aggregates from 2 to 5 of Article 3 of Law 6-06

b) amount of surety bonds and/or guarantees executed against the Central Government for breach of payment by the guaranteed public or private entities, in the amount owed by those agencies.

c) assets guaranteeing financing operations by the Central Government.

Paragraph III: It shall also prepare the quarterly analytical report referred to in Article 27 of Law 6-06 on the status and movement of the domestic and external public debt that the Ministry of Finance must submit to the Congress of the Republic.

Issuance of Reports to the Public Credit General Office

Article 50. The entities contracting direct or indirect public debt, duly authorized under this law, a specific law and these Regulations, shall report to the Public Credit General Office any request for disbursement within three (3) days from the date of its submission. Once the resulting disbursement(s) has(ve) been received, the entities shall, within three (3) days from the occurrence of the event, submit to the Public Credit General Office the supporting documentation for registration and control purposes.

Paragraph I: When the payment of the obligation incurred is made through overseas bank accounts held by the public agencies, or are directly deducted from the Loan Account, the said entities shall report such operations to the Public Credit General Office, enclosing the relevant documentation within a maximum of (7) days from the date of entry into force of the operation.

TITLE XI SERVICING THE PUBLIC DEBT

Article 51. The Public Credit General Office shall act as a Financial Management Directorate for financing operations of the Central Government and shall be responsible for implementing the budgeted funds allocated in line item “Public Debt Servicing” of the Revenues Budget and Public Expenditure Law of each year, as well as issuing and approving the corresponding payment orders.

Article 52. Subject to the reconciliation of DMFAS records with the amounts claimed by creditors, the Public Credit General Office shall, at least 30 days in advance of their due

date, issue and submit to the National Treasury the disbursement orders intended to meet public debt service payments, and shall manage their effectiveness in a timely manner, to which end it shall establish coordination arrangements with the National Treasury, the Office of the General Comptroller of the Republic and the Central Bank of the Dominican Republic.

Article 53. The Public Credit General Office shall, as often as shall be required, prepare a projection of hard currency requirements for public debt service payments, and shall report it to the National Treasury.

Article 54. The Public Credit General Office shall develop, implement and maintain the “DMFAS- IFMS Link”, which shall allow access to information relevant to the General Directorate of Budget, the National Treasury, the General Directorate of Government Accounting and the Office of the Comptroller General of the Republic, subject to inter-institutional agreements.

Article 55. In event that the Public Credit General Office should determine that projections and budgetary allocations for public debt servicing have been underestimated, it shall proceed to prepare a budgetary amendment in compliance with the procedures laid down in Law 423-06, and shall include the amounts understated, the funding sources to cover the increased financial commitments, as well as the reasons giving rise to such underestimate.

Paragraph I: This budgetary change, subject to approval of the Ministry of Finance and of the President of the Republic, shall be submitted to Congress for appropriate treatment and consideration in order to ensure public debt servicing is met in a timely and consistent manner.

TITLE XII PROHIBITIONS AND SANCTIONS

Article 56. In the event an unequivocal breach of the provisions in the present Decree and Law 6-06, and based on the recurrence of the practice, the President of the Republic, shall, in compliance with the provisions laid down in Article 47 of Law 6-06, impose the corresponding penalty upon the civil servant responsible for the violation. Civil servants conducting public credit operations in contravention of Law 6-06 and/or the present Regulation shall incur personal liability pursuant to the terms established in Article 46 of the Law 6-06.

Article 57. As ultimately responsible for the implementation of this regulation, the Ministry of Finance shall immediately report any violation to this Regulation and Law 6-06 through a written notice addressed to the President of the Republic.

TITLE XIII
GENERAL PROVISIONS

Article 58. Decrees Nos.1093-04 and 1523-04 of September 3rd and December 2nd, 2004, respectively, are hereby repealed.

Article 59. Have [this Decree] forwarded to the State Secretariat for Finance for all appropriate purposes.

Given [under my hand] in Santo Domingo de Guzmán, National District, the capital of the Dominican Republic, on this, the twenty-seventh (27th) day of the month of December of the year two thousand and six, of the Independence [of the Dominican Republic], the 163rd, and of the Restoration, the 144th.

[Signed]
Leonel Fernandez