

Notice concerning foreign exchange transactions 02/K.1

Foreign Capital Transactions

The Centrale Bank van Aruba (“the Bank”)

IN VIEW OF:

articles 10 and 16 of the State Ordinance Foreign Exchange Transactions (“the SOFET”),

ANNOUNCES THAT:

- a. the Notice concerning foreign exchange transactions 98/K.1 issued by the Bank on June 25, 1998 is hereby revoked;
- b. a general license is granted to resident-natural persons as meant in article 1, sub a of the SOFET to execute foreign capital transactions up to a maximum amount of three hundred thousand Aruban florins (Afl. 300,000) per calendar year or the equivalent thereof in foreign currency;
- c. a general license is hereby granted to resident-entities as meant in article 1, sub b up to and including e of the SOFET to execute foreign capital transactions up to a maximum amount of seven hundred and fifty thousand Aruban florins (Afl. 750,000) per calendar year or the equivalent thereof in foreign currency. The existing B-9-rule and the 40-60-percent-rule remain in full force;
- d. a general license is granted to trust offices established in Aruba to transfer shares in enterprises as referred to in article 19 of the SOFET to nonresidents;
- e. a general license is granted to residents for the import or export of gold, precious metals, and precious stones;
- f. an exemption is granted to residents to give into open custody their foreign— (non-) coupon and/or (non-) dividend sheet bearing— securities, as referred to in article 15, paragraph 2, of the SOFET;

UNDER THE CONDITIONS THAT:

- I. residents must at all times adhere to all other legal provisions, as well as the rules, guidelines and directives issued by the Bank;
- II. all foreign payments or foreign receipts related to the foreign capital transactions mentioned under b up to and including d above, must be effectuated through a local foreign exchange bank or a notified foreign account. In the event that the payments or receipts take place via other channels, the date and the method of settlement should

be immediately reported in writing to the Bank.

III. for balance of payment purposes, the local foreign exchange banks must continue to use the Bank's existing transaction codes as well as to comply with the Bank's reporting requirements.

For the application of this Notice the term 'foreign capital transactions' shall among others, include transactions with respect to loans, investments, and other financial transactions.

In the event that the Bank is of the opinion that Aruba's foreign exchange reserve position is weakened, or that such a development is imminent, as a result of the foreign capital transactions referred to in this Notice, the Bank may pursuant to article 9, paragraph 3, of the SOFET take any action it deems necessary with regard to these transactions.

This notice will become effective as of July 1, 2002.

Oranjestad, May 2, 2002
Centrale Bank van Aruba

Dr. A.R. Caram
President