

Reference Exchange Rate

According to the Law of Free Foreign Currency Exchange, the *Banco de Guatemala* calculates the reference exchange rate of the quetzal regarding the US dollar daily, which is applicable for the liquidation of tributary and other obligations that suppose payments of or from the State and its entities, as well as for the resolution of conflicts in administrative and jurisdictional ambits.

In that sense the Monetary Board in resolution JM-126-2006 from October 25, 2006, resolved the following:

1. Approve the methodology of calculation of the Reference Exchange Rate of the quetzal regarding the US dollar, in the following manner: The weighted average of the weighted exchange rates is based on the corresponding operations of the purchase and sale of foreign currency equal to or greater than fifty thousand US dollars made with the public by the institutions that constitute the Foreign Currency Institutional Market, based on said weighted average exchange rate and with the exchange rate of the inter-institutional operations, the Central Bank will calculate the reference exchange rate that will be equal to the weighted average of both components.

For said effect, the institutions that constitute the Foreign Currency Institutional Market must inform the *Banco de Guatemala*, at the latest at 18:00 hours of the same banking work day that corresponds, the total amounts of the negotiated foreign currency in the inter-institutional market, as well as its respective equivalent in *quetzales* and the total amounts of purchase and sale of foreign currency to the market, equal to or greater than fifty thousand US dollars, as well as its respective equivalent in *quetzales*.

The *Banco de Guatemala* will publish the Reference Exchange Rate of the quetzal regarding the US dollar the following banking work day at which it is calculated and will use it as of the following day of its publication.

The *Banco de Guatemala* will apply the Reference Exchange Rate to the operations of purchase and sale of foreign currency made by the Government of the Republic and with the institutions and other State dependencies.

2. Approve the methodology of the calculation of the Reference Exchange Rate of the quetzal regarding other foreign currencies, other than the US dollar in the following manner: the Exchange rate will be determined by the equivalency of the foreign currency in question regarding the US dollar, to which the Reference Exchange Rate will be applied in order to establish the equivalency of said currency with regard to the quetzal; for said effect, the international quotes will be taken as a base obtained by the *Banco de Guatemala*, between 8:00 and 9:00 hours. The equivalencies established this

way will be current during the day in question, and the source must be mentioned for said quotations.

3. When the *Banco de Guatemala* acts as intermediary in the operations that according to the law must be taken care of on behalf of the public sector entities, expressed in foreign currency other than the US dollar, at the request of the interested party, the *Banco de Guatemala* will purchase or sell the currency in question to an exterior bank, according to the case. At the price the operation is made, the Reference Exchange Rate of the quetzal regarding the US dollar will be applied, for the effects of the respective liquidation.
4. Establish that in all those resolutions issued by the Board in which the reference exchange rate for purchase and the reference exchange rate for sale regarding the US dollar are mentioned, it must be understood that the Reference Exchange Rate of the quetzal regarding the US dollar is the one referred to.
5. Derogate resolution number JM-130-2001.
6. Authorize the Secretary of this Board to publish the present resolution, which will be current as of December 1, 2006.

The Reference Exchange Rate of the quetzal regarding the US dollar is published daily by the *Banco de Guatemala* in the written media, is published on the Web site of the institution and is recorded in the telephone messages on: (502) 2429-6000 y (502) 2485-6000. As to the Reference Exchange Rate of the quetzal regarding other foreign currencies other than the US dollar, this is published on the Web site for the *Banco de Guatemala*.