

RAMÓN CEDANO MELO, MBA
Judiciary Interpreter
Court of First Instance of the National District
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. 003/2021

THE NATIONAL CONGRESS IN THE NAME OF THE REPUBLIC

Law No. 243-20

Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), 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 the Constitution and the laws;

Second whereas, the National Congress approves the State 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, it is a Dominican Government goal to continue to contribute to the deepening of the domestic capital market through government security instruments in order to help the Government meet its medium and long-term financial requirements;

Fourth whereas, the National Development Strategy defined the Nation's priority intervention areas, which in turn are aligned with the objectives set out in the Plan of Government of the current Administration, and therefore access to capital markets is required in order to obtain the necessary resources to finance the country's priority projects and programs;

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;

Sixth whereas, Timely access to domestic and international capital

THE NATIONAL CONGRESS

SUBJECT Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), or its equivalent in foreign exchange.



PAG.2

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 government securities to be placed in both local and international capital markets was authorized in the General State Budget for fiscal year 2021, in order to complete the financing requirements for the upcoming financial year.

HAVING SEEN: The Constitution of the Republic;

HAVING SEEN: Law No. 11-92, dated May 16, 1992, approving the Tax Code of the Dominican Republic;

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

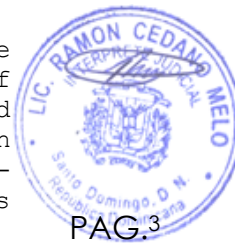
HAVING SEEN: Organic Public Sector Budget Law No. 423-06, dated November 17, 2006;

HAVING SEEN: Law No. 19-00, dated May 8, 2000, which regulates the Securities Market in the Dominican Republic, as amended by Law No. 249-17 dated December 19, 2017;

HAVING SEEN: Law No. 237-20, dated December 2, 2020, on the General State Budget for the year 2021;

THE NATIONAL CONGRESS

SUBJECT Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), or its equivalent in foreign exchange.



HAVING SEEN: Sentence TC/0088/19, issued by the Constitutional Court, dated May 21, 2019.

HAS PASSED THE FOLLOWING LAW:

Article 1. - Purpose of the law. The purpose of this law is to grant congressional approval to the Executive Branch, through the Ministry of Finance, to issue and place public debt securities.

Article 2. - Scope of application. The scope of this law is for the entire national territory.

Article 3. - Issue and placement. The Executive Branch is hereby authorized, through the Ministry of Finance, to provide for the issuance and placement of government debt securities in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153) or its equivalent in foreign exchange.

Paragraph. - The amount of the issue of government debt securities authorized in this article may be covered by other financial sources, should the favorable conditions present themselves for the State to contract them.

Article 4. - Market of Issue and Placement. The Executive Branch is hereby authorized, through the Ministry of Finance, so that, based on the favorability of financial market conditions, it may provide for the issuance and placement of a part or all of the indebtedness referred to in the foregoing article, through the international, or domestic capital markets, in Dominican pesos, or in the currency of issue and placement that is most favorable for the country.

Article 5. - Definitions. For the purposes of this Law, the following definitions shall apply:

THE NATIONAL CONGRESS

SUBJECT Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), or its equivalent in foreign exchange.



PAG. 4

- 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;
- 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: indebtedness resulting from the operations of public credit in accordance with the provisions of Law No. 6-06 on Public Credit;
- 7) Differentiated Issuer: Differentiated Issuers refers to the Ministry of Finance, the entity which, in accordance with the provisions of Article 49 of Law No. 249-17 amending the Law 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;

THE NATIONAL CONGRESS

SUBJECT Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), or its equivalent in foreign exchange.



- 8) Custodial Entity: any entity providing the services of central securities depository under the statutory and regulatory provisions established for such purposes;
- 9) ISIN: International Securities Identification Number the International Identification Code assigned to the securities issued under this Law by the relevant entity;
- 10) Primary Offering: securities being placed on the market for the first time;
- 11) Security: 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 6. - Placement Modality. The modality of placement of the amount of the issue of the securities which are approved under this Law shall be determined by the Ministry of Finance.

Paragraph I. - In cases where the issue of the securities is carried out in the local market, this may be done through auctions or through direct placements.

Paragraph II. - For cases where the placement is done directly, it must be approved through a motivated resolution of the Minister of Finance.

ARTICLE 7. - Placements within Budget Year. The amount approved under this Law shall be placed within budget year 2021, according to the scheduling provided by the Minister of Finance acting on a proposal from the Directorate General of Public Credit.

Paragraph.- If prior to financial year 2021 there are favorable market

THE NATIONAL CONGRESS

SUBJECT Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), or its equivalent in foreign exchange.



conditions for the country, a placement in the amount approved, in part or in whole, may be conducted as pre-financing for the General State Budget for the year 2021.

Article 8. - 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 on the best interest rate conditions available in the market. Financial characteristics, such as interest payment schedules, interest calculation basis, coupon interest rate and denomination shall be 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 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 at the Ministry of Finance, managed by the Directorate General of Public Credit;
- 4) 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;
- 5) The securities issued shall have an International Securities Identification Number, designated as ISIN;
- 6) The securities to be issued by the Ministry of Finance shall be

THE NATIONAL CONGRESS

SUBJECT Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), or its equivalent in foreign exchange.



PAG.7

entered in the Securities and Products Market Registry of the Superintendence of Securities, in accordance with the provisions of Law No. 249-17, which amends the Law regulating the Securities Market in the Dominican Republic;

- 7) 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;
- 8) 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;
- 9) 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;
- 10) 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;
- 11) The securities shall be accepted as collateral or bond 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, dated 9 September 2002, on insurance and bonds of the Dominican Republic and as well as investment instruments for the Pension Fund Administrators (AFP) and the funds they manage;

12. 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 9. - International market securities. In the case of securities



THE NATIONAL CONGRESS

SUBJECT Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), or its equivalent in foreign exchange.



PAG.⁸

placed in the international market, their financial characteristics, 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) The securities authorized hereunder shall be placed under the best conditions as regards market interest rates. Financial characteristics, such as periodicity of interest payments, basis for calculating interest, coupon interest rate and denomination shall be specified in each Series-Tranche, which shall be indicated 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. However, in no event shall such period be less than five years for foreign exchange-denominated securities, nor less than five one year for Dominican peso-denominated securities;
- 5) The Securities shall be freely tradable in the secondary exchange 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 in this law;

- 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



THE NATIONAL CONGRESS

SUBJECT Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), or its equivalent in foreign exchange.



PAG.9

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.

6) 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.

7) 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 10. - Management of liabilities. The Executive Branch is hereby authorized, through the Ministry of Finance, to conduct liability administration and/or management operations during 2021 for up to ten percent (10%) of the nonfinancial public sector debt, which are aimed to reduce the amount and/or service of the foreign and domestic debt of the nonfinancial public sector, through issues of debt securities to redeem or repurchase debt liabilities of the nonfinancial public sector. The debt securities to be issued in Dominican pesos or foreign currency shall be placed on the term that is most convenient for the maturity profile of the debt of the non-financial public sector.

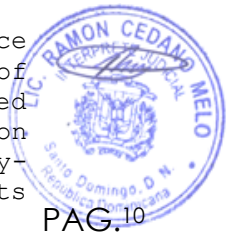
PARAGRAPH I. - These operations must be approved by the Executive Branch, subject to a prior favorable opinion from the Council of Public Debt, and reported to the National Congress in the quarterly reports on Public Credit prepared by the Ministry of Finance.

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

THE NATIONAL CONGRESS

SUBJECT Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), or its equivalent in foreign exchange.



PAG. 10

binding upon bondholders being targeted for a certain kind of operation. Participation in the operation by the bondholder shall be only voluntary.

PARAGRAPH IV. - To this end, the Ministry of Finance may use national or foreign financial entities, such as commercial banks, stockbrokers, savings and loan associations, figures of Market Makers and Aspiring Market Makers or others authorized by the General Directorate of Public Credit. The redemption price of a security may be equal, lower or higher than its par value, according to the conditions prevailing in the domestic or foreign financial markets.

PARAGRAPH V. - The Ministry of Finance, through the General Directorate of Public Credit, shall decide the means to carry out these operations.

PARAGRAPH VI. - If the Ministry of Finance issue is oversubscribed, securities shall be allocated to securities holders on a pro rata basis in proportion to their bids.

PARAGRAPH VII. - The Executive Branch, through the Ministry of Finance, is authorized to make the relevant budgetary changes in the cases required for carrying out any of the operations provided for in this article.

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

Article 12. - Entry into force. This law shall enter into effect

THE NATIONAL CONGRESS

SUBJECT Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), or its equivalent in foreign exchange.



PAG.11

after its promulgation and publication, as provided by the Constitution of the Republic and once the deadlines set by the Civil Code of the Republic have passed.

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 fifteenth (15th) day of the month of December in the year two thousand and twenty (2020); of the National Independence the 177th, and of the Restoration (of the Republic) the 158th.

Signed
Alfredo Pacheco Osaria
President

Signed
Nelsa Shoraya Suárez Ariza,
Secretary.

Signed
Agustín Burgos Tejada
Secretary.

THE NATIONAL CONGRESS

SUBJECT Authorizing the Executive Branch to issue and place government debt securities, through the ministry of finance, in an aggregate amount of up to two hundred ninety-one thousand five hundred twenty-eight million four hundred eighty-seven thousand one hundred fifty-three Dominican pesos (RD\$291,528,487,153), or its equivalent in foreign exchange



PAG.12

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 twenty-first (21st) day of the month of December in the year two thousand and twenty (2020); of the National Independence the 177th, and of the Restoration (of the Republic) the 158th.

Signed
Eduardo Estrella,
President.

Signed
Ginette Bournigal de Jiménez,
Secretary.

Signed
Lía Ynocencia Díaz Santana,
Secretary.

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LUIS ABINADER
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.

PASSED in Santo Domingo, National District, the Capital of the Dominican Republic, on this twenty-eighth (28th) day of the month of December in the year two thousand and twenty (2020); of the National Independence the 177th, and of the Restoration (of the Republic) the 158th.

Signed
LUIS ABINADER

TN. Each page on this document has been initialed by its signatories except for the signature page.

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 eighth (8th) day of January, A.D. 2021.



RAMÓN CEDANO MELO, MBA
Judiciary Interpreter