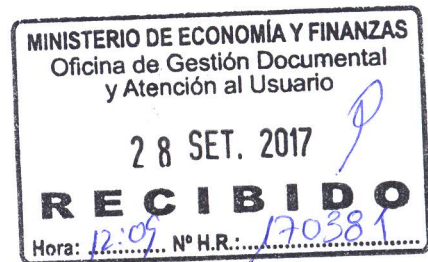




# ABDA

ASOCIACIÓN DE BONISTAS DE LA DEUDA AGRARIA DEL PERÚ

Lima, September 27, 2017  
Mrs.  
**CLAUDIA COOPER FORT**  
Minister of Economy and Finance  
Jr. Junín 319, Cercado de Lima, Lima – Perú



**Ref: Supreme Decree No 242-2017-EF | Agrarian Reform Bonds**

Dear Minister,

Please accept our most respectful greetings. We wish you all the success as the new Minister of Economy and Finance.

ABDA (*Asociación de Bonistas de la Deuda Agraria del Perú*), which has more than 500 members across Peru, is one of the most representative associations of holders of Agrarian Reform Bonds.

Considering the critical situation concerning said bonds, we have conferred with another large association of bondholders, ADAEPRA (*Asociación de Agricultores Expropiados por Reforma Agraria*), and decided to take this opportunity to voice ABDA's institutional position with respect to Supreme Decree N° 242-2017-EF of August 19, 2017, containing procedures and a valuation formula to update the Agrarian Reform Bonds. We understand that our colleagues of ADAEPRA transmitted, or will transmit to you, a letter with content similar to this one.

Our position is that Supreme Decree N° 242-2017-EF is not a viable solution to deal with the payment of the Agrarian Reform Bonds debt, and ABDA rejects it for many reasons, including the following:

- Supreme Decree N° 242-2017-EF implements a valuation methodology that offers bondholders an insignificant and absurd amount – less than 1% of what they are entitled to according to the Consumer Price Index (“CPI”) – mainly because the parity exchange rate formula reflected in Supreme Decree N° 242 has no economic basis and has no relation to a true parity exchange rate.
- Supreme Decree N° 242-2017-EF implements an excessively long and bureaucratic process, which could lead to the Ministry determining that the amount to be paid is “not viable,” and thus payment could be avoided altogether.
- Supreme Decree N° 242-2017-EF is based on the illegal Constitutional Tribunal (“CT”) ruling of July 16, 2013 – in which a document was doctored to illegally fabricate the alleged dissenting opinion of Justice Carlos Mesía – through the use of white out – and thus unusually allow former Chief Justice Urviola to



make use of his tiebreaking vote. This has generated criminal complaints and constitutional accusations that are still ongoing.

We invite you, Minister Cooper Fort, to immediately revoke Supreme Decree N° 242-2017-EF for violating the constitutional right to property and current value principle, confirmed by previous decisions of the CT. In fact, we believe that it is illegal for you or any government official to implement Supreme Decree N° 242-2017-EF as it would violate bondholders' constitutional rights to receive current value.

Accordingly, we encourage you to invite bondholders to a constructive dialogue to design a workable solution. As long as Supreme Decree N° 242-2017-EF remains in effect, and no meaningful solution is provided, ABDA and its members will continue to refuse to participate in this process.

**RAMON REMOLINA**  
President

