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LICENSE ACQUISITION MANUAL

FOR VENEZUELAN
CRYPTOCURRENCY EXCHANGE
OFFICES



GENERAL CONSIDERATIONS

The Exchange Offices generate a related activity that provides the platform and structure for secondary negotiation of a cryptoasset, except those generated from mining not derived from the activity of the National Government or its decentralized entities.

The Exchange Offices that handle any type of Cryptoasset or provide them with their platform and services, are regulated entities, for which an operational license issued for this purpose by the Venezuelan Superintendence of Cryptoassets and Related Activities will be required (SUPCACVEN), hereinafter referred to as the Superintendency.

The completion of this duly licensed activity entails that all its operations fall within the scope of the Law and under the supervision of the Superintendency. On the contrary, the realization of this related activity reserved to the Exchange Office, outside the regulatory framework and without a license will be sanctioned with all the sanctions that foresee the laws of the republic.

Cryptoassets Management is defined as an activity that provides or facilitates a market space to connect buyers and sellers of Cryptoassets, whether multiple or particular.

In the case of multiple buyers or sellers, they must establish a non-discretionary mechanism, either through the physical or virtual space provided or through the set of rules that allow automated interaction only regulated by the exchange regulations provided by the Exchange Office.

I Requirements of the exchange offices

To set up an Exchange Office, interested companies must have the following requirements:

- a) Shall be constituted in companies by shares, in accordance with the norms of the current Commercial Code and indicate in their Charters that the objective is to function as an Cryptoassets exchange company and the activity will begin at the moment of receiving corresponding authorization by the Superintendency of Securities, for which the Mercantile Registrars shall register them as companies in formation subject to the beginning of their activity for the emission of the corresponding License.



- b) The minimum capital should be approximately 8% of the estimated average value of its monthly operations, from which it will be paid 20% of said capital. It will be understood that the capital subscribed represents estimated average value of operations, and in case if it will be considered insufficient after the first evaluation by the Superintendency, the authorized company will be obliged to subscribe the appropriate capital in the following 30 days. After the first semester of operations of the Exchange Office, the 20% of the capital already paid will be considered as the company's legal reserve in the accounts of the company in the Venezuelan Central Bank. This percentage may be modified by resolution of the Superintendency.
- c) The subscribed capital must be more than 50% of national capital.
- d) The holders of the capital shares, Venezuelan or foreign, natural or legal, must be able to be individually identified and have the capacity to pay, they must be subject to a tax contribution with identification and nomination of the final beneficiary. No off-shore structures are allowed that do not identify the final beneficiary as shareholder of an Exchange Office.
- e) The company must have an organization chart that contains at least one Legal Representative, one Treasurer, one Control or Compliance Agent, one Risk Agent, one Auditor, and one Accountant. The company must have an organizational flow-chart.
- f) The company must have a specific physical space, with characteristics of individualization and segregation that is to say that the space is uniquely for the exchange activities and not for any other activity. The space may be owned or leased. If it is a property, the company must provide a copy of the title deed to the Superintendency and if it is leased, it must provide a copy of the lease contract and the property title of the space in the name of the lessor.
- g) The company must have a Manual that allows adjusting its operations to limits that prevent in the course of this assume obligations that may be to the detriment of active clients. This is the risk manual that should accompany the organization along with the other recompilations to the license request addressed to the Superintendency.



- h) The company will have a Compliance and Anti-Laundering Manual, which must be provided to the Superintendency along with the other recompilations when requesting its operating authorization or license.
- i) The company must be formed and operate with a Corporate Government and follow the rules of corporate governance structures that must be present in general terms in its Charters.
- j) The company must have internal operational systems to ensure security and confidentiality to the activities which they must become licensed for intending to provide such services and have licensing agreements pre-approved or with letters of intentions at the time of applying to the authority for authorization to operate and shall accompany the application with such contracts, letters of intentions and other specifications of the contracted services and technological products.

Venezuelan Superintendence of Cryptoassets and Related Activities may, through its resolution or regulation, request additional requirements to those indicated herein.



II PROCEDURE OF THE APPLICATION FOR THE LICENSE OF EXCHANGE OFFICE

The procedure of the application for the license is the following:

1. The interested parties must present to the mercantile registry the Charters, compliance with the requirements described above and with the other requirements of the Commercial Code, and to request it to be registered as a formatting company for the activities of Exchange Offices and Related Activities as established by the Decree No. 3.196, on December 8, 2017, published in Extraordinary Official Gazette No. 6,346 on December 8, 2017.
2. The interested parties, within 30 days following the registration of the company in the Mercantile Registry, will direct an application for the granting of the operating license as an Cryptoassets Exchange Office through a formal communication signed by the representatives of the company and its shareholders, and directed to the Superintendency, in which:
 - a) Explain and motivate the reasons why they apply to an operating license as a Cryptoassets Exchange Office.
 - b) Present the pertinent risk and compliance manuals to it.
 - c) Provide the payment evidence of 20% of the subscribed capital. Present the organizational flow-chart
 - d) Present the vita curriculum of the legal representatives of the company and members of its board of directors.
 - e) Present all required documents such as contracts, letters of intentions, property titles, etc. previously described.
 - f) Indicate the addresses and contact telephone numbers of the person authorized to process in the authority to receive and send future communications.
3. The Superintendency, after receiving the request, will have a period of 90 days to grant or deny by reasoned act the requested license. In this period, verify:





- a) That all the requirements established for the operation described above have been met.
 - b) That the legitimacy and authenticity of all compilations have been verified.
 - c) That there are no grounds for impeding the granting of the license.
 - d) That the market allows the incorporation of new exchange offices due to the volume of operation of the national market.
4. The Superintendency within the aforementioned period, as soon as verified the previous budgets will issue its decision, granting or rejecting the request totally or partially, or indicate the repairs that have to be made and the terms to satisfy it and the procedures to be followed for this. In the event of granting, it will issue the resolution and will participate in the corresponding Mercantile Registry for the purposes of the annotation of the law of the beginning of operations.
 5. With the granting of the license, the company will begin its operations immediately or within the term that it will inform the authority, which may not be more than 30 days from the date of issuance of the license, except for authorization express for it of the Superintendency.
 6. The beginning of the first activities of the Cryptoassets exchange has been estimated that the market has to start with 8 Exchange Offices, which have to satisfy the requirements described above. The Superintendency must, within a short period, verify that they have been satisfied and grant the original licenses as long as possible in order to start this activity in the national market. After the first 90 days of operations, the Superintendency may modify this estimate.
 7. The Superintendency must authorize any sale of the capital of an Exchange Office greater than 5% without which it will have no effect and the commercial registrar cannot process it without the due authorization of the Superintendency.

The license allows the start of operations of the Exchange Offices defined above. For more information visit the portal www.supcriptove.gob.ve