

The Law of the Central Bank of Venezuela

Title I Regarding the Central Bank

Chapter I Basic Resolutions

Article 1 The Central Bank of Venezuela, created by Law on September 8, 1939, is a public juridical agency with unique character.

Chapter II Regarding the Bank's Objective

Article 2 The Central Bank of Venezuela's role is to create and maintain monetary, credit and exchange conditions that encourage the stability of the currency, foster economic equilibrium and promote the ordered development of the economy. In addition, the Central Bank of Venezuela should assure the continuity of the country's international payments. Accordingly, the Central Bank of The Venezuela will:

- 1) Regulate the circulating medium of exchange and, in general, promote adequate liquidity within the financial system in response to the country's needs.
- 2) Establish stability of the value of the currency both domestically and overseas.
- 3) Centralize the country's international monetary reserves, and monitor and regulate the trading of gold and foreign exchange.
- 4) Exercise exclusive authority to print bills and mint coins.
- 5) Regulate the credit activities of banks and other public and private financial institutions to foster compatibility with monetary and fiscal policy goals. Also, promote regional and sectoral development of the national economy to make it more independent.
- 6) Exercise the rights and assume the obligations of the Republic of Venezuela at the International Monetary Fund regarding all aspects of the subscription and payment of quotas, the ordinary operations of the Fund and the Special Drawing Rights, as anticipated in the Constituent Convention signed on July 22, 1944, approved by the Law dated September 25, 1945 and modified by laws dated August 26, 1968 and August 10, 1977.
- 7) Perform other operations and services compatible with its role as a central bank, within the limitations prescribed by this Law.

First Paragraph: During the first month of each semester, the Board of Directors will approve monetary policy guidelines which will define the objectives and goals that will, in turn, direct the Central Bank of Venezuela's activities. At the Central Bank of Venezuela's General Assemblies, the Board of Directors will present quarterly reports that will indicate the degree

to which monetary policy satisfied its objectives and goals, and will explain the different variables that influenced those results.

Chapter III Regarding Equity capital

Article 3 The equity capital of the Central Bank of Venezuela is made up of its initial capital of ten million bolivares (Bs. 10,000,000.00) plus the capital reserves and contributions of the Republic.

Article 4 The equity capital of the Central Bank of Venezuela is inalienable.

Chapter IV

Regarding General Assemblies

Article 5 The General Assembly of the Central Bank of Venezuela will be constituted by representatives of the Republic in order to deliberate and adopt decisions concerning matters within its brief in compliance with this Law. This representation will be performed by the Minister or Ministers designated by the President of the Republic.

Article 6 The Ordinary Assembly will meet during the first three (3) months of each semester. Prior notification of the Board of Directors will be published in a widely circulated Caracas newspaper with at least fifteen (15) days advance notice.

Article 7 The Extraordinary Assembly will meet whenever the Bank wishes, with prior notice of the Board of Directors published at least three (3) days in advance.

Article 8 The President of the Bank will preside over the Assemblies.

Article 9 The Ordinary Assembly is empowered to:

- 1) Approve the Report of the Board of Directors and review the results of monetary policy activities, the semestral accounts of the Bank and the reports from the Commissioners.
- 2) Elect two Commissioners and their alternates, as required by the Commercial Code.
- 3) Set the salaries of the President and the fulltime Directors, the per diem of the Directors that are not fulltime and the remuneration of the Commissioners.
- 4) Deliberate all matters scheduled for the respective meeting.

Chapter V Regarding the Board of Directors

Article 10 The Central Bank of Venezuela will have a Board of Directors made up of a President and (6) Directors, including three fulltime Directors designated by the President of the Republic. The selection of the President of the Bank must carry the approval of the Senate of the Republic expressed in a vote of two thirds of its members.

Article 11 One of the Directors and his or her alternate will be selected from among the senior officials of Ministries, autonomous Institutes and Companies from the economic or financial sectors of the State. Neither the Minister of Finance nor the acting Minister of Finance may serve as a Director.

Article 12 The President and the six (6) Directors of the Central Bank of Venezuela must:

- 1) Be of Venezuelan nationality;
- 2) Be at least thirty (30) years of age when designated; and
- 3) Be reliable, ethical persons of recognized expertise in economic, financial or central bank matters, with at least ten (10) years of seniorlevel experience in the fields.
- 4)

Article 13 The following may not be President or Directors of the Central Bank of Venezuela:

- 1) People who have declared bankruptcy or been found guilty of crimes against property or against the National Treasury;
- 2) People related by kinship to the fourth degree or by marriage to the second degree with the President of the Republic or his or her spouse, with a member of the Board of Directors or his or her spouse, or with the Minister of Finance or his or her spouse; and
- 3) Debtors who are past due on bank or fiscal obligations.
- 4)

Article 14 While they are carrying out their functions, the President and Directors of the Bank may not engage in political activism or perform management functions in political guilds or unions, neighborhood associations or academic corporations.

Article 15 A Director chosen as stipulated in article 11 who is a public functionary as described therein will cease to be a member of the Board of Directors when he or she either loses the office which gave rise to the designation or when he or she is replaced by the President of the Republic.

Article 16 The Directors will sit for a six (6) year term and may be reelected.

Article 17 A Director who suffers a permanent absence will be replaced by a substitute Director who will complete his or her predecessor's term. For the effects of this article, any single absence which exceeds six (6) uninterrupted months or any accumulation of absences that exceed one year will be considered a permanent absence.

Article 18 Directors who miss three consecutive board meetings without just cause will lose their designation as Director and will be replaced for the rest of their term by substitute Directors selected in compliance with the resolutions outlined in the preceding articles.

Article 19 The Board of Directors will meet at least once every week with prior notification by the President. Similarly, the President must convene the Board of Directors whenever three (3) of its members request a meeting.

Article 20 In order for the Board of Directors to meet validly, at least the President or the acting President and three (3) Directors must be present. Resolutions will be passed by the vote of a simple majority of those present, except when legally prohibited or when the quorum is three (3) Directors, in which latter case decisions must be unanimous. In the case of a tie, the President will have a double vote.

Article 21 The Board of Directors alone will administer the affairs of the Central Bank of Venezuela and, in particular, will be empowered to:

- 1) Monitor the compliance of the goals and objectives of the Central Bank Of Venezuela;
- 2) Undertake projects to modify the statutes of the Central Bank of Venezuela; submitting suggestions to the General Assembly for consideration. as well as to promulgate administrative guidelines for the Bank and for the internal working of the Board of Directors;

- 3)** Name and dismiss the First Vice President and other Vice Presidents of the Bank and set their respective remunerations;
- 4)** Name and dismiss the officials and employees of the Central Bank of Venezuela, except in those cases where the Board of Directors empowers the Administration to do so;
- 5)** Designate general or special attorneys;
- 6)** Approve the annual budget of the Central Bank of Venezuela. Given the nature of the Institute's functions, the budgetary process will be subject to Title VI of the Budgetary Law;
- 7)** Establish and close branches and agencies;
- 8)** Name correspondents in and outside the country;
- 9)** Set discount, rediscount or interest rates for operations of the Central Bank of Venezuela;
- 10)** Regulate interest rates in accordance with article 46 of this Law;
- 11)** Set, by agreement with the National Executive, the prices in bolivares for the purchase and sale of foreign exchange;
- 12)** Exercise the authority conferred to the Central Bank of Venezuela to administer bank reserves and other instruments of monetary policy. In carrying out these responsibilities, the Central Bank of Venezuela may distinguish between reserve requirements and other regulatory instruments applicable to banks and other financial institutions, as it may deem necessary;
- 13)** Approve the monetary policy guidelines and implement adjustments that are deemed necessary as a result of its tracking and evaluation;
- 14)** Create commissions as necessary to ensure the smooth operation of the Central Bank of Venezuela;
- 15)** Periodically and selectively review, but at least once every three (3) months, the assets and liabilities of the Central Bank of Venezuela;
- 16)** Approve extensions as anticipated in number 7) of article 55 of this Law;
- 17)** Authorize the printing, issuance and incineration of paper money as well as the minting and retiring of coins;
- 18)** Authorize the acquisition of properties needed for the development of Central Bank of Venezuela's offices;
- 19)** Name Central Bank of Venezuela representatives to administer those institutions in which the Bank has interests and in other institutions where the Central Bank of Venezuela does not have an interest but where such representation is stipulated by law;
- 20)** Present the General Assembly with the Report of the Central Bank of Venezuela, along with the results of monetary policy, the balance sheet, the semestral accounts and the Commissioners' reports.
- 21)** Establish the general guidelines and regulations necessary to assure the health of the banking system, the transparency of its operations and an adequate standard of service to its users;
- 22)** Designate the members of the Advisory Council as stipulated in this Law;
- 23)** Establish rules for the functioning of clearing houses. The Central Bank of Venezuela will be the governing entity and will manage the operations of these clearing houses and will supervise and regulate their operation. The Central Bank of Venezuela may, at its discretion, delegate the operational management of the clearing houses to commercial banks it selects. In these cases, the Central Bank of Venezuela must be informed every twenty four (24) hours the activity from the preceding day. The goal in the formation,

structure and functioning of the clearing houses will be to maximize efficiency for the public's benefit.

24) Assure the performance of services under its purview, and exercise the other powers granted by this and other Laws, as stipulated in article 2 of this Law.

25)

Article 22 The Board of Directors of the Central Bank of Venezuela will be autonomous concerning the exercise of its powers, the delineation of its policies and the execution of its operations, as a function of its powers granted by this Law. Matters that require the concurrence or approval by the National Executive are excluded. The Central Bank of Venezuela's operations will be subject to an ex post review by the General Comptroller of the Republic.

Chapter VI

Regarding the Advisory Council

Article 23 The Central Bank of Venezuela will have an Advisory Council made up of five (5) members, designated by the Board of Directors as follows:

- 1)** One (I) Advisor selected from a set of three names submitted by the President of the Central Bank of Venezuela.
- 2)** One (I) Advisor chosen from a set of three names submitted by the National Banking Council. The set of names will be comprised of presidents of member banks and financial institutions, excluding stateowned institutions.
- 3)** One (I) Advisor selected from a set of three names submitted by the Venezuelan Federation of Chambers and Associations of Commerce and Production.
- 4)** One (I) Advisor chosen from a set of three names submitted by the National Economic Council.
- 5)** One (I) Advisor chosen from a set of three names submitted by the Venezuelan Confederation of Workers.

First Paragraph: The three names submitted by the National Banking Council for consideration by the Board of Directors will be chosen by a vote in which the representatives of the official banks will not have the right to either speak or vote nor will their names be eligible for consideration as part of the list to be submitted.

Second Paragraph: The three names submitted by the Venezuelan Federation of Chambers and Associations of Commerce and Production will be chosen in a General Assembly convened for that purpose in the offices of that entity. None of the sets of three names may include Presidents, Directors or officers of banks or other financial institutions except as indicated in number 2) of this article. The members of the Advisory Council must meet the same conditions established for members of the Board of Directors, as specified in article 12 of this Law.

Article 24 Members of the Advisory Council will have two (2) year terms and may be reelected. They will cease to be members if they accept any public, national, state or municipal employment, except teaching positions or shortterm missions outside the country.

Article 25 At least one member of the Advisory Council must reside outside the Caracas metropolitan area.

Article 26 Each of the members of the Advisor Council will have an alternate. The alternate must satisfy the same conditions as the principle Advisor, must not be in violation of the provisions of article 13, and will be selected in the same manner as his or her respective principle. The alternates may only attend the meetings of the Advisory Council in the absence of the corresponding principle member, in which case they will have a right to speak and vote.

Article 27 In the case of a permanent absence by a member of the Advisory Council or an alternate, a replacement will be designated who will complete his or her predecessor's term.

Article 28 Members of the Advisory Council who miss three (3) consecutive meetings of the Council without just cause will loose their position and will be replaced for the rest of their term by substitutes selected in accordance with the preceding articles.

Article 29 The Advisory Council will meet with the Board of Directors when called by the President or when three (3) of the Directors request such a meeting.

Article 30 The Advisory Council will be the advisory agency to the Board of Directors. In particular, its responsibilities will be to:

- 1) Opine regarding matters submitted for its consideration by the President of the Central Bank of Venezuela, such as monetary or exchange rate policy, or any other relevant subject.
- 2) Perform other activities that are compatible with its role as Advisor to the Board of Directors.
- 3)

Article 31 The Board of Directors of the Central Bank of Venezuela, by formal resolution, may relieve members of the Advisory Council of their positions for the causes established in the first paragraph of article 34 of the Law, when applicable.

Article 32 The members of the Advisory Council are not employees of the Central Bank of Venezuela and serve in an honorary capacity.

Chapter VII

Regarding the Administration

Article 33 The management and administration of the affairs of the Central Bank of Venezuela will correspond to the President. The President of the Bank will also be the President of the Board of Directors and the legal representative of the Bank, except with regard to judicial matters in which case representation will fall to the judicial representative or representatives as well as to the attorneys designated by the Board of Directors.

Article 34 The President will serve a five (5) year term and may be reelected. The President's responsibilities and powers are as follows:

- 1) Monitor compliance with the Law of the Central Bank of Venezuela and especially its objectives;
- 2) Dedicate himself or herself exclusively to the activities of the Central Bank of Venezuela;
- 3) Call the Board of Directors to its meetings, as stipulated in article 19;
- 4) Resolve all matters that are not expressly reserved for the General Assembly or the Board of Directors, informing the details of these events at the next meeting of each entity; and
- 5) Any other matters as indicated by the Assemblies, Board of Directors, the internal statutes or this Law.

First Paragraph: The President of the Republic, as formally resolved in the Ministers's Council, may relieve the President ;and the Directors of the Central Bank of Venezuela of their positions for the following reasons.

- a) Lack of integrity, acts of violence, assault and battery, slander, immoral conduct or harmful acts against the good name or the interests of the Central Bank of Venezuela or of the Republic;
- b) Serious and material damage, caused intentionally or through clear negligence, to the equity capital of the Central Bank of Venezuela or to the Republic.

- c) Imprisonment implying loss of liberty or conviction for wrongful activity, as determined by the General Comptroller of the Republic;
- d) Failure to perform the responsibilities of the position. A decision made in accordance with this article, along with a supporting explanation, will be published in the Official Gazette of the Republic of Venezuela and will not take effect until the date of its publication. In a case involving the Presidency of the Central Bank of Venezuela, the Senate of the Republic or the Congressional Delegates Commission must be informed at least two (2) days prior to publication.
- e)

Article 35 The First Vice President will have duties and powers as prescribed by this Law and by the regulations and other powers that are specifically established by the Board of Directors. The First Vice President's term will be for seven (7) years and is renewable. First Paragraph: In those cases of other Vice Presidents of the Bank not stipulated in this Law, their duties, powers and other regulatory norms will be established by the Board of Directors by resolution.

Article 36 Vice Presidents must have a recognized background in economics, banking, finance or management and they must dedicate themselves exclusively to the activities assigned by this Law or by the Board of Directors of the Central Bank of Venezuela. They must also comply with the standards established in article 12 and must not be included in the provisions of article 13, both of this Law.

First Paragraph: Notwithstanding the provisions stated above in this article, the Board of Directors may designate any Vice President to represent the Central Bank of Venezuela in organizations or companies in which the Central Bank of Venezuela must participate.

Article 37 Temporary absences of the President will be filled by the First Vice President, or, in his or her absence, by the Vice President designated by the Board of Directors. The temporary absence of the First Vice President will be filled by a Vice President designated by the Board of Directors. For the effects of this article temporary absences will be considered as not exceeding six (6) months.

First Paragraph: The President's permanent absence will be covered through the end of the term by a new replacement elected in accordance with article 10 of this Law. While the new designation is being verified, the procedure described at the top of this article will be followed. Second Paragraph: Permanent absences of the First Vice President will be covered through the end of the term by a new designation, made in conformance with number 3) of article 21 of this Law. While the new designation is being verified, the procedure described at the top of this article will be followed.

Article 38 The First Vice President will attend the meetings of the Board of Directors with speaking rights but without the right to vote.

Article 39 The Central Bank of Venezuela will be subject to inspection and supervision by the Banking Superintendency. In addition, and in order to better perform its functions, the Banking Superintendent may assist the Board of Director's meetings with speaking rights but without the right to vote.

Article 40 The Central Bank of Venezuela will have one or more judicial representatives who will be freely chosen and removed by the Board of Directors. Judicial representatives will retain their positions as long as they are not replaced. The judicial representative will be the only official other than appropriately appointed attorneys authorized to judicially represent the Bank. As a result, all summons and judicial advises must be served to the judicial representative or representatives. Similarly, the judicial representative is authorized to: initiate, respond to and defend all types of legal acts, exceptions and remedies; agree to and waive these or their proceedings; deliver sworn depositions; execute settlements in and out of trial; bind in arbitration or legal judgements; invalidate public documents and repudiate private documents; bid in judicial arbitration and establish the required surety; and, in general, to realize all acts considered beneficial in the defense of the Bank's rights and interests, without limitation other than to give account of its action. since the authorizations here conferred are merely declaratory and not limiting. The judicial representative will need the prior written authorization of the President to agree, settle, abandon, bind in arbitration or legal judgements, bid in auctions and post guarantees. All of the preceding authorizations may be exercised by the judicial representative jointly or separately with other judicial attorneys designated by the Bank.

Chapter VIII

Regarding the Bank's Operations

Section One

Operations with the Government

Article 41 The Central Bank of Venezuela may act as the depository of the National Treasury's funds, as agreed with the National Executive.

Article 42 The Central Bank of Venezuela will be the only financial agent of the national government for its domestic and foreign credit operations.

First Paragraph: The States, municipalities, autonomous institutions and State companies must use the Central Bank of Venezuela. in its role as financial agent, for their domestic and foreign credit operations. Second Paragraph: As financial agent, the Central Bank of Venezuela will advise in the planning and execution of credit operations specified in this article. The Central Bank of Venezuela will also perform the placement, contracting, and servicing of such credits. These services will be free of charge, without any obligation other than to reimburse the Bank for expenses incurred. Third Paragraph: The National Executive, as part of the Ministry of Finance, and the Central Bank of Venezuela will jointly agree on the terms under which the Central Bank of Venezuela will offer the services herein specified and will decide on those operations that will be excluded from the scope of this article.

Article 43 The Central Bank of Venezuela must, in addition:

- 1) Present to the National Executive periodic reports regarding domestic and foreign monetary and financial conditions, and make pertinent recommendations when deemed opportune.
- 2) Cooperate in the coordination of monetary and fiscal policy.
- 3) Render an opinion to the Ministry of Finance when the State and the other entities referred to in the first paragraph of article 42 plan to obtain public financing, in accordance with the terms and conditions prescribed by law.
- 4) Resolve and issue opinions in those cases anticipated by the law.
- 5)

Article 44 The Central Bank of Venezuela may receive deposits from the National Government, the states, municipalities, autonomous institutions, official companies and international organizations subject to agreed terms and conditions.

Section Two

Operations with Banks and Financial Institutions

Article 45 The Central Bank of Venezuela is authorized to perform the following operations with banks and financial institutions:

- 1) Accept sight and time deposits and, necessarily, the associated reserves determined in compliance with the law. Sight deposits and reserves will form the basis of the clearing house system that will operate in accordance with the rules expressed by the Central Bank of Venezuela;
- 2) Accept assets and other valuable items in custody, on agreed terms;
- 3) Buy and sell gold and foreign currencies;

- 4) Buy and sell credit instruments in open market operations as anticipated in article 54;
- 5) Make advance payments on gold coin or bars on terms established by the Central Bank of Venezuela;
- 6) Grant thirty (30) day loans, renewable once for the same period, that are guaranteed by credit instruments backed by legitimate commercial transactions, to banks and financial institutions that are allowed to receive them. The loans may be discounted, rediscounted, advanced or repurchased, with conditions determined by the Board of Directors of the Central Bank of Venezuela. The Board of Directors must establish special conditions when the operations contemplated in this article carry guarantees of credit instruments arising from financial operations with agricultural, livestock, forestry and fishing programs determined by the National Executive;
- 7) Perform repurchase operations. acting as borrower or lender of securities, with terms determined by the Board of Directors of the Central Bank of Venezuela;
- 8) Discount and rediscount drafts, promissory notes or other securities arising from operations realized through agricultural activities determined by the National Executive, so long as the maturity does not exceed three (3) years, counting from the date of acquisition. For this purpose, the Central Bank of Venezuela may establish rediscount lines for the aforementioned loans, to satisfy agrivegetal, agrianimal, forestry and fishing projects, crop payments and special plans that the National Executive determines; and
- 9) Perform all other operations expressly authorized by this Law.

First Paragraph: The Board of Director of the Central Bank of Venezuela will establish the basis for determining the market value, or its equivalent when not actively quoted, of the securities that will serve to guarantee the loans indicated in number 6) of this article. In addition. the Board of Directors will establish the securities' maximum value which will serve to fix the amount of the loans. Second Paragraph: In exceptional cases justified by a bank's or financial institution's severe liquidity needs, and after a favorable vote of six (6) members of the Board of Directors, the maturity established in number 6) of this article may be increased to ninety (90) days, with the possibility of a single extension for the same period.

Article 46 The Central Bank of Venezuela alone may set interest rates, including the maximum and minimum rates that banks and other financial institutions, public or private, regulated by the General Law of Banks and other credit institutions, and by other laws, may charge and pay for the different type of asset and liability activities they perform. The Central Bank of Venezuela must analyze the asset and liability interest rate differential on a quarterly basis, making adjustments that will generate a reasonable profit for the national financial system.

Article 47 In order to regulate the general volume of banking credit and to avoid aggravating inflationary tendencies, the Central Bank of Venezuela may establish, for banks and financial institutions, maximum growth rates for loans and investments for a specified time period, as well as ceilings or limits on portfolios for such loans and investments. These measures may be

established selectively by sector, zone, bank or financial institution or any other appropriate criteria determined by the Board of Directors.

Article 48 Banks and financial institutions must provide the Central Bank of Venezuela with all reports requested regarding their financial conditions or any of their operations.

Article 49 The amounts corresponding to the legal reserve maintained by the banks or other financial institutions at the Central Bank of Venezuela are not subject to seizure.

Article 50 The Central Bank of Venezuela is empowered to regulate financial conditions used by institutions to raise funds from the public through assignments or sales of rights or participation in asset funds, trust funds or other funds established for that purpose.

Article 51 Banks and other financial institutions must maintain the reserves that the Central Bank of Venezuela sets as part of its monetary policy. Such reserves will be comprised of legal tender except for reserves related to obligations in foreign exchange, in which case the Central Bank of Venezuela will determine the type of currency to be maintained.

First Paragraph: Banks and other financial institutions must maintain no less than two-thirds (2/3) of the required reserves on deposit with the Central Bank of Venezuela, as stipulated in this article. This amount may be increased by the Central Bank of Venezuela.

Second Paragraph: That portion of reserves deposited with the Central Bank of Venezuela may receive partial compensation, for monetary and financial policy reasons, subject to terms and conditions as formally resolved by the Board of Directors of the Central Bank of Venezuela.

Third Paragraph: The following will not be included in the calculation of reserves referred to in this article: obligations of banks and other financial institutions arising from credits obtained from the Central Bank of Venezuela, those contracted in foreign exchange by their foreign offices and those arising from operations with other banks and other financial institutions.

Fourth Paragraph: The Central Bank of Venezuela will establish the method for calculating the reserve requirement herein identified, and will set the interest rate banks and other financial institutions must pay on reserve amounts not covered.

Section Three

Operations with the Public

Article 52 Within limits set by the Board of Directors, the Central Bank of Venezuela may directly engage in the following operations with the public:

- 1) Accept any kind of deposit.
- 2) Perform operations specified in numbers 2), 3), 4), 6), 7), 8) and 9) of article 45.
- 3)

Article 53 The Central Bank of Venezuela may issue and negotiate credit instruments in conformity with the rules established for each issuance. These securities, when repurchased by the Central Bank of Venezuela, may be reintroduced to the market prior to their maturity. Until they are reintroduced or mature, as the case may be, the securities will be registered in a provisional account of the Institution's accounting.

Article 54 In order to fulfill the monetary policy guidelines, the Central Bank of Venezuela may buy or sell, in open market activities, operations, or in the case of shares of companies which the Institution, in the protection of its equity capital, receives in payment of loans granted or acquired by virtue of the execution of guarantees.

The transactions contemplated will take place on market terms, in no case shall be conducted as a means of direct financing and, except for that issued the Central Bank of Venezuela, the titles will be offered by parties other than the issuer.

Chapter IX Prohibitions

Article 55

It prohibited the Central Bank of Venezuela:

- 1) To grant direct loans to the National Government, and guarantee the obligations of the Republic of federal entities, municipalities, autonomous institutes, state enterprises or any other entity of a public nature.
- 2) Make loans or advances without special security, except in the case of reciprocal agreements with other central banks, regional chambers of compensation or regional Latin American banks.
- 3) Grant credits on current account.
- 4) grant loans for long-term investments, even with mortgage, or the formation or increase in permanent capital of banks, savings banks, other institutions exist or be established in the country, or any other companies.
- 5) grant any advance or loan, or make any discount or rediscount on credits due or extended.
- 6) discount or rediscount credits or make advances on them, if not financial statements of debtors out therein, formulated with no more than one (1) year in advance are taken.

However, when the title has been presented by a bank or other financial institution, simply latter's balance sheet and financial status of the drawer or the last endorser, formulated with no more than one (1) year in advance.

7) To extend over once the terms set forth in the documents you discounted or rediscounted or which have made an advance or loan.

8) Ensure placement of securities.

9) own shares in companies of any nature, have no interest in them or participate, directly or indirectly, in the administration of the same, except in the case of companies whose main object is directly related to the specific or activities necessary for the bank operations and in the case of companies the Institute, to safeguard their assets received in payment of loans which issued or acquired under execution of guarantees.

10) grant loans or advances to the President, directors, officers or employees of the Central Bank of Venezuela, or acquire credits by the President or the Cabinet ministers. Excepted from this provision that the Bank grants loans to its officers or employees, as part of the policy of credit assistance to be developed through Provident Fund, Pension and Retirement Employees, under Article 58 of this Law.

11) To grant loans to any banking institution, firm or corporation which is a shareholder or the President has an interest or your spouse or another of the directors of the Central Bank of Venezuela or their respective spouse or members of the Advisory Council.

12) To acquire real estate, except for those who need their own offices, as provided in paragraph 18) of Article 21; that in safeguarding their heritage, received in repayment of loans which granted and acquired under execution of guarantees.

Article 56 The acquisition of public and private securities by the Central Bank of Venezuela, through its open market operations established in article 54, must conform to the monetary policy guidelines approved by the Board of Directors.

Chapter X

Regarding Profits and Reserves

Article 57 The Board of Directors of the Central Bank of Venezuela will decide on the makeup of the reserves or appropriations of any kind that it deems necessary for the Bank's own ends, within the limitations established in article 59.

Article 58 An amount no less than 6—c of the total payroll of the Central Bank of Venezuela will be paid in the respective semester to the Employee Social Security, Pension and Retirement Fund. This amount will be charged to current expenses of the Institution.

Article 59 Ten percent (10—o) of the Central Bank of Venezuela's net income will be allocated to the General Reserve Fund, which will have a limit established by the Board of Directors. First Paragraph: The Board of Directors of the Central Bank of Venezuela will formally resolve that the remaining income, after deductions for the reserves of the Bank, will be paid to the National Treasury subsequent to the approval by the General Assembly of the respective earnings statement. In keeping with this paragraph, the calculation of remaining amounts to pay to the National Treasury will be made based on earnings that are free and clear.

Article 60 In the event that compliance with the responsibilities imposed by the present Law were to result in a decrease in the Central Bank of Venezuela's equity capital, the Republic will be responsible for making contributions in order to replenish the Central Bank of Venezuela's equity capital. For the purposes described in this article, the contributions will be made by allocating the corresponding credits in the budget for the fiscal period following the one for which the amount was calculated. In the event that fiscal accounts do not allow the budgetary allocation to be made as stipulated in the first part of this article, the Congress of the Republic may authorize the issuance of a special security of national public debt, at market conditions with a maturity not to exceed five (5) years.

Chapter XI

Regarding Reporting Periods, Balance Sheets and Reports

Article 61 The Central Bank of Venezuela will settle and close its accounts on June 30 and December 31 of each year.

Article 62 Within fifteen (15) working days of the close of a reporting period, the Bank will publish its general balance sheet and earnings statement for the respective period, indicating the amounts to be allocated for reserves.

Article 63 Within the first fifteen (15) working days of each month, the Bank will publish a statement of its operations corresponding to the close of the last day of the preceding month.

Article 64 All the Bank's statements must be published in the Official Gazette of the Republic of Venezuela and in a widelycirculated Caracas daily newspaper. In preparing the statements, the Bank must use generally accepted accounting principals specifically tailored to its functional characteristics, as well as regulations decreed by the Banking Superintendent.

Article 65 The Board of Directors of the Central Bank of Venezuela will make the Report of the Bank along with balance sheets and income and loss statements and the reports of the commissioners available to the General Assembly and the Congress of the Republic at least fifteen (15) days prior to the date of the Ordinary General Assembly where they are to be made known publicly. Similarly, the Central Bank of Venezuela must prepare and publish the annual report for the immediately preceding year within the first six (6) months of each year. This annual report must contain statistical series and other current information on the state of the national economy and its most important components. The report will also contain a chapter on the impact or influence of investments made over the course of the year in the process of developing the country's economy. This report must be approved by the Board of Directors of the Central Bank of Venezuela.

Article 66 The commissioners designated by the General Assembly in compliance with number 2 of article 9, or their occasional replacements, must send the Ministry of Finance and the Banking Superintendent copies of their reports and other activities performed in the discharge of their responsibilities.

Title II

Regarding the National Monetary System

Chapter I

Basic Resolutions

Article 67 The monetary unit of the Republic of Venezuela is the bolivar.

Article 68 The Central Bank of Venezuela will have the exclusive right in the entire Republic to print bills and mint coins of legal tender. Neither the National Government, nor the other banks, nor any other public or private institution of any kind may print money, bills or other documents with monetary characteristics or which might circulate as such.

Article 69 For the effects of penalties established by this Law, money is understood as metallic money or paper money, domestic or foreign, considered legal tender in Venezuela or in the currency's country of origin. Money is also understood to include credit instruments issued in conformity with the Law of Public Credit and the current Law; and numismatic and commemorative coins minted by the Central Bank of Venezuela.

Chapter II

Regarding the Issuance of Bills and the Minting of Coins

Article 70 The bills of the Central Bank of Venezuela will have the denominations, dimensions, designs and colors as stipulated by the Board of Directors.

Article 71 The obverse of the one (1), two (2) and five (5) bolivar coins minted by the Central Bank of Venezuela will bear a leftlooking profile of the likeness of the Liberator Simon Bolivar with the word "Bolivar" to the left and "Libertador" to the right. The verso of these coins will bear the National Coat of arms, above which will be stated "Republica de Venezuela" and below which will be stated the nominal value of the coin and the year it was minted Other coins will bear the designs established by the Board of Directors. First Paragraph: In the minting of coins, the Central Bank of Venezuela will have discretion to select whichever metals or alloys it considers appropriate and convenient according to its value, durability, and other intrinsic properties so as to fix its weight and fineness.

Article 72 The molds used in minting coins will be inventoried, kept in closed and sealed boxes and will be deposited with the required security under supervision of an official from the Banking Superintendency. The Central Bank of Venezuela may exhibit the molds, taking the necessary precautions to protect them.

Article 73 Coins minted by the National Government that are still in circulation, and which will become liabilities of the Central Bank of Venezuela, will retain their value and must be received in settlement of debts as long as they are not legally substituted. For the effects of this Law, these coins will be considered to have been minted by the Central Bank of Venezuela. The "Metallic Money Consolidation Bonds" issued by the National Executive to balance assets and liabilities of the Central Bank of Venezuela will remain in legal force for an indefinite term and without interest, for the liability amount referred to at the beginning of this article.

Article 74 The Central Bank of Venezuela, in agreement with the National Executive, may mint numismatic or commemorative coins and is free to establish the most appropriate design and form for each issue, as well as to select metals and specific purposes for their issuance.

Article 75 The Central Bank of Venezuela will regulate the minting and commerce of numismatic, commemorative and other coins.

Chapter III

Regarding Circulation and Legal Tender of the Currency

Article 76 The Central Bank of Venezuela may only place bills and monetary coin in circulation:

1. Through purchase of gold;
2. Through the purchase of foreign exchange; and
3. Through the realization of other operations authorized by the present Law.
- 4.

Article 77 The bills and coins that the Bank receives through the sale of gold, foreign exchange or other assets, or through the payment of previously granted credits, will be retired from circulation and may only return in circulation through new operations as specified in the previous article.

Article 78 The Central Bank of Venezuela will coordinate, nationwide, the services required to assure the supply of bills and metallic coins in different denominations. The Bank will also assure adequate service to the public regarding the exchange of domestic currency for others of equal value. The banks and other financial institutions that are authorized to receive deposits in national currency will be required to offer similar services, in accordance with the standards established by the Central Bank of Venezuela. In order to avoid a scarcity of certain denominations of currency, the Central Bank of Venezuela may require that the banks and other financial institutions maintain for the public in their different offices, branches or agencies, a minimum stock of metallic coin as determined by the Central Bank of Venezuela for each type of money. The banks or institutions are required to immediately replenish the minimum stocks to meet the public demand which must, in all cases, be satisfied.

Article 79 The bills issued by the Central Bank of Venezuela will be valued at par and will suffer no limitation regarding the payment of taxes, assessments or any other public or private obligations, notwithstanding the special resolutions of the laws that prescribe tax payments, assessments or obligations in a specified manner or the rights of both the Government and of individuals to stipulate a specific means of payment.

Article 80 The expiration of bills issued by other banks prior to the creation of the Central Bank of Venezuela that were not presented for exchange as indicated in the pertinent resolutions of the Law of the Central Bank of Venezuela on September 8, 1939 is reconfirmed.

Article 81 The legal tender minted by the Central Bank of Venezuela will have power to cancel debts, and as a consequence, must be received for up to the following amounts:

1. One, two, five or more bolivares, for up to two hundred bolivares.
2. Twentyfive and fifty centimos, for up to fifty bolivares.
3. Five, ten and twenty centimos, for up to ten bolivares. First Paragraph: The amounts mentioned above will apply for each act of payment, except when payment in specific metallic coin currency has been specified.
- 4.

Article 82 The coins minted in accordance with the laws and decrees predating this present Law will retain their character as legal tender on the same terms as conferred by those laws and decrees.

Article 83 The Central Bank of Venezuela may order the demonetization of all or part of the minted coins in circulation, reimbursing the holders for the value of the specie affected by the measure.

Article 84 Metallic currency not minted in accordance with the law may not be circulated.

Article 85 The import, export or trade of Venezuelan or foreign legal tender is subject to regulations that will be established by the Central Bank of Venezuela.

Article 86 In cases where article 75 is violated, the currency will be confiscated and the matter will be tried by the appropriate Judge.

Article 87 Currency that is perforated, filed or altered in any way need not be received. In addition, currency so worn out from use as to have lost the impressions on both faces need not be received.

Article 88 Notwithstanding the provision of article 101 of this Law, all counterfeit money, no matter where found, will be expropriated and placed at the disposal of the appropriate authority in order to undergo the corresponding legal action. At sentencing, the court will order the destruction of the instruments used to perform the crime and will render the counterfeit money unusable, awarding the metal to the National Treasury.

Chapter IV

Regarding Foreign Convertibility, Exchange Transactions and International Reserves

Article 89 Bills and coins will be freely convertible to the bearer and at sight, and payment will be effected by the Central Bank of Venezuela through checks, drafts, or transfers of foreign currency funds deposited in first-rate foreign banks. In the exchange agreements between the National Executive and the Central Bank of Venezuela, limitations or restrictions controlling the free convertibility of the national currency may be established when considered necessary for the currency's stability, as well as for the continuity of international payments or to counteract damaging capital movements.

First Paragraph: The Central Bank of Venezuela is obligated to supply Petroleos de Venezuela, on a priority basis, with the foreign exchange the company periodically requests to cover its needs, in accordance with the foreign exchange budget approved by the company's assembly for the respective period, as well as with the quarterly forecast which the company must present to the Central Bank of Venezuela during the last fifteen (15) days of each quarter.

Article 90 Subject to terms agreed with the National Executive, the Central Bank of Venezuela will regulate the following:

- a) The import, export, purchase and sale and taxation of gold and its alloys as coin, bars, cast, manufactured or in any other form.
- b) The negotiation and trading of foreign exchange in the country,
- c) The transfer or movement of funds, both in national currency and in foreign exchange, to and from the country.
- d) The international payment agreements.

First Paragraph: In its regulations, the Central Bank of Venezuela may establish requirements, conditions and procedures regarding the matters covered by this article.

Second Paragraph: The Central Bank of Venezuela should be represented on the Special

Commissions created by the National Executive in order to be aware of and decide on those matters that have to do with exchange agreements.

Article 91 By agreement between the Central Bank of Venezuela and the National Executive, profit margins relating to the fixing of bolivar exchange rates will be established for the Central Bank of Venezuela as well as for the commercial banks that enter into the purchase and sale of foreign exchange.

Article 92 When deemed advantageous, and with prior consent of the National Executive, the Central Bank of Venezuela may allow the rate or rates of exchange to float freely in the market in response to supply and demand for foreign exchange by individuals and according to existing international accords.

First Paragraph: In the case indicated at the beginning of this article, the Board of Directors of the Bank may establish, for the internal goals of its monetary and credit policy, the minimum and maximum margins within which the national currency may devalue or appreciate in the market.

Article 93 The international reserves controlled by the Central Bank of Venezuela will be comprised, in the proportions deemed advantageous by the Board of Directors, in the following manner:

1. Gold coins, both national and foreign, and gold bars, deposited in its own vaults.
2. Gold coins and gold bars, deposited or placed with first-rate foreign banks.
3. Sight or term deposits with first-rate foreign banks.
4. Credit instruments issued by first-rate firms and payable outside Venezuela.
5. Foreign public securities or securities issued by international public financial institutions in which the Republic has an interest, denominated in freely convertible currencies that either have a stable market or are easily sold.
6. Special drawing rights or other international fiduciary currencies, acquired by any name.

First Paragraph: The net credit position of the Republic at the International Monetary Fund will be considered as part of the international reserves.

Chapter V

Regarding Obligations, Accounts and Documents in Foreign Currency

Article 94 Except under special agreement, payments stipulated in foreign exchange will be made by the delivery of the equivalent in legal tender at the rate of exchange in effect on the date and place of payment.

Article 95 In the accounting of public and private offices, and on the books that are required to be kept in accordance with the Commercial Code, assets will be expressed in bolivares. Nonetheless, entries reflecting operations of international exchange in foreign currencies are allowed, although the accounting of the respective equivalent value must be kept in bolivares. Additional books may be kept for the same type of operation, with indications and entries in foreign exchange. All records, briefs, entries or documents that are presented in the Courts and other public offices relating to international exchange operations that express assets in foreign currencies must also express the equivalent in bolivares. Citations or references in documents that have been executed or that will have effect outside the Republic may express monetary amounts in foreign exchange without the need to indicate the bolivar equivalent.

Title III

General Resolutions

Chapter I

Penalties

Article 96 Banks and other financial institutions that violate the resolutions of the Board of Directors of the Central Bank of Venezuela regarding interest rates will be fined up to one percent (1%) of their paid in capital and reserves.

Article 97 Banks and other financial institutions that, without just cause, fail to provide (or fail to provide in a timely manner) the Central Bank of Venezuela with requested reports on financial condition or any operation in accordance with article 48 of this Law, will be fined up to half a percent (0.5%) of their paid in capital and reserves. In the event it can be demonstrated that falsified information was supplied, the fine contemplated here may be increased to one percent (1%).

Article 98 Those who, without prior compliance with the regulations promulgated by the Central Bank of Venezuela in accordance with article 85 of this Law, perform operations relating to the importation or trade in Venezuela legal tender, or legal tender of other countries, will be fined up to the value of the currencies involved in the respective infraction. In addition,

in this case, the currencies will be confiscated and the crime will be referred to the appropriate court. Those who mint or trade commemorative or other medals in violation of the regulations promulgated by the Central Bank of Venezuela in accordance with article 75 of this Law will be subject to the same fine.

Article 99 A fine equal to the corresponding value of each operation will be assessed against those who without having complied with the regulations established by the Central Bank of Venezuela in accordance with article 90 of this Law: negotiate or trade foreign exchange; transfer or move funds; or import, export, trade and tax gold and its alloys, both coined and in bars, cast, manufactured or in any other form.

Article 100 The fines referred to in the previous articles will be imposed and collected by the Banking Superintendent in accordance with the General Law of Banks and Other Financial Institutions. The decision of the Banking Superintendent, may be appealed as indicated in the referenced Law.

Article 101 A prison term of four (4) to eight (8) years will apply to anyone:

- 1) Who has falsified national or foreign currency.
- 2) Who in any way has altered money to increase its value or to make it appear to be of greater value.
- 3) Who, without having participated in the falsification or alteration of money referred to in the preceding numbers. but. in concert with those who have or with others interposed. illegally possesses money so falsified or altered, or distributes it, or in any other manner places it into circulation.
- 4) Who uses or possesses equipment and materials for the production of currency, in order to obtain for his or her benefit or for the benefit of a third party, money identical to that produced legitimately by the appropriate authority
- 5)

Article 102 Anyone who alters money in order to reduce in any manner its weight or fineness or engages in the acts described in number 3) of the previous article with respect to altered money will be punished with a prison term of three (3) to five (5) years. The same penalty will apply to anyone who in any way destroys or alters money to make use of the material from which it is made.

Article 103 Anyone who, without having participated either with those who engaged in the criminal acts referred to in articles 101, numbers 1) and 2) and 102 of the present Law, or with those who in any way participated or abetted in the crime, illegally possesses falsified or altered money, or distributes it or in any other manner places it into circulation, will be

punished with a prison term of four (4) to six (6) years. Anyone who knowingly puts counterfeit or altered money into circulation will be punished with a prison term of two (2) to three (3) years.

Article 104 Anyone who has manufactured, illegally possessed, maintained or hidden instruments, equipment, machinery or materials intended for the counterfeiting, alteration or destruction of Legal tender will be punished with a prison term of three (3) to five (5) years.

Article 105 Anyone who, without having engaged in the crimes mentioned above, in any way abetted their commission by any means will be punished with the respective penalty, reduced by onethird (1/3).

Article 106 If, before the authorities know of the act, anyone who participated in the commission of any of the crimes indicated in the preceding articles were to prevent the counterfeiting, alteration or destruction of the currency, or the circulation of the already falsified or altered money, and their act can be plainly proven, then they will be exempted from the penalty.

Article 107 If, as a result of the crimes described in articles 101 and 103 of this Law, the price of securities or bonds declines, or the access to domestic or foreign credit by the Republic, the Central Bank of Venezuela, or the states, municipalities, autonomous institutes, State companies and other public entities is impaired, the penalties herein established will be increased to their maximum limit as established in article 37 of the Penal Code.

Article 108 Those who refuse to accept legal tender will be fined three times the amount they refused to accept. First Paragraph: In this case, the offended party will relate the act to an official of the Ministry of Finance with jurisdiction over the location, so that this official may impose the appropriate fine and assure its collection in compliance with this Law.

Article 109 As of the effective date of this Law, the Central Bank of Venezuela will not receive assets or rights or property from third parties in trust, administration or for the realization of any other operation of similar nature. The assets or rights that have been entrusted any any means prior to the date of this Law will be transferred by the Central Bank of Venezuela through certificates of transfer to the following organizations: The Venezuelan Social Security Institute, regarding the Social Security Pension Fund. The Banking Protection and Deposit Guarantee Fund, regarding the assets and rights that this Institute has transferred. Petroleos de Venezuela, S.A. regarding the Entitlement Fund. as anticipated in

article 23 of the Law which reserves the hydrocarbon industry and commerce to the State. Corporacion Venezolana de Guayana, regarding the Entitlement Fund, to which article I of Decree N° 918 dated May 16, 1975 refers. The Liberator Simon Bolivar Bicentennial Foundation, regarding the respective Fund. The National Executive, through an agency of the Ministry of Finance, in the following cases:

- a) The Public Employees' Entitlement Fund, stipulated in article 73 of the Budgetary Law.
- b) Reserve funds stipulated in article 25 of the Law of Housing Policy. First Paragraph: The certificates of transfer referred to in the present article will indicate a cutoff date, a statement of the assets and rights transferred at their bookvalue and any other information considered necessary for the accomplishment of the purpose herein established. In any case, the certificates and the respective transfers must be concluded within six (6) months of this Law entering into force. Second Paragraph: The regulations established in this article will take preference over all other legal resolutions promulgated prior to the date this Law entered into force.

Chapter II

Transitional Resolutions

Article 110 The provisions in letter a) of article 112 of this Law will only apply once the mandate of the current President of the Central Bank of Venezuela has ended.

Article 111 Within twelve (12) months after this Law has come into force, the Central Bank of Venezuela, through the Ministry of Finance and subject to terms agreed with the National Executive, will establish the rules for the functioning of the National Treasury's Auxiliary System. These rules will stipulate the collection and payment services that will be handled by the banks and other financial institutions, the commissions that will be paid by the National Executive, and any other resolutions needed to accomplish the objective herein established.

First Paragraph: Once the rules have been promulgated and the System referred to in this article has been established, resolutions of other laws or decrees that regulate other auxiliary services or agencies of the National Treasury will be without force.

Article 112 The first designation of the members of the Board of Directors of the Central Bank of Venezuela, subject to the terms anticipated in this Law, will be made within the first thirty (30) working days from the date of publication in the Official Gazette of the Central Bank of Venezuela. Accordingly, the procedure will be as follows:

- a)** The President of the Central Bank of Venezuela will be designated for a period of five (5) years;
- b)** One Director will be designated for a period of two (2) years;
- c)** One Director will be designated for a period of three (3) years;
- d)** One Director will be designated for a period of four (4) years;
- e)** One Director will be designated for a period of five (5) years;
- f)** One Director will be designated for a period of six (6) years;

In the act of designating the Directors, their corresponding periods will be expressly indicated in accordance with this article, terminating the functions of the previous Directors.

Article 113 Within fifteen (15) days from the date this Law enters into force, an Extraordinary Assembly of the Central Bank of Venezuela will be held to set the salaries of the fulltime Directors as well as the per diem of the Directors that are not fulltime.

Chapter III

final Resolutions

Article 114 The relationship between the National Government and the Central Bank of Venezuela will be conducted through the Ministry of Finance.

Article 115 The Ministry of Finance, through the National Treasurer, must send the Central Bank of Venezuela the following information:

- a)** Daily movement of income and expenditures, both ordinary and extraordinary, of the National Treasury;
- b)** At the beginning of each week, a fourweek projection of income and expenditures indicated in the preceding letter. The National Treasurer must review the projections daily and inform the Central Bank of Venezuela of any changes; and.
- c)** Within the first fifteen (15) days of the fiscal year, a projection of income and expenditures for the next four (4) quarters of the respective period, to be updated within the first two (2) weeks of each month.
- d)**

Article 116 The Board of Directors of the Central Bank or its President, depending on the urgency of the situation, must recommend measures to the National Executive when considered necessary to avoid impediments in the normal progress of the Institute or in the economic or financial life of the country.

Article 117 The Central Bank of Venezuela is exempt from all taxes and assessments. In general, the Bank is on the same level as the offices of the National Treasury and, as a result, is free of all taxes or assessments of all kinds and will enjoy the franking and other privileges of those offices. As a result, the property and assets of the Central Bank of Venezuela may not be seized, confiscated, mortgaged or object of any other temporary or permanent measure.

Article 118 The properties referred to in numbers 9) and 12) of article 55 of this Law, which the Central Bank of Venezuela receives in protection of its equity capital through payment of credits granted or acquired through the execution of guarantees, must be sold within three (3) years after the date of acquisition. If the Central Bank of Venezuela is unable to perform the sale referred to in this article within the stipulated time, the National Executive may, after receiving from the Institute, a report detailing the reasons why the sale could not be made, extend the allotted time for an equal period. The Central Bank of Venezuela must sell the property during the extended period. The sale of properties referred to in this article may be realized by the Central Bank of Venezuela through public offerings, and for this purpose, the Board of Directors will formulate the corresponding rules.

Article 119 The officers or employees of the Central Bank of Venezuela will have the character of public officials, with the corresponding rights and obligations, including social security, that will be controlled by the statutes promulgated by the Board of Directors. The Statutes promulgated by the Board of Directors will outline the career paths for the officials and employees of the Central Bank of Venezuela including standards of income, promotion, transfer, suspension, termination of employment and others considered pertinent. These Statutes will grant the employees of the Bank, at a minimum, rights regarding prior notice, social entitlement, vacation, profit sharing and protection against unfair firing, as established in the Labor Law. The Law of Administrative Careers will regulate those areas that are not anticipated in the rules established for the employees of the Central Bank of Venezuela by the Statutes promulgated by the Board of Directors. The officials or employees of the Central Bank of Venezuela will not have the right to strike, but will have the right to collective bargaining. Nonetheless, in accordance with the Law of Administrative Careers, the public officials may organize into unions whose objectives are the defense and protection of the rights granted by this Law and the Statutes promulgated by the Board of Directors. The Court of the Administrative Career, in accordance with procedures established in the Law of Administrative Careers, will have jurisdiction to hear, negotiate and decide the claims presented by the employees of the Central Bank of Venezuela when they feel their rights have been violated.

First Paragraph: The provisions of the present article will not apply to the Director of the Central Bank of Venezuela as chosen from the official organizations indicated in article 11 of this Law.

Second Paragraph: Laborers in the service of the Central Bank of Venezuela will be regulated by the Constitutional Labor Law.

Third Paragraph: Central Bank of Venezuela workers responsible for guard, custody and security services, that are assential to the performance of the functions attributed by this Law do not have the right to collective bargaining, unionization, or to strike. The Board of Directors of the Central Bank of Venezuela will establish rules that will apply to the personnel responsible for these services, taking into consideration the economic benefits to which the other workers of the Bank have a right, notwithstanding the provisions in the Law of Arms and Explosives.

Article 120 All provisions of other laws that conflict with the norms of the present Law are annulled. Delivered, signed and sealed in the Federal Legislative Palace, in Caracas, on the thirtieth day of November of nineteen ninetytwo. The 182nd year of Independence and the 133rd of the Federation.