

157. January 8, 2018

### **Recommended Market Practice for Trades of Republic of Venezuela's Bonds**

Following consultations with major market participants, EMTA is recommending that, for all trades entered into on or after January 9, 2018, all Bonds issued by the Republic of Venezuela that are on a U.S. sanctions exceptions list (see the Annex to the General License No. 3 related to the Executive Order:

[https://www.treasury.gov/resource-center/sanctions/Programs/Documents/vz\\_bond\\_list\\_long.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/vz_bond_list_long.pdf)) should, unless otherwise agreed, trade "flat". The Executive Order, together with the General Licenses, can be found here: <https://www.emta.org/WorkArea/DownloadAsset.aspx?id=10480>, but counterparties are urged to refer to the U.S. Treasury's website for further updates. To the extent that bonds are added to this Venezuela General License No. 3 Annex, they will be subject to this Market Practice, and to the extent that bonds are deleted from this Annex, they will not be subject to this Market Practice.

Accordingly, (1) such trades will settle at an all-in (or "dirty") price and without an additional payment in respect of accrued and unpaid interest, and (2) Buyers will thereby acquire title to all such interest; provided that, when and if payment of any such interest is made, it may be retained by the lawful recipient contractually entitled to such payment as the record holder under the governing documentation, and there shall be no claiming of such.

For purposes of this Market Practice, it is understood that the record holder under the governing documentation on the record date shall be entitled to receive and retain all such accrued and unpaid interest.

For the sake of clarity, Bonds issued by any entities other than the Republic of Venezuela are not subject to this Market Practice recommendation.