

BASE PROSPECTUS



PRINCIPALITY OF ANDORRA

EUR 1,200,000,000

Euro Medium Term Note Programme

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "CSSF"), which is the Luxembourg competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"), as a base prospectus issued in compliance with the EU Prospectus Regulation and the Luxembourg law dated 16 July 2019 on prospectus for securities (the "**Prospectus Law**") for the purpose of giving information with regard to the issue of notes ("**Notes**") issued under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus during the period of twelve months after the date hereof. The CSSF only approves the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. Moreover, in the context of such approval, the CSSF neither assumes any responsibility nor gives any undertakings as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with the provisions of article 6(4) of the Prospectus Law.

This Base Prospectus is valid for a period of twelve months from the date of approval and, for the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its twelve month validity period. This Base Prospectus will expire on 23 April 2022. Applications have been made for such Notes to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the regulated market "Bourse de Luxembourg" of the Luxembourg Stock Exchange during the period of twelve months after the date hereof. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**EU MiFID II**").

However, the Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer and specified in the relevant Final Terms (as defined below).

Tranches of Notes issued under the Programme may be rated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the

assigning rating agency.

The Issuer's long-term debt is rated BBB by S&P Global Ratings Europe Limited ("**Standard & Poor's**") and BBB+ by Fitch Ratings Ireland Limited ("**Fitch**"). Standard & Poor's and Fitch are each a credit rating agency established in the EEA and registered under Regulation (EU) No 1060/2009, on credit rating agencies (the "**EU CRA Regulation**"). Both Standard & Poor's and Fitch appear on the latest update of the list of registered credit rating agencies (as of 4 January 2021) on the ESMA website <https://www.esma.europa.eu/>

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its respective obligations under the Notes are discussed under "Risk Factors" below.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended, the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States.

Arrangers

Santander Corporate & Investment Banking

Crédit Agricole CIB

Dealers

Andbank

BancSabadell d'Andorra

Crédit Agricole CIB

Crèdit Andorrà

MoraBanc

Santander Corporate & Investment Banking

Vall Banc SA

23 April 2021

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IMPORTANT NOTICES

Responsibility for this Base Prospectus

The Principality of Andorra (the "**Principality of Andorra**", "**Andorra**", the "**Principality**", or the "**Issuer**") accepts responsibility for the information contained in this Base Prospectus and any Final Terms and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

Final Terms/Drawdown Prospectus

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below.

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any development reasonably likely to involve any adverse change, in the condition (financial, economic, political or otherwise) of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Notes issued as Green/Social/Sustainability Bonds

None of the Dealers accepts any responsibility for any social, environmental and sustainability assessment of any Notes issued as Green/Social/Sustainability Bonds or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels. None of the Dealers is responsible for the use of proceeds for any Notes issued as Green/Social/Sustainability Bonds, nor the impact or monitoring of such use of proceeds. No representation or assurance is given by the Dealers as to the suitability or reliability of any opinion or

certification of any third party made available in connection with an issue of Notes issued as Green/Social/Sustainability Bonds, nor is any such opinion or certification a recommendation by any Dealer to buy, sell or hold any such Notes. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States.

NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Product Governance under Directive 2014/65/EU (as amended)

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Final Terms or Drawdown Prospectus, as the case may be, in respect of any Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Product Governance under UK MiFIR

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Final Terms or Drawdown Prospectus in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking

its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Benchmark Regulation

Amounts payable on Floating Rate Notes may be calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**"), which is provided by the European Money Markets Institutes ("**EMMI**"). If such reference rate constitutes a benchmark for the purposes of Regulation (EU) No. 2016/1011 (the "**EU Benchmark Regulation**"), the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the EU Benchmark Regulation. As at the date of this Prospectus, EMMI is included in the register of administrators and benchmarks established and maintained by ESMA. The registration status of any administrator under the EU Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Programme limit

The maximum aggregate principal amount of Notes outstanding under the Programme will not exceed EUR 1,200,000,000 and for this purpose, any Notes denominated in another currency shall be translated into euros at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement as defined under "*Subscription and Sale*"). The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*" and the publication of a supplement to this Base Prospectus.

Certain definitions

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**", "**euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Ratings

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation.

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Suitability of Investment

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Prospectus or any applicable supplement;
- b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- d) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Cautionary Statement regarding Forward-Looking Statements

Some of the statements contained in this Base Prospectus constitute forward-looking statements. Statements that are not historical facts are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "could", "should", "would" or similar terminology. These forward-

looking statements are contained in the sections entitled "Risk Factors", "Description of the Issuer", "Response to COVID-19", "The Economy", "Balance of Payments and Foreign Trade", "Monetary and Financial System", "Public Finance", "Public Debt" and other sections of this Base Prospectus.

Although the Issuer believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Base Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the financial, political or economic condition of the Issuer may vary from that expected, estimated or predicted. Investors are therefore strongly advised to read the sections entitled "Risk Factors", "Description of the Issuer", "Response to COVID-19", "The Economy", "Balance of Payments and Foreign Trade", "Monetary and Financial System", "Public Finance", "Public Debt", which include a more detailed description of the factors that might have an impact on the financial, political or economic condition of the Issuer.

These forward-looking statements speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any forward-looking statement is based.

Presentation of economic and statistical information

Statistical data appearing in this Base Prospectus, unless otherwise stated, has been extracted or compiled from records and administrative data sources, and surveys of businesses and households in the Principality of Andorra. Similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Figures have been subject to rounding adjustments; accordingly, figures shown for the same item of information may vary, and figures which are totals may not be arithmetical aggregates of their components.

In this Base Prospectus, unless otherwise stated, all annual information, including budgetary information relating to the Issuer, is based upon calendar years. The methodology applied in the Issuer's national accounts is aligned in part with the European system of accounts (ESA) standards. The Issuer is undertaking a review to introduce ESA standards for all relevant indicators. The methodology applied in the preparation of the "Balance of Payments and Foreign Trade" section complies with IMF standards, based on the BPM6 Balance of Payments Manual. Certain economic information is preliminary and is subject to further adjustments and revision, in particular, data may be adjusted and revised in the process of adaptation to European regulations. No assurance can be given that material adjustments will not be made. The information for past periods should not be viewed as indicative of current circumstances or periods not presented.

Enforceability of Judgments

The Principality of Andorra is a sovereign state. Consequently, it may be difficult for investors to obtain judgments of courts in countries outside of Andorra against the Principality of Andorra. Enforcement of such judgments in Andorra may be refused in certain circumstances in the absence of an applicable treaty facilitating such enforcement. See *"Risk Factors—Risks relating to Notes issued under the Programme—Investors may experience difficulties in enforcing foreign judgments in Andorra"*.

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Prospectus will be published.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this overview.

The Issuer:	Principality of Andorra.
Arrangers:	Banco Santander, S.A. and Crédit Agricole Corporate and Investment Bank.
Dealers:	Andorra Banc Agrícol Reig, S.A., BancSabadell d'Andorra, S.A., Crèdit Andorrà, SA, Mora Banc Grup, SA and Vall Banc SA and any other Dealers appointed in accordance with the Dealer Agreement as defined under " <i>Subscription and Sale</i> ".
Fiscal Agent:	The Bank of New York Mellon SA/NV, Dublin Branch.
Description:	Euro Medium Term Note Programme.
Certain Restrictions:	<p>Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "<i>Subscription and Sale</i>") including the following restrictions applicable at the date of this Base Prospectus.</p> <p>Notes having a maturity of less than one year</p> <p>Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the "FSMA") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "<i>Subscription and Sale</i>".</p>
Programme Size:	Up to EUR 1,200,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement as defined under " <i>Subscription and Sale</i> " outstanding at any time). The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement as defined under " <i>Subscription and Sale</i> ".
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will also be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in any currency or currencies agreed between the Issuer and the relevant Dealer, subject to any applicable legal or regulatory restrictions.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or a combination thereof and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc., including, if specified in the relevant Final Terms, the ISDA Benchmark Supplement; or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service. <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p>

Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.</p> <p>Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "<i>Subscription and Sale - Other UK regulatory restrictions</i>".</p>
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see " <i>Subscription and Sale - Other UK regulatory restrictions</i> ", and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public either in a Member State of the European Economic Area or in the United Kingdom in circumstances which would otherwise require the publication of a prospectus under either the EU Prospectus Regulation or the UK Prospectus Regulation will be EUR 100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by or on behalf of the Principality of Andorra as provided in Condition 11. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 11, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 5.
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 12(iii).
Listing and admission to trading:	<p>Applications have been made for Notes to be listed on the Official List and to be admitted to trading on the regulated market "Bourse de Luxembourg" of the Luxembourg Stock Exchange during the period of twelve months after the date hereof.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p>

	The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
United States Selling Restrictions:	Regulation S, Category 1. TEFRA C or D, as specified in the applicable Final Terms.
Status	The Notes are direct, unconditional and unsecured obligations of the Issuer.
Form:	The Notes will be issued in bearer form in the denomination of EUR 100,000.
Meetings of Noteholders:	<p>The Conditions contain a "collective action" clause which permits defined majorities to bind all Noteholders.</p> <p>If the Issuer issues future debt securities which contain collective action clauses in substantially the same form as the collective action clause in the Conditions, the Notes would be capable of aggregation for voting purposes with any such future debt securities, thereby allowing 'crossseries' modifications to the terms and conditions of all affected Series of Notes (even, in some circumstances, where majorities in certain series did not vote in favour of the modifications being voted on). See "<i>Risk Factors – Risks relating to Notes generally - The terms and conditions of the Notes contain a "collective action" clause under which the terms of any one Series of Notes and/or multiple Series of Notes may be amended, modified or waived without the consent of the holders of all Notes</i>".</p>
Rating:	<p>Each Tranche of Notes may be rated or unrated.</p> <p>In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA is certified under the EU CRA Regulation.</p>
Governing Law:	<p>The Notes and any non-contractual obligations arising out or in connection with the Notes will be governed by, and shall be construed in accordance with, Luxembourg law. For the avoidance of doubt, articles 470-1 to 470-19 of the Luxembourg law of 10 August 1915 relating to commercial companies as amended will not apply in respect of the Notes.</p> <p>The Agency Agreement and the Dealer Agreement will be governed by English law.</p>
Clearing Systems:	Euroclear and Clearstream, Luxembourg.
Selling Restrictions:	See " <i>Subscription and Sale</i> ".
Risk Factors:	Investing in the Notes involves risks. See "Risk Factors".
Use of proceeds:	An amount equal to the net proceeds from each issue of Notes will be used for the budgetary purposes of the Issuer or, in

respect of any Notes which are issued as Green/Social/Sustainability Bonds in accordance with the Issuer's Green, Social and Sustainability Framework, to finance or refinance, in whole or in part, Eligible Green and Social Expenditures. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider the risk factors described below together with all other information contained in this Base Prospectus, and reach their own views before making an investment decision.

The risks and uncertainties described below are not the only risks and uncertainties related to the Issuer and the Notes. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the condition (financial, economic, political or otherwise) of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

1. Risks relating to the Principality of Andorra

1.1 Risks relating to the global economic environment

Health emergency caused by the COVID-19 pandemic

The outbreak of communicable diseases on a global scale may affect investment sentiment and result in sporadic volatility in global capital markets. The coronavirus known as COVID-19 ("**COVID-19**") was first identified in Wuhan, Hubei Province, China, in late 2019. In response to the rapid spread of COVID-19, the Chinese government imposed travel restrictions and quarantines to help to limit risk of infection. However, while the spread of COVID-19 has slowed in China, it has continued to spread in a large number of countries around the world, leading the World Health Organisation to declare the outbreak a global pandemic on 11 March 2020.

In March 2020, the United States, certain European countries, including the Principality of Andorra (although it is not a Member State of the European Union ("**EU**")), alongside many other countries worldwide, began imposing restrictions on travel and on the freedom of movement of people, as well as other restrictions intended to reduce in-person interactions. These measures, while aiming to slow the spread of COVID-19, are expected to significantly reduce economic activity. It is currently unclear how long these restrictions will be in place and what their ultimate impact will be on global and local economies.

As at the date of this Base Prospectus, the latest medical advances, and particularly the development of highly effective vaccines, has resulted in significant segments of the population to be gradually vaccinated during the first half of 2021, which would improve investor sentiment and help the economic recovery gain traction. Therefore, a substantial rebound of the economic activity is expected in 2021 (global growth of 5.5%) (Source: IMF World Economic Outlook Update January 2021).

In this context, it should be noted that all spheres of the economic policy have reacted strongly to this situation. The United States implemented a significant number of measures within the monetary and fiscal policy arenas and both spheres will remain active in the coming quarters. Specifically, and after aggressively cutting interest rates to 0.00%-0.25% and launching a broad range of programmes (large asset purchases being particularly noteworthy), the US Federal Reserve stated in August 2020 that it would maintain an accommodative monetary policy for a long period of time (and longer than what it takes for the economic recovery to be well under way). Indeed, it modified its strategic framework by stating that it would temporarily tolerate inflation rates above 2% in the future.

The health emergency caused by the COVID-19 pandemic, poses a series of challenges of a hitherto unprecedented dimension for the Principality of Andorra, which has deemed necessary the adoption of various extraordinary measures to face them.

The Government of the Principality of Andorra (the "**Government**") promoted, and the General Council of the Principality of Andorra (the "**General Council**") approved unanimously a first range of measures in the labour, social, economic and health fields, established by Law 3/2020, of 23 March, on extraordinary and urgent measures due to the health emergency caused by the COVID-19 pandemic ("**Law 3/2020**"). These measures comprised the period from the beginning of said pandemic until the end of April 2020 and have enabled the implementation of necessary and beneficial solutions for companies, workers and entrepreneurs from the Principality of Andorra, in a very difficult context in which almost all activities have

been forced to stop. Nevertheless, the fact that this health emergency could extend beyond April 2020, and in accordance with the principles of solidarity and co-responsibility which already inspired Law 3/2020, Law 5/2020, of 18 April, on new exceptional and urgent measures to deal with the health emergency caused by the COVID-19 pandemic ("**Law 5/2020**") was enacted by the General Council. Law 5/2020 did not only resume the aforementioned measures and adapt them according to practical experience, but new additional measures were adopted.

Notwithstanding the foregoing, the fact that it was evident that the social and economic consequences which would arise from COVID-19 would continue for an indefinite period of time, made it indispensable to enact Law 9/2020, of 25 June, on measures of economic rationalisation and human resources of the public sector and wage reductions for elected officials and positions of free designation of public entities ("**Law 9/2020**") – also approved unanimously by the General Council.

Furthermore, the aforementioned regulations approved in light of the COVID-19 pandemic have been accompanied by specific economic measures adopted by the Government and addressed to cushion the relevant economic impact. Thus, inter alia, the Decree of 24 March 2020 on the approval of an extraordinary guarantee programme for companies and businesses due to the health emergency caused by COVID-19 empowers the Government to provide liquidity to local businesses in order to confront the lockdown.

On 4 December 2020, Law 16/2020 on new exceptional and urgent measures for the health emergency situation caused by COVID-19 ("**Law 16/2020**") was approved.

The economic measures implemented by the Principality of Andorra to face the crisis arising from the health emergency caused by the COVID-19 pandemic pose a risk of a breach of the obligations established by Law 32/2014, of 27 November, on the sustainability of public finances and the budgetary and tax stability ("**Law 32/2014**"), and its subsequent amendments. For this reason, Law 3/2020, Law 5/2020, Law 9/2020 and Law 1/2021, of 28 January, amending Law 16/2020, provided for an exceptional budget for the Principality of Andorra in order to have access to the necessary financial resources to reach the objectives of such regulations, as well as others set by the Government-enacted regulation.

For any further information please refer to Section *Response to Covid-19*.

The exceptional budget presented by the Government and approved by the General Council provided for a financial stability plan which has the purpose of returning to the budgetary stability situation before the end of the fiscal year 2025, as a consequence of the budget deviations and the excess in expense regarding some parameters of the budgetary framework of the general Administration of the Principality of Andorra for the period corresponding to the 2020-2023 mandate, caused by the approval of such exceptional budget approved in order to face the crisis caused by the COVID-19 pandemic.

In particular, the addition of an extraordinary budget to the ordinary budget for the 2020 fiscal year caused deviations in the objectives determined by the Edict of 23 October 2019 by means of which the objectives on financial sustainability and budgetary and fiscal stability of the general Administration were officialised. These deviations are set out below.

Indebtedness limits

The indebtedness limit of 40% of the Gross Domestic Product ("**GDP**") and the general Administration's indebtedness target for the 2020 mandate, set forth by Law 32/2014, were affected by the extraordinary budget.

Maximum expenditure allowed

During 2020 and 2021, the maximum expenditure allowed, as well as the permitted expense objective, will exceed the set targets. On one side, due to the deficit increase and, on the other side, due to the reduction in the maximum expenditure allowed parameter because of the downward correction of the GDP variation.

This issue is expected to be resolved for the 2022 fiscal year.

Functioning/Operating expenses

This parameter is expected not to have been complied with in the 2020 fiscal year. This is due to the expected increase in operating expenses in order to face the crisis and to the downward correction of the GDP variation.

From 2021, the functioning and operating expenses are expected to be in accordance with the parameters set by Law 32/2014 and Law 18/2020, of 17 December, on the budget for the financial year 2021.

Limits on the weight of direct taxation on total direct and indirect taxes of the general administration

It is not expected that the COVID-19 pandemic will cause an imbalance between direct and indirect taxes which would prevent a compliance with this objective.

Although the Government has committed itself to presenting a more adjusted financial stability plan to the General Council once the health emergency has normalised, it is not possible to determine the exact duration of the health emergency and the consequent limitations in economic activity, and therefore it is impossible to make any accurate prediction on the impact that this situation may have on the Principality of Andorra's treasury as well as on the economy of the Principality of Andorra.

Effects of the global financial situation on the Issuer's economy and public finances

In 2020, COVID-19 and the restrictions on activity needed to contain it plunged the world into an abrupt and widespread recession. Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later in 2021, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022 (Source: IMF World Economic Outlook Update January 2021). Changes in global political conditions, such as Brexit, potential changes in the United States' economic policies under the Biden administration and ongoing trade tensions with China and the EU, and also the continued or escalated conflict in the Middle East, North Korea or elsewhere in the world have the potential to lead to extended periods of increased political and economic uncertainty and volatility in the global financial markets.

The Principality of Andorra's economy is affected by the current global economic conditions, including regional and international rates of economic growth. Downturns in the global economy may lead to increased market volatility and decreased consumer confidence. This may severely affect the Principality of Andorra due to its exposure to external shocks, significant economic difficulties among its major trading partners or more generally. The potential impact of such global economic pressure on the Issuer is uncertain. There can be no assurance that the Principality of Andorra's economy will grow in a prolonged negative global economic climate. In addition, the Principality of Andorra, as a small open economy, faces risks of external economic shocks such as significant economic difficulties in its main trading partners, geopolitical volatility in neighbouring countries, as well as sharp increases in global commodity prices and sharp drops in global oil and commodities supplies. In the Eurozone, GDP is forecast to grow by 3.7% in 2021 and 3.9% in 2022 in the EU, and by 3.8% in both years in the euro area. The speed of the recovery will, however, vary significantly across the EU. Some countries have suffered more during the pandemic than others, whereas some are more dependent on sectors such as tourism, which are likely to remain weak for some time. As a result, while some Member States are expected to see economic output return to their pre-pandemic levels by the end of 2021 or early 2022, others are forecast to take longer. (Source: European Commission, European Economic Forecast, Winter 2021(Inerim) Forecast, Overview). Any slowdown in the growth of the Spanish and French economies could affect the Issuer, to the extent that both Spain and France are the Principality of Andorra's largest export destinations. As well as the two main tourism exports, the evolution of the economies of other neighbouring countries may also have an impact on Andorra's economic situation.

In light of the unequal impact among countries, it should be noted that the approval of the Recovery Plan proposed by the European Commission ("NGEU") will favour a synchronised reactivation at a European level. The EU Member States will benefit from the NGEU due to the benefits and subsidies granted to their citizens under such Recovery Plan. Despite the NGEU does not directly apply to the Principality of Andorra, it is expected to have an indirect effect on the economy of the country as a consequence of the impact that it has on EU Member States, especially in France and Spain. The funds (€360 billion in loans and €390 billion in transfers) are a sufficiently significant amount to support the short-term economic recovery. In addition, the NGEU provides incentives aimed at transforming and modernising the European economies (with emphasis on environmental and technological transitions) and includes certain elements (such as issuing a significant amount of EU bonds) that could lay the foundations for a step forward in building the EU.

This scenario is subject to an unusually high level of uncertainty, especially regarding the evolution of the pandemic and of the medical advances to control it, as well as in relation to the implementation of the NGEU. On the one hand, a rapid deployment of highly effective vaccines and an agile implementation of the NGEU would contribute to speeding up the economic recovery process and to reducing damages to the productive fabric. On the other hand, the evolution of the pandemic may require strengthening the restrictions on mobility. Likewise, the economic recovery process could be undermined or become more gradual if there are delays in the vaccine distribution and in the administration, the ratification of the NGEU by the EU Member States and the disbursement of the NGEU funds.

The economy of the Principality of Andorra should follow a similar dynamic to the rest of Europe, although

activity is experiencing more intense declines due to the importance of sectors which are particularly sensitive to restrictions on mobility. In this sense, the total contraction of GDP in 2020 amounted to -12% compared to 2019. In this context, it is expected that the recovery that began halfway through 2020 will gain traction in 2021. The fiscal stimulus measures, both at a national and at an EU level, and the control of the pandemic by means of a vaccine or any other effective treatment should contribute to this.

The key economic figures of the Principality of Andorra in 2020 show a downward shift as a result of COVID-19. In 2020, the Principality of Andorra had a General Government gross debt burden as percentage of revenues of 104.4%, and a public debt around 43.1% of GDP (35.4% in 2019). The General Government had a reduction of 1.1% of GDP and surplus of 2.4% in 2019. The Central Government debt financed by domestic banks increased from €795 million in 2019 to €920 million in 2020, and indicates the diversification efforts undertaken by the Government, as explained below.

Historically, the Principality of Andorra's economic model has been mainly based on tourism-related activities, the financial sector and, to a lesser extent, on construction and real estate sectors. The current economic situation has made it clear that a new economic model based on human capital, competitiveness and knowledge is required, although this does not mean that the traditional sectors of the Principality of Andorra's economy have to disappear.

One of the main strategies of the Government, in order to revert this process, aims to promote private foreign investment in order to diversify the economy, creating new economic sectors while increasing the competitiveness of the sectors that already exist such as the tourist sector (by fostering the celebration of major events), or the construction sector.

Additionally, the liberalisation of foreign investment, along with the signing of Double Taxation Agreements ("DTAs"), following the application of direct taxation on companies and economic activities, as well as on the income of individuals, should also allow the Principality of Andorra's economy to compete with its neighbouring economies, while at the same time improve the finances of the Government.

The tax reform and the economic opening have contributed to the necessary diversification of the economy and the increase of competition. Nevertheless, the economy of the Principality of Andorra maintains its vulnerability to the effects of neighbouring economies due to the fact that the concentration in the financial services and the tourism maintains its importance.

To that respect, the global downturn of COVID-19, with a clear impact on cross-border investment flows and tourism, has affected the economic model of the Principality of Andorra. It is expected that the global and Andorran economy will recover from the current pandemic in 2021, opening again the country to foreign investment and tourism. However, if the recovering of the economy of the neighbour countries delays or is not as strong enough, this could have an adverse impact on the Principality of Andorra's economy.

Due to the very limited size of the Principality of Andorra and reduced access to a stable source of international finance, the Principality of Andorra is placed in a clear situation of fragility before the current scenario caused by COVID-19. All this, combined with low interest rates, raises the overcapitalisation of the Principality of Andorra.

COVID-19 has eroded tax revenues and has led to an increase in the public debt of the Principality of Andorra. Additionally, the extent of the COVID-19 impact in the Andorran economy could not yet be quantified. Therefore, it cannot be actually ruled out that the impact of the COVID-19 crisis on the Andorran economy could still worsen in the coming months.

The Issuer may be unable to access suitable funding markets when required

The most likely impact of this risk would be that the Issuer may have a delay in accessing appropriate funding markets or may suffer a loss as a result of market changes adversely affecting any positions that it may have taken. In the worst case, the Issuer may be unable to refinance significant loans or Notes becoming due.

1.2 Risks relating to the Issuer's activities as a sovereign state

A crisis in the financial services and banking sectors could have an adverse effect on the Principality Andorra's economy

The Principality of Andorra has made concerted efforts over the past decade to encourage the growth of its financial services and banking sectors, and the country is one of the primary financial centres for Europe. In 2020, the financial services sector was the single largest contributor to the Principality of Andorra's

economy, accounting for 11.4% of GDP for that year (11% of GDP in 2019).

The banks of the Principality of Andorra are major lenders to the country. As at 31 December 2020, approximately €411,885,165 of domestic public debt was held by banks (€361,751,298 in 2019 having outstanding loans with the country of €3,955,190,880.35, as compared to €3,956,411,550.86, as at 31 December 2019). The ratio of required reserves to banking sector assets was 7.80% as at 31 December 2020 (as compared to 8.16% as at 31 December 2019).

Furthermore, factors adversely affecting the asset quality, liquidity, capital adequacy or profitability of banks operating in the Principality of Andorra may add further pressure on the banking industry. While the loan-to-deposit ratio, the ratio of non-performing loans to gross loans and the ratio of liquid assets to total assets, which are key indicators of the state of the banking sector, have remained broadly stable in recent years, any subsequent global or regional deterioration in the global financial services sector (including global commodity prices) could have an adverse impact on the Principality of Andorra's economy, its extractive, financial, real estate and manufacturing sectors, and/or its credit rating and adversely affect the trading price of the Notes.

The exposure of the Principality of Andorra to counterparties in the financial services industry is relatively significant. This exposure mainly arises through its funding in the capital market and investment activities. These counterparties mainly include commercial banks and investment banks. Many of these relationships expose the Principality of Andorra to credit risk in the event of a default of a counterparty. In addition, the Principality of Andorra's credit risk may be exacerbated when the collateral it holds is not sufficient, cannot be realised upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure when it becomes due. Many of the hedging and other risk management strategies utilised by the Principality of Andorra also involve transactions with financial services counterparties. The weakness or insolvency of these counterparties may impair the effectiveness of the Principality of Andorra's hedging and other risk management strategies.

Disruption of technology systems or breaches of data security may adversely impact the Issuer's operations, reputation and financial position

Many of the day-to-day operations of the Issuer are computer-based, and therefore the reliability and security of the Issuer's information technology systems and infrastructure are essential. Technology risk may arise from events including a failure of these systems to operate effectively, an inability to restore or recover such systems in acceptable timeframes, a breach of data security, or other forms of cyber-attack. These events may be wholly or partially beyond the control of the Issuer. Such events may result in disruption to operations, reputation damage, litigation, loss or theft of data, or regulatory investigations and penalties. This may adversely impact the Issuer's financial performance and position.

The Principality of Andorra has a relatively narrow revenue base

The Principality of Andorra has a diverse but relatively narrow revenue base due to a small population base and low taxes. For the year ended 31 December 2020, the Principality of Andorra recorded total revenues of €406.88 million, and €447.06 million for 2019.

The Principality of Andorra's sovereign credit rating is subject to revision and downgrade

Ratings are an important factor in establishing the financial strength of debt issuers and are intended to measure an issuer's ability to repay its obligations based upon criteria established by the rating agencies. In the latest evaluation by Standard & Poor's on 15 January 2021, the rating agency confirmed the Principality of Andorra's rating at "BBB/A-2" and maintained the stable outlook of the Principality of Andorra. Furthermore, the latest sovereign rating evaluation by the rating agency Fitch took place on 29 January 2021, in which the agency reaffirmed the Principality of Andorra's rating as BBB+ with stable outlook.

These ratings reflect the current opinion of the relevant rating agency, and these ratings could be downgraded or withdrawn in the future. Rating agencies may increase the frequency and scope of ratings reviews, revise their criteria or take other actions that may negatively affect the Principality of Andorra's ratings. In addition, changes to the process or methodology of issuing ratings, or the occurrence of events or developments affecting the Principality of Andorra, could make it more difficult for the Principality of Andorra to achieve ratings that it would otherwise have expected. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by its assigning rating agency at any time.

The Issuer cannot be certain that a credit rating will remain for any given period of time or that a credit rating will not be affirmed or withdrawn entirely by the relevant rating agency if, in its judgement,

circumstances in the future so warrant. The Issuer has no obligation to inform the holders of the Notes of any such revision, downgrade or withdrawal.

Any downgrade in the Principality of Andorra's credit rating or a change in outlook could have a material adverse effect on its cost of borrowing and could limit its access to debt capital markets. A downgrade may also adversely affect the market value of the Notes. Furthermore, any unsolicited ratings may not benefit from the Principality of Andorra's input but could also negatively affect the Principality of Andorra's cost of borrowing. Whilst the Principality of Andorra continues to monitor and manage the risk of further credit ratings downgrades or negative changes in outlook, there can be no assurance that its efforts in this regard will be sufficient or successful.

2. Risk relating to the Notes issued under the Programme

Investors may experience difficulties in enforcing foreign judgments in Andorra

Payments under the Notes are dependent upon the Issuer making payments to investors in the manner contemplated under the Notes. If the Issuer fails to do so, it may be necessary to bring an action against the Issuer to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time consuming.

The Conditions and the Notes are governed by Luxembourg law, and the Issuer has agreed, at the option of certain parties (other than the Issuer) to submit to the exclusive jurisdiction of the Luxembourg courts in respect of any dispute arising out of or in connection with the Notes. The Issuer is a sovereign state, and a substantial part of the Issuer's assets are located in Andorra. Investors may experience difficulties in enforcing foreign (including Luxembourg) judgments in Andorra, as further set out below.

Since the Principality of Andorra is not a member state of the European Union, recognition and enforcement proceeding of foreign judgments in the Principality of Andorra is not automatic, nor is Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters applicable.

Under the law of the Principality of Andorra, the enforcement of a judgment given by a foreign court against the Issuer and/or an Andorran State-owned entity is subject to confirmation by the High Court of Justice of Andorra ("*Tribunal Superior de Justicia d'Andorra*") through a previous exequatur procedure. Proceedings for exequatur are brought by the party that is interested in the enforcement of the foreign judgment.

This procedure is subject to claim and counterclaim, and the Public Prosecutor ("*Ministeri Fiscal*") and the party against whom the enforcement is sought take part in it. The approval of the exequatur entails verification by the Civil Chamber of the High Court of Justice ("*Sala Civil del Tribunal Superior de Justicia*") of the following requirements pursuant to the foreign judgment: (i) the competence of the court that has given the ruling; (ii) the regular nature of the foreign procedure, including the right to jurisdiction (under the Andorran Constitution); (iii) the application of the competent law in compliance with Andorran conflict rules; (iv) conformity with national and international public order; and (v) the absence of any fraud from an Andorran legal standpoint. Consequently, recognition and enforcement of judgments of foreign courts in Andorra may be refused by the Andorran courts in the course of such exequatur proceedings.

The courts of first instance ("**Magistrates Court**") shall be the competent body for exequatur proceedings in Andorra pursuant to the Code of Civil Procedure, which shall enter into force on 1 May 2021.

Currently, there are no precedents of resolutions and/or exequaturs of Luxembourg Court resolutions that deal with the enforcement of debts owed by Andorran governmental bodies. Therefore, effective enforcement of judgments against the Issuer in the Andorran courts is subject to uncertainty.

Additionally, the General Council enacted the Qualified Act of Justice of 3 September 1993 whereby State immunity was established. This legal framework upholds the application of international conventions as customary international law in the Principality of Andorra, such as the provisions adopted in the European Convention on State immunity, adopted in Basel on 16 May 1972 on State immunity, and may be used as a recognition document of customary international law.

To this extent, the Principality of Andorra is a State party of the Vienna Convention on the Law of Treaties on 23 May 1969 whereby the States parties affirm that the rules of customary international law shall continue to govern questions not regulated by the provisions of that convention.

In this vein, the Vienna Convention on the Law of Treaties on 23 May 1969 establishes that the States rules set forth in the treaty shall become binding on third States as a customary rule of international law. Thus, the United Nations Convention on Jurisdictional Immunities of States and their Property, adopted in New

York on 2 December 2004 and the European Convention on State immunity, adopted in Basel on 16 May 1972 on State immunity shall be also applicable in Andorra by means of conduct of customary international law (even though Andorra is not a State party to them).

Nonetheless, the Principality of Andorra waives its sovereign immunity in respect of the Notes, subject to certain exceptions. In particular, the waiver of sovereign immunity is subject to the exception that a court decision may not be enforced against present or future "premises of the mission" as defined in Vienna Convention on Diplomatic Relations signed in 1961, present or future "consular premises" as defined in Vienna Convention on Consular Relations signed in 1963 or otherwise used by a diplomat or diplomatic mission of the Principality of Andorra or any agency or instrumentality thereof. The Principality of Andorra is a signatory of both conventions from 17 May 1996.

This exception also encompasses any immovable property which falls under provisions of paragraph 1 to 3 of article 76 of the Code of the Administration, of 29 March 1989, excluding in all cases public domain goods for public utility purposes, any other property or assets, including the rights used solely or mainly for official state purposes in the Principality of Andorra or elsewhere, claims of the Principality of Andorra on the basis of taxes, contributions and other public duties or the natural resources and objects of historical and artistic heritage safeguarded by the Constitution of the Principality of Andorra.

Modification and waiver

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Conditions also provide that the Issuer may, in the case of Floating Rate Notes, without the consent of the Noteholders, effect amendments necessary to give effect to any successor rate or alternative reference rate (as further described in Condition 7(i) (*Benchmark Discontinuation*)).

The Notes may be redeemed prior to maturity

If, in the case of any particular Tranche of Notes, the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option in certain circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future

EURIBOR and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

The EU Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. The EU Benchmark Regulation could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("€STR") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the EU Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of a benchmark, or changes in the manner of administration of any benchmark, could

require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(i) (*Benchmark Discontinuation*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "Terms and Conditions of the Notes" provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, unlawful or unrepresentative, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmark Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Notes issued as Green/Social/Sustainability Bonds with a specific use of proceeds, may not meet investor expectations or requirements

The Final Terms relating to a specific Tranche of Notes may provide that it is the Issuer's intention to apply an amount equal to the net proceeds of those Notes for projects that promote environmental and/or social goals (the "**Eligible Green and Social Expenditures**") in accordance with the Issuer's Green, Social and Sustainability Bond Framework (the "**Green, Social and Sustainability Bond Framework**"). A prospective investor should have regard to the information set out in the section "*Use of Proceeds*" of the "*Green/Social/Sustainability Bonds*" and determine for itself the relevance of such information for the purpose of an investment in such Notes together with any other investigation it deems necessary.

No assurance is given by the Issuer, the Arrangers or the Dealers that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Green, Social and Sustainability Bond Framework.

No assurance can be given that Eligible Green and Social Expenditures will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including pursuant to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called "EU Taxonomy") or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA). Each prospective investor should have regard to the factors described in the Green, Social and Sustainability Bond Framework and the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Notes before deciding to invest.

No representation or assurance is given as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green/Social/Sustainability Bonds. For the avoidance of doubt, any such opinion or certification is not incorporated in this Base Prospectus. Any such opinion or certification is not a recommendation by the Issuer, the Arrangers, the Dealers or any other person to buy, sell or hold any such Notes and is current only as of the date it was

issued. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

In the event that any such Notes are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Arrangers, the Dealers or any other person that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Arrangers, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes issued as Green/Social/Sustainability Bonds for Eligible Green and Social Expenditures and obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in the manner described in the Green, Social and Sustainability Bond Framework and/or in the applicable Final Terms, there is no contractual obligation to do so. There can be no assurance that any such Eligible Green and Social Expenditures will be available or capable of being implemented in the manner anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Green and Social Expenditures as intended. In addition, there can be no assurance that Eligible Green and Social Expenditures will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. Any failure by the Issuer to allocate the proceeds of any Notes issued as Green/Social/Sustainability Bonds or obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in the manner described in the Green, Social and Sustainability Bond Framework and/or in the applicable Final Terms as anticipated or any failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green/Social/Sustainability Bonds or the failure of the Notes issued as Green/Social/Sustainability Bonds to meet investors' expectations requirements regarding any "green", "sustainable", "social" or similar labels will not constitute an Event of Default or breach of contract with respect to any of the Notes issued as Green/Social/Sustainability Bonds.

A failure of the Notes issued as Green/Social/Sustainability Bonds to meet investor expectations or requirements as to their "green", "sustainable", "social" or equivalent characteristics including the failure to apply proceeds for Eligible Green and Social Expenditures, the failure to provide, or the withdrawal of, a third party opinion or certification, the Notes ceasing to be listed or admitted to trading on any dedicated stock exchange or securities market as aforesaid or the failure by the Issuer to report on the use of proceeds or Eligible Green and Social Expenditures as anticipated, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice

versa, it may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder which, as a result of trading such amounts, holds an amount, which is less than the minimum Specified Denomination in its account with the relevant clearing system, would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at, or in excess of, the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount, which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time, may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at, or in excess of, the minimum Specified Denomination, such that its holding amounts to a Specified Denomination. If such Notes in definitive form are issued, holders should be aware that definitive Notes, which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

3. Risks related to the market generally

There is no active trading market for the Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes would generally have a more limited secondary market and more price volatility than conventional debt securities.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Although application has been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market "Bourse de Luxembourg" of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes and, therefore, any prospective purchaser should be prepared to hold the Notes until the maturity or final redemption of such Notes.

Illiquidity may have a material adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's

Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market and additional factors discussed above that may affect the value of the Notes and as such should not be relied upon by investors when making an investment decision. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA that is certified under the CRA Regulation. Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The terms and conditions of the Notes contain a "collective action" clause under which the terms of any one Series of Notes and/or multiple Series of Notes may be amended, modified or waived without the consent of the holders of all Notes

The Conditions contain provisions regarding amendments, modifications and waivers, commonly referred to as "collective action" clauses. Such clauses permit defined majorities to bind all Noteholders, including Noteholders who did not vote and Noteholders who voted in a manner contrary to the majority. The relevant provisions also permit, in relation to reserved matters, multiple Series of Notes to be aggregated for voting purposes (provided that each such Series also contains the collective action clauses in the terms and conditions of the relevant Notes).

The Issuer expects that all Series of Notes issued under the Programme will include such collective action clauses, thereby giving the Issuer the ability to request modifications or actions in respect of reserved matters across multiple Series of Notes. This means that a defined majority of the holders of such Series of Notes (when taken in the aggregate only, in some circumstances, and/or individually) would be able to bind all holders of Notes in all the relevant aggregated Series. Any modification or actions relating to reserved matters, including in respect of payments and other important terms, may be made to a single Series of Notes with the consent of the holders of 75 per cent. of the aggregate nominal amount outstanding of such Notes, and to multiple Series of Notes with the consent of both (i) the holders of 66⅔ per cent. of the aggregate nominal amount outstanding of all Series of Notes being aggregated and (ii) the holders of 50 per cent. in aggregate nominal amount outstanding of each Series of Notes being aggregated. In addition, under certain circumstances, including the satisfaction of the Uniformly Applicable Condition in the Conditions, any such modification or action relating to reserved matters may be made to multiple Series of Notes with the consent of 75 per cent. of the aggregate nominal amount outstanding of all Series of Notes

being aggregated only, without requiring a particular percentage of the holders in any individual affected Series of Notes to vote in favour of any proposed modification or action. Any modification or action proposed by the Issuer may, at the option of the Issuer, be made in respect of some Series of Notes only and, for the avoidance of doubt, the provisions may be used for different groups of two or more Series of Notes simultaneously. At the time of any proposed modification or action, the Issuer will be obliged, *inter alia*, to specify which method or methods of aggregation will be used by the Issuer.

There is a risk therefore that the terms and conditions of a Series of Notes may be amended, modified or waived in circumstances whereby the Noteholders voting in favour of an amendment, modification or waiver may be Noteholders of a different Series of Notes and as such, without a minimum percentage of the Noteholders of the relevant Series (such as the Notes) having voted in favour of such amendment, modification or waiver. In addition, there is a risk that the provisions allowing for aggregation across multiple Series of Notes may make the Notes less attractive to purchasers in the secondary market on the occurrence of an Event of Default or in a distress situation. Further, any such amendment, modification or waiver in relation to any Notes may adversely affect their trading price.

In the future, the Issuer may issue debt securities, including securities that may not be issued under the Programme, which contain collective action clauses in the same form as the collective action clauses in the Conditions. If this occurs, then this could mean that any Series of Notes issued under the Programme would be capable of aggregation with any such future debt securities.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the condition (financial, economic, political or otherwise) of the Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. In relation to the different types of Notes which may be issued under the Programme, the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a registration document (the "**Registration Document**") containing the necessary information relating to the Issuer, a securities note (the "**Securities Note**") containing the necessary information relating to the relevant Notes and, if necessary, a summary note.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**"), which will be issued in classic global note ("**CGN**") form, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system. Notes issued under the Programme are not intended to be issued in new global note form.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (a) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
 - (b) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership
- within 7 days of the bearer requesting such exchange.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided, however, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of

the bearer of the Permanent Global Note, for Notes in definitive form ("**Definitive Notes**"):

- (a) on the expiry of such period of notice as may be specified in the Final Terms; or
- (b) at any time, if so specified in the Final Terms; or
- (c) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have).

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have).

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have).

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Notes which is being admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Base Prospectus.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

- (a) *Programme:* The Principality of Andorra (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 1,200,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of a fiscal agency agreement dated 23 April 2021 (the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon SA/NV, Dublin Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (d) *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing on the website of the Luxembourg Stock Exchange at www.bourse.lu and on the website of the Issuer at <https://www.finances.ad/emissions-de-deute-public> and copies may be obtained from the Issuer at Ministry of Finance, General Controller, Carrer Prat de la Creu, 62-64, AD500 Andorra la Vella, Principat d'Andorra.
- (e) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"Business Day" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"DA Selected Bond" means the government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the Remaining Term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in determining the redemption price of corporate debt securities denominated in the same

currency as the Notes and with a comparable remaining maturity to the Remaining Term of the Notes;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
 - (iii) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
 - (iv) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
 - (v) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
 - (vi) if **"30/360"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\frac{\text{Day Count Fraction}}{360} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30";

- (vii) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of

February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"Determination Agent" means an independent adviser, investment bank or financial institution of recognised standing selected by the Issuer;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"EURIBOR" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over administration of that rate);

"Extraordinary Resolution" has the meaning given in the Agency Agreement;

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"First Interest Payment Date" means the date specified in the relevant Final Terms;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Gross Redemption Yield" means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper *"Formulae for Calculating Gilt Prices from Yields"*, page 5, Section One: Price/Yield Formulae *"Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date"* (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent;

"Guarantee" means any guarantee of or indemnity in respect of indebtedness or other like obligation;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar

Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Benchmarks Supplement" means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc;

"ISDA Definitions" means the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc. including, if specified in the relevant Final Terms, the ISDA Benchmark Supplement;

"Issue Date" has the meaning given in the relevant Final Terms;

"Make Whole Redemption Price" has the meaning given in Condition 9(b) (*Redemption and Purchase - Redemption at the option of the Issuer*);

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Minimum Rate of Interest" for any Interest Period has the meaning given in the Final Terms but shall never be less than zero, including any relevant margin;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Non-Sterling Make Whole Redemption Amount" has the meaning given in Condition 9(b) (*Redemption and Purchase - Redemption at the option of the Issuer*);

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Payment Business Day" means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

- (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Permitted Security Interest" means:

- (a) any Security Interest upon property (or any revenues therefrom) to secure Public External Indebtedness incurred for the purpose of financing the acquisition or construction of such property;
- (b) any Security Interest existing on any property (or any revenues therefrom) at the time of its acquisition;
- (c) any Security Interest securing Public External Indebtedness incurred for the purpose of Project Financing provided that (i) the holders of such Public External Indebtedness expressly agree to limit their recourse to the assets and revenues of such project as the principal source of repayment of such Public External Indebtedness and (ii) the property over which such Security Interest is granted consists solely of such assets and revenues;
- (d) any Security Interest existing on the original date of issue of the relevant Series;
- (e) any Security Interest arising by operation of law or which arose pursuant to any order of attachment, distraint or similar legal process arising in connection with court proceedings so long as the execution or other enforcement thereof is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings; and
- (f) the renewal or extension of any Security Interest described in subparagraphs (a) to (e) above, provided that the principal amount of the original financing secured thereby is not increased;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (b) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (c) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Project Financing" means any arrangement for the provision of funds which are to be used solely to finance a project for the acquisition, construction, development or exploitation of any property;

"Public External Indebtedness" means any present or future indebtedness

- (a) in the form of, or represented by, notes, bonds or other similar instruments which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over the counter or other securities market; and
- (b) which is (i) payable in or by reference to a currency which is not the lawful currency for the time being of Andorra, or (ii) which is payable in or by reference to the lawful currency for the time being of Andorra where more than 50 per cent. in aggregate principal amount of such indebtedness is initially placed outside Andorra;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Quotation Time" has the meaning given in the relevant Final Terms;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Optional Redemption Amount (Call), the Sterling Make Whole Redemption Amount, the Non-Sterling Make Whole Redemption Amount, the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Redemption Margin" means the figure specified in the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

"Reference Bond" means the bond specified in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

"Reference Bond Price" means, with respect to any Reference Date, (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations;

"Reference Bond Rate" means, with respect to any Reference Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) for the Remaining Term or interpolated yield for the Remaining Term (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

"Reference Date" means the date falling three London Business Days prior to the Optional Redemption Date (Call);

"Reference Government Bond Dealer" means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if applicable), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" means EURIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

"Regular Period" means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Remaining Term**" means the term to maturity or, if a Par Redemption Date is specified in the relevant Final Terms, to such Par Redemption Date;

"**Reserved Matter**" has the meaning given in Condition 16(e);

"**Security Interest**" means a lien, pledge, mortgage, security interest, charge or other encumbrance or preferential arrangement which has the practical effect of constituting a security interest;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Sterling Make Whole Redemption Amount**" has the meaning given in Condition 9(b) (*Redemption and Purchase – Redemption at the option of the Issuer*);

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system or any successor thereto;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination and Title**

- (a) *Notes:* The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination.
- (b) *Title to Notes:* Title to Notes and the Coupons will pass by delivery. "**Noteholder**" means the holder of such Note and "**Couponholder**" shall be construed accordingly.
- (c) *Ownership:* The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.

4. **Status**

The Notes constitute direct, unconditional and (subject to the provisions of Condition 5 (*Negative Pledge*)), unsecured obligations of the Issuer which will at all times rank *pari passu* without preference among themselves and shall be unsubordinated and rank at least *pari passu* with all other present and future unsecured Public External Indebtedness of the Issuer from time to time outstanding, provided, however, that the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Public External Indebtedness and, in particular, shall have no obligation to pay other Public External Indebtedness at the same time or as a condition of paying sums due on the Notes and vice versa.

5. **Negative Pledge**

So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer shall not create or permit to subsist any Security Interest other than a Permitted Security Interest upon any of its assets or revenues, present or future, to secure any Public External Indebtedness or Guarantee of Public External Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

- (a) *Application:* This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
 - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

- (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable:
 - (A) the Issuer will request the principal Relevant Financial Centre office of each of the Reference Banks to provide to the Calculation Agent a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) the Calculation Agent will determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; ***provided, however, that*** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) ***ISDA Determination:*** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is as specified in the relevant Final Terms; and

(iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the rate for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

- (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(h) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(i) *Benchmark Discontinuation:*

If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(i)) and, in either case, an Adjustment Spread, if

any (in accordance with Condition 7(i)(cc)) and any Benchmark Amendments (in accordance with Condition 7(i)(dd)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, or the Noteholders for any determination made by it pursuant to this Condition 7(i) (*Benchmark Discontinuation*).

- (aa) If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(i) prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediately following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this Condition 7(i)(aa) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(i) (*Benchmark Discontinuation*).
- (bb) If the Independent Adviser determines in its discretion that:
 - (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(i)(cc)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(i) (*Benchmark Discontinuation*) in the event of a further Benchmark Event affecting the Successor Rate; or
 - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(i)(cc)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(i) (*Benchmark Discontinuation*) in the event of a further Benchmark Event affecting the Alternative Rate.
- (cc) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).
- (dd) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(i) (*Benchmark Discontinuation*) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 7(i)(ee), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(i) (*Benchmark Discontinuation*)).
- (ee) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(i) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in

accordance with Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(ff) No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(i); and
- (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

(gg) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(hh) As used in this Condition 7(i) (*Benchmark Discontinuation*):

"Adjustment Spread" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (C) (if no such determination has been made) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 7(i) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"Benchmark Event" means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or
- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or
- (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D) or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

"**Benchmark Amendments**" has the meaning given to it in Condition 7(i)(dd).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 7(i).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).
- (b) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than 15 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable), but may (at the option of the Issuer) be conditional on one or more conditions precedent being satisfied, or waived by the Issuer, and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms (together, if appropriate, with accrued interest to (but excluding) the relevant Optional Redemption Date (Call)) at one of:
 - (i) the Optional Redemption Amount (Call); or
 - (ii) the Make Whole Redemption Price.

The "**Make Whole Redemption Price**" will, in respect of Notes to be redeemed, be:

- (i) if "**Sterling Make Whole Redemption Amount**" is specified as being applicable in the relevant Final Terms an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the sum of (x) the Gross Redemption Yield (as determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus (y) the Redemption Margin, as determined by the Determination Agent; or
- (ii) if "**Non-Sterling Make Whole Redemption Amount**" is specified in the applicable Final Terms an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the yield to maturity (or, if applicable, yield to the Par Redemption Date) on such Notes on the Reference Date is equal to the sum of (x) the Reference Bond Rate at the Quotation Time on the Reference Date, plus (y) the Redemption Margin, as determined by the Determination Agent,

provided however that, in the case of either (i) or (ii) above, if the Optional Redemption Date (Call) occurs on or after the Par Redemption Date (if any) specified in the relevant Final Terms, the Make-Whole Redemption Price will be equal to 100 per cent of the principal amount of the Notes.

- (c) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(b) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(b) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (d) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(d), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant final terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(d), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(d), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (e) *Clean-up Call Option:* If the Clean-up Call Option (defined herein) is specified in the relevant Final Terms as being applicable, in the event that at least 75 per cent. of the initial aggregate principal amount of the Notes has been redeemed and/or purchased and cancelled by the Issuer, the Issuer may, at its option (the "**Clean-Up Call Option**") but subject to having given not less than 15 nor more than 60 days' notice to the Noteholders in accordance with Condition 20 (*Notices*), redeem or purchase (or procure the purchase of) all, but not some only, of the outstanding Notes. Any such redemption of Notes shall be at their Optional Redemption Amount (as specified in the applicable Final Terms) together with interest accrued up to (but excluding) the date fixed for redemption.
- (f) *Residual Maturity Call Option:* If a Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving not less than 15 nor more than 60 days' notice (or such other period of notice as may be specified in the relevant Final Terms) to the Noteholders in accordance with Condition 20 (*Notices*) (which notice shall specify the date fixed for redemption (the "**Residual Maturity Call Option Redemption Date**")), redeem the Notes comprising the relevant Series, in whole but not in part, at their principal amount together with any accrued and unpaid interest up to (but excluding) the date fixed for redemption, which shall be no earlier than three months before the Maturity Date in respect of Notes or such shorter time period as may be specified in the Final Terms.
- (g) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (f) above.

- (h) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date Fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(h) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) *Purchase:* The Issuer may at any time purchase Notes in the open market or otherwise and at any price and such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation (*provided that*, if the Notes are to be cancelled, they are purchased together with all unmaturing Coupons and unexchanged Talons relating to them).
- (j) *Cancellation:* All Notes redeemed and any unmaturing Coupons or unexchanged Talons attached to or surrendered with them shall be cancelled and all Notes so cancelled and any Notes cancelled pursuant to Condition 9(i) (*Purchase*) above (together with all unmaturing Coupons and unexchanged Talons cancelled with them) may not be reissued or resold.

10. **Payments**

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (e) *Commissions or Expenses:* No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (f) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.
- Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.
- (g) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 10(g) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(d) (*Redemption at the option of Noteholders*), Condition 9(b) (*Redemption at the option of the Issuer*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (h) *Payments on Business Days:* If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (i) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (j) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (k) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*)). Upon the due date for redemption of any

Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Taxation**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Principality of Andorra or any political subdivision therein or any authority therein or thereof having power to tax (the "**Relevant Jurisdiction**"), unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (i) by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (ii) more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
- (iii) held by or on behalf of a Holder who is an individual and such withholding or deduction is required to be made pursuant to any EU regulations or directives or any laws or regulations of the Relevant Jurisdiction which are adopted so as to be aligned with such EU regulations or directives; or
- (iv) where such withholding or deduction is required to be made pursuant to any laws or regulations of the Relevant Jurisdiction which are adopted so as to be aligned with international tax standards adopted in OECD countries.

12. **Events of Default**

If any of the following events occurs and is continuing, then Holders of at least 25 per cent. of the aggregate principal amount of the outstanding Notes may give written notice to the Issuer (with copy to the Fiscal Agent) declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality:

- (i) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes within 14 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 30 days of the due date for payment thereof; or
- (ii) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under the Terms and Conditions of the Notes and such default remains unremedied for 45 days after written notice thereof has been delivered to the Issuer or to the Specified Office of the Fiscal Agent by or on behalf of any Noteholder; or
- (iii) *Acceleration and cross-default*:
 - (A) the holders of any Public External Indebtedness of the Issuer accelerate such Public External Indebtedness or declare such Public External Indebtedness to be due and payable, or required to be prepaid (other than by a regularly scheduled required payment), prior to the originally stated maturity thereof as a result of an event of default or potential event of default (howsoever described); or
 - (B) the Issuer fails to pay in full any principal of any Public External Indebtedness when due (after expiration of any originally applicable grace period) or any

Guarantee thereof given by the Issuer shall not be honoured when due and called upon (after the expiration of any originally applicable grace period),

provided that the aggregate amount of the relevant Public External Indebtedness or Guarantee in respect of which one or more of the events mentioned above in this Condition 12(c) shall have occurred equals or exceeds EUR 50,000,000 or its equivalent in any other currency or currencies, as the case may be,

If the Issuer receives notice in writing from Holders of at least 50 per cent. in aggregate principal amount of the outstanding Notes to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Holders (with a copy to the Fiscal Agent), whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

13. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

The Luxembourg act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended (the "**Involuntary Dispossession Act 1996**") requires that any amount that is payable under the Notes (but has not yet been paid to the holders of the Notes), in the event that (i) an opposition has been filed in relation to the Notes and (ii) the Notes mature prior to becoming forfeited (as provided for in the Involuntary Dispossession Act 1996), is paid to the *Caisse des consignations* in Luxembourg until the opposition has been withdrawn or the forfeiture of the Notes occurs.

14. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

15. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Fiscal Agent and Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a Fiscal Agent; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

16. Meetings of Noteholders; Written Resolutions

(a) Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions

- (i) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the Agency Agreement. The Issuer will determine the time and place of the meeting. The Issuer will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.
- (ii) The Issuer or the Fiscal Agent will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Agency Agreement and described in Condition 16(i) (*Notes controlled by the Issuer*)) have delivered a written request to the Issuer or the Fiscal Agent setting out the purpose of the meeting. The Fiscal Agent will agree the time and place of the meeting with the Issuer promptly. The Issuer or the Fiscal Agent, as the case may be, will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.
- (iii) The Issuer (with the agreement of the Fiscal Agent) will set the procedures governing the conduct of any meeting in accordance with the Agency Agreement. If the Agency Agreement does not include such procedures, or additional procedures are required, the Issuer and the Fiscal Agent will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.
- (iv) The notice convening any meeting will specify, *inter alia*:
 - (A) the date, time and location of the meeting;
 - (B) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
 - (C) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
 - (D) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;
 - (E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;
 - (F) whether Condition 16(b) (*Modification of this Series of Notes only*), or Condition 16(c) (*Multiple Series Aggregation – Single limb voting*), or Condition 16(d) (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;
 - (G) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being

- aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
- (H) such information that is required to be provided by the Issuer in accordance with Condition 16(f) (*Information*);
 - (I) the identity of the Aggregation Agent and the Calculation Agent (as these terms are defined below), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Clause 16(g) (*Claims Valuation*); and
 - (J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.
- (v) In addition, the Agency Agreement contains provisions relating to Written Resolutions. All information to be provided pursuant to Condition 16(a)(iv) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions.
- (vi) A "**record date**" in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.
- (vii) An "**Extraordinary Resolution**" means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.
- (viii) A "**Written Resolution**" means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.
- (ix) Any reference to "**debt securities**" means any notes (including the Notes), bonds, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year.
- (x) "**Debt Securities Capable of Aggregation**" means those debt securities which include or incorporate by reference this Condition 16 (*Meetings of Noteholders; Written Resolutions*) and Condition 17 (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.
- (b) *Modification of this Series of Notes only*
- (i) Any modification of any provision of, or any action in respect of, these Conditions or the Agency Agreement in respect of the Notes may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
 - (ii) A "**Single Series Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 16(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) by a majority of:
 - (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or

- (B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate principal amount of the outstanding Notes.
 - (iii) A "**Single Series Written Resolution**" means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:
 - (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
 - (B) in the case of a matter other than a Reserved Matter more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders.
 - (iv) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Noteholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be, and on all Couponholders.
- (c) *Multiple Series Aggregation – Single limb voting*
- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.
 - (ii) A "**Multiple Series Single Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 16(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).
 - (iii) A "**Multiple Series Single Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable notes documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of debt securities.
 - (iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be, and on all Couponholders and couponholders of each other affected series of Debt Securities Capable of Aggregation.
 - (v) The "**Uniformly Applicable**" condition will be satisfied if:

- (A) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (i) the same new instrument or other consideration or (ii) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
- (B) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to different currency of issuance).

It is understood that a proposal under Condition 16(c)(iii) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).

- (vi) Any modification or action proposed under Condition 16(c)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 16(c) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.
- (d) *Multiple Series Aggregation – Two limb voting*
 - (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
 - (ii) A "**Multiple Series Two Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 16(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:
 - (A) at least 66⅔ per cent. of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).
 - (iii) A "**Multiple Series Two Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in

accordance with the applicable notes documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

- (A) at least 66⅔ per cent. of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
- (B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

- (iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be, and on all Couponholders and couponholders of each other affected series of Debt Securities Capable of Aggregation.
 - (v) Any modification or action proposed under Condition 16(d)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 16(d) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.
- (e) *Reserved Matters*

In these Conditions, "**Reserved Matter**" means any proposal:

- (i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;
- (ii) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;
- (iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;
- (iv) to change this definition, or the definition of "Extraordinary Resolution", "Single Series Extraordinary Resolution", "Multiple Series Single Limb Extraordinary Resolution", "Multiple Series Two Limb Extraordinary Resolution", "Written Resolution", "Single Series Written Resolution", "Multiple Series Single Limb Written Resolution" or "Multiple Series Two Limb Written Resolution";
- (v) to change the definition of "debt securities" or "Debt Securities Capable of Aggregation";
- (vi) to change the definition of "Uniformly Applicable";
- (vii) to change the definition of "outstanding" or to modify the provisions of Condition 16(i) (*Notes controlled by the Issuer*);

- (viii) to change (A) the legal ranking of the Notes or (B) to approve such other arrangement by way of Extraordinary Resolution of the Noteholders as referred to in Condition 5 (*Negative Pledge*);
 - (ix) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 12 (*Events of Default*);
 - (x) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer's waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 23 (*Governing Law and Jurisdiction*);
 - (xi) to impose any condition on or otherwise change the Issuer's obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;
 - (xii) to modify the provisions of this Condition 16(e);
 - (xiii) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security;
 - (xiv) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:
 - (A) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or
 - (B) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.
- (f) *Information*
- Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 16(b) (*Modification of this Series of Notes only*), Condition 16(c) (*Multiple Series Aggregation – Single limb voting*) or Condition 16(d) (*Multiple Series Aggregation – Two limb voting*), the Issuer shall publish in accordance with Condition 17 (*Aggregation Agent; Aggregation Procedures*), and provide the Fiscal Agent with the following information:
- (i) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for any potential modification or action, a description of the Issuer's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;
 - (ii) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
 - (iii) a description of the Issuer's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and

- (iv) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in Condition 16(a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*).

(g) *Claims Valuation*

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Condition 16(c) (*Multiple Series Aggregation – Single limb voting*) and Condition 16(d) (*Multiple Series Aggregation – Two limb voting*), the Issuer may appoint a calculation agent (the "**Calculation Agent**"). The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the par value of the Notes and such affected series of debt securities will be calculated. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Notes and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

(h) *Manifest error, etc.*

The Notes, these Conditions and the provisions of the Agency Agreement may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Noteholders.

(i) *Notes controlled by the Issuer*

For the purposes of (i) determining the right to attend and vote at any meeting of Noteholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution and (ii) this Condition 16 (*Meetings of Noteholders; Written Resolutions*) and (iii) Condition 12 (*Events of Default*), any Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer shall be disregarded and be deemed not to remain outstanding, where:

- (i) "**public sector instrumentality**" means the Ministry of Finance and any other department, ministry or agency of the government of Andorra or any corporation, trust, financial institution or other entity owned or controlled by the government of the Principality of Andorra or any of the foregoing; and
- (ii) "**control**" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Note has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms.

In advance of any meeting of Noteholders, or in connection with any Written Resolution, the Issuer shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to Condition 17(c) (*Certificate*), which includes information on the total number of Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or

authorise the signature of, any Written Resolution in respect of any such meeting. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its Specified Office and, upon reasonable request, will allow copies of such certificate to be taken.

(j) *Publication*

The Issuer shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 17(f) (*Manner of publication*).

(k) *Exchange and Conversion*

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders and Couponholders.

17. **Aggregation Agent; Aggregation Procedures**

(a) *Appointment*

The Issuer will appoint an aggregation agent (the "**Aggregation Agent**") to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Agency Agreement in respect of the Notes and in respect of the terms and conditions or Agency Agreement in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

(b) *Extraordinary Resolutions*

If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

(c) *Written Resolutions*

If a Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

(d) *Certificate*

For the purposes of Condition 17(b) (*Extraordinary Resolutions*) and Condition 17(c) (*Written Resolutions*), the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 16(b) (*Modification of this Series of Notes only*), Condition 16(c) (*Multiple Series Aggregation – Single limb voting*) or Condition 16(d) (*Multiple Series*

Aggregation – Two limb voting), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (i) list the total principal amount of Notes and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and
- (ii) clearly indicate the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 16(i) (*Notes controlled by the Issuer*) on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

(e) *Notification*

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 17 (*Aggregation Agent; Aggregation Procedures*) to be notified to the Fiscal Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

(f) *Binding nature of determinations; no liability*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 17 (*Aggregation Agent; Aggregation Procedures*) by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(g) *Manner of publications*

The Issuer will publish all notices and other matters required to be published pursuant to this Condition 17 including any matters required to be published pursuant to Condition 12 (*Events of Default*), Condition 16 (*Meetings of Noteholders; Written Resolutions*) and Condition 18 (*Noteholders' Committee*):

- (i) through the systems of Clearstream, Luxembourg, Euroclear and/or any other international or domestic clearing system(s) through which the Notes are for the time being cleared and otherwise in accordance with Condition 14;
- (ii) in such other places and in such other manner as may be required by applicable law or regulation; and
- (iii) in such other places and in such other manner as may be customary.

18. **Noteholders' committee**

(a) *Appointment*

- (i) Holders of at least 25 per cent. of the aggregate principal amount of the outstanding debt securities of all series of affected debt securities (taken in aggregate) may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), appoint any person or persons as a committee to represent the interests of such holders (as well as the interests of any holders of outstanding debt securities who wish to be represented by such a committee) if any of the following events has occurred:

- (A) an Event of Default under Condition 12 (*Events of Default*);
 - (B) any event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/ or fulfilment of any other requirement provided for in Condition 12 (*Events of Default*) become an Event of Default;
 - (C) any public announcement by the Issuer, to the effect that the Issuer is seeking or intends to seek a rescheduling or restructuring of the Notes or any other affected series of debt securities (whether by amendment, exchange offer or otherwise); or
 - (D) with the agreement of the Issuer, at a time when the Issuer has reasonably reached the conclusion that its debt may no longer be sustainable whilst the Notes or any other affected series of debt securities are outstanding.
- (ii) Upon receipt of a written notice that a committee has been appointed in accordance with Condition 18(a)(i), and a certificate delivered pursuant to Condition 18(d) (*Certification*), the Issuer shall give notice of the appointment of such a committee to:
- (A) all Noteholders in accordance with Condition 20 (*Notices*); and
 - (B) the holders of each affected series of debt securities in accordance with the terms and conditions of such affected series of debt securities,

as soon as practicable after such written notice and such certificate are delivered to the Issuer.

(b) *Powers*

Such committee in its discretion may, among other things:

- (i) engage legal advisers and financial advisers to assist it in representing the interests of the Noteholders;
- (ii) adopt such rules as it considers appropriate regarding its proceedings;
- (iii) enter into discussions with the Issuer and/or other creditors of the Issuer; and
- (iv) designate one or more members of the committee to act as the main point(s) of contact with the Issuer and provide all relevant contact details to the Issuer.

Except to the extent provided in this Condition 18(b), such committee shall not have the ability to exercise any powers or discretions which the Noteholders could themselves exercise.

(c) *Engagement with the committee and provision of information*

- (i) The Issuer shall:
 - (A) subject to Condition 18(c)(ii), engage with the committee in good faith;
 - (B) provide the committee with information equivalent to that required under Condition 16(f) (*Information*) and related proposals, if any, in each case as the same become available, subject to any applicable information disclosure policies, rules and regulations; and
 - (C) pay any reasonable fees and expenses of any such committee as may be agreed with it (including without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any) following receipt of reasonably detailed invoices and supporting documentation.
- (ii) If more than one committee has been appointed by holders of affected series of debt securities in accordance with the provisions of this Condition 18 (*Noteholders' Committee*) and/ or equivalent provisions set out in the terms and conditions of any affected series of

debt securities, the Issuer shall not be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Issuer shall engage with such steering group.

(d) *Certification*

Upon the appointment of a committee, the person or persons constituting such a committee (the "**Members**") will provide a certificate to the Issuer and to the Fiscal Agent signed by the authorised representatives of the Members, and the Issuer and the Fiscal Agent may rely upon the terms of such certificate.

The certificate shall certify:

- (i) that the committee has been appointed;
- (ii) the identity of the initial Members; and
- (iii) that such appointment complies with the terms and conditions of the relevant notes documentation.

Promptly after any change in the identity of the Members, a new certificate which each of the Issuer and the Fiscal Agent may rely on conclusively, will be delivered to the Issuer and the Fiscal Agent identifying the new Members. Each of the Issuer and the Fiscal Agent will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of this Condition 18(d) shall apply, *mutatis mutandis*, to any steering group appointed in accordance with Condition 18(c) (*Engagement with the committee and provision of information*).

In appointing a person or persons as a committee to represent the interests of the Noteholders, the Noteholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other affected series of debt securities.

19. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

20. **Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Notes are admitted to trading on the Luxembourg Stock Exchange, the notices shall be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

21. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first

currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by Luxembourg law. For the avoidance of doubt, articles 470-1 to 470-19 of the Luxembourg law of 10 August 1915 relating to commercial companies as amended will not apply in respect of the Notes.
- (b) *Courts of Luxembourg-City:* The courts of Luxembourg-City shall have exclusive jurisdiction to decide any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The parties agree that the courts of Luxembourg-City are the most appropriate and convenient courts to settle any Dispute and, accordingly, no party will argue to the contrary.
- (d) *Waiver of immunity:* To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.
- (e) *Consent to enforcement etc.:* The Issuer consents generally in respect of any proceedings relating to a Dispute ("**Proceedings**") to the giving of any relief or the issue of any process in connection with such Proceedings, save as provided in the Code of the Administration, of 29 March 1989 or any related regulations, including the making, enforcement or execution against any property, except properties or credit rights for public utility purposes of the Issuer or any state-owned entities of any order or judgment which is made or given in such Proceedings.

24. **Invalidity**

If any of the provisions of these Conditions is or becomes invalid in whole or in part, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision, which, to the extent legally possible, serves the economic purposes of the invalid provision.

FORM OF FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[EU MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in EU MiFID II; or (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the [Notes] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [•]

PRINCIPALITY OF ANDORRA

Issue of EUR [•] [Title of Notes]

Legal entity Identifier (LEI): 549300ZPD490G9UI0A49

under the EUR 1,200,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 23 April 2021 [and the supplement(s) to it dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the EU Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.

The Base Prospectus has been published on the website of the Luxembourg Stock Exchange at www.bourse.lu and on the website of the Issuer at <https://www.finances.ad/emissions-de-deute-public>.

The expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1. (i) Series Number: [•]
(ii) Tranche Number: [•]
(iii) Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about [•]].]
2. Specified Currency or Currencies: [•]
3. Aggregate Nominal Amount:
(i) Series: [•]
(ii) Tranche: [•]
4. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
5. (i) Specified Denominations: [•]
(ii) Calculation Amount: [•]
6. (i) Issue Date: [•]
(ii) Interest Commencement Date: [•]/Issue Date/Not Applicable]

7. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
8. Interest Basis: *[•] per cent. Fixed Rate*
[•][•] EURIBOR+/- [•] per cent. Floating Rate
[Zero Coupon]
(see paragraph [14/15/16] below)
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at *[•]/[100]* per cent. of their nominal amount.
10. Change of Interest or Redemption/Payment Basis: *[For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph [14/15] applies and for the period from (and including) [date], up to (and including) the Maturity Date, paragraph [14/15] applies]/[Not Applicable].*
11. Put/Call Options: *[Investor Put]*
[Put Event]
[Issuer Call]
[Residual Maturity Call]
[Clean-Up Call]
[(See paragraph [17/18/19/20] below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Note Provisions** *[Applicable/Not Applicable]*
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: *[•] per cent. per annum payable in arrear on each Interest Payment Date*
OR
[Initial Rate of [•] per cent. per annum]
Interest:
- (ii) Interest Payment Date(s): *[•] in each year*
- (iii) Fixed Coupon Amount[(s)]: *[•] per Calculation Amount*
- (iv) Fixed Coupon Amount for a short or long Interest Period ("Broken Amount(s)": *[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]*
- (v) Day Count Fraction: *[30/360 / Actual/Actual (ICMA/ISDA) / other]*

13. **Floating Rate Note** [Applicable/Not Applicable]
(If not applicable delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period: [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) [First Interest Payment Date]: [•]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (v) Additional Business Centre(s): [Not Applicable/[•]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [•] shall be the Calculation Agent
- (viii) Screen Rate Determination:
- Reference Rate: [•][•] EURIBOR
 - Interest Determination Date(s): [•]
 - Relevant Screen Page: [•]
 - Relevant Time: [•]
 - Relevant Financial Centre: [•]
- (ix) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- [• ISDA [Applicable / Not Applicable]]

Benchmarks
Supplement:

- (x) [Linear interpolation Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xi) Margin(s): [+/-][•] per cent. per annum
- (xii) Minimum Rate of Interest: [The Minimum Rate of Interest shall not be less than zero] / The Minimum Rate of Interest shall not be less than [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [•]
14. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction in relation to Early Redemption Amount: [30/360 / Actual/Actual (ICMA/ISDA) / other]

PROVISIONS RELATING TO REDEMPTION

15. Call Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount[/Make-whole Redemption Price]
[(in the case of the Optional Redemption Dates falling on []/[in the period from and including [date]]]
- [(iii) Make Whole Redemption Price: [Non-Sterling Make Whole Redemption Amount / Sterling Make Whole Redemption Amount/Not Applicable]
(If not applicable delete the remaining sub paragraphs(a) – (c) of this paragraph)]
- [(a) Reference Bond: [Insert applicable Reference Bond]
- [(b) Quotation Time: [•]
- [(c) Redemption Margin: [•] per cent.

- [(d) Reference Dealers: [•]
- [(e) Par Redemption Date: [•]/Not Applicable]
- (iv) Redemption in part: [Applicable/Not Applicable]
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount [•] per Calculation Amount
- (v) Notice period: [•]
16. Put Option [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) Notice period: [•]
17. [Residual Maturity Call Option] [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Notice period: [•]
18. [Clean-Up Call Option] [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Amount of each Note: [•] per Calculation Amount]
19. Final Redemption Amount of each Note [•] per Calculation Amount
20. Early Redemption Amount
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early [•] / [Not Applicable]

redemption:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]

[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

22. Additional Financial Centre(s) or other special provisions relating to payment dates:

[Not Applicable/*give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which subparagraph 13(v) relates*]

23. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

Signed on behalf of the Principality of Andorra:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be [listed on the official list of the Luxembourg Stock Exchange and] admitted to trading on [the regulated market of the Luxembourg Stock Exchange/[•]] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes [listed on the official list of the Luxembourg Stock Exchange and] to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange/[•]] with effect from [•].] [Not Applicable.]

(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total [•]
expenses related to
admission to trading:

2. RATINGS

The Notes to be issued [have been/are expected to be] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings: [Standard & Poor's: [•]]

[Moody's: [•]]

[Fitch: [•]]

[[Other]: [•]]

(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)

[[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EU) No 1060/2009 on credit rating agencies (the "CRA Regulation").] /

[[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009 on credit rating agencies (the "CRA Regulation").]

[[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EU) No 1060/2009 on credit rating agencies (the "CRA Regulation").] /

[[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and

is not certified under Regulation (EU) No 1060/2009 on credit rating agencies (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

4. **[Fixed Rate Notes only – YIELD]**

Indication of yield: [•]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]

Relevant Benchmark[s]:

[[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the EU Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the EU Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [name of administrator] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/ [Not Applicable]

6. **DISTRIBUTION**

(i) Method of Distribution: [Syndicated/Non-syndicated]
[Not Applicable/give names]

- (ii) If syndicated: [Not Applicable/*give names*]
- (a) Names of Dealers:
- (b) Stabilisation Manager(s), if any: [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer:
- (iv) Selling Restrictions: U.S.: Regulation S Compliance Category 1; [TEFRA C/TEFRA D]
[Andorra: [•]]

**7. REASONS FOR THE OFFER
AND ESTIMATED NET
AMOUNT OF PROCEEDS**

- Reasons for the offer: [•] [See ["Use of Proceeds"] in the Base Prospectus/Give details] [*If reasons differ from what is disclosed in the Base Prospectus [including for green/social/sustainability bond], give details here.*]
- Estimated net proceeds: [•]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day: If the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Exercise of put option: In order to exercise the option contained in Condition 9(d) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9(b) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange the notices shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Electronic Consent and Written Resolution: While any Global Note is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated

through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and

- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

An amount equal to the net proceeds of the issue of Notes under the Programme may be used by the Issuer:

- i. for its budgetary purposes (including but not limited to the repayment of existing indebtedness and to increase the fiscal reserves of the Issuer);
- ii. to finance or refinance, in whole or in part, Eligible Green and Social Expenditures, in which case the relevant Notes will be identified as "Green/Social/Sustainability Bonds" in the title of the Notes in the applicable Final Terms; or
- iii. as otherwise specified, in respect of any particular issue of Notes, in the applicable Final Terms in the section entitled "Reasons for the Offer".

For the purposes of this section, Eligible Green and Social Expenditures are projects intended to meet a set of environmental, social and governance criteria. The process to select and evaluate Eligible Green and Social Expenditures will be performed as established in the Issuer's Green, Social and Sustainability Framework. The Green, Social and Sustainability Framework containing the criteria, as amended from time to time, is available to view at <https://www.finances.ad/emissions-de-deute-public>.

For the avoidance of doubt, URLs given in respect of website addresses in this Base Prospectus are inactive textual references only and it is not intended to incorporate the contents of any such websites into this Base Prospectus nor should the contents of such websites be deemed to be incorporated into this Base Prospectus. None of the information contained in such websites has been scrutinised or approved by the CSSF.

DESCRIPTION OF THE ISSUER

Area and Population

The Principality of Andorra, with 78,072 inhabitants in 2020, is located on the Mediterranean slopes of the eastern Pyrenees, between Spain and France, bounded, for a length of 63.7 km, with the Autonomous Community of Catalonia (Spain) to the south, and with the region of Foix (France) to the north for a length of 56.6 km. The territory of the Principality has an area of 468 km² and an average altitude of 1,996 m.



History

Andorra's history is documented in scripts, which were discovered in the 9th century and recorded the first written evidence of the Valleys of Andorra.

A Carolingian order, dating from 843 and signed by Charles the Bald, granted the Valleys of Andorra to Sunifred, Count of Urgell. In 988, Borrell II, the Count of Barcelona and Urgell gave Andorra to the Diocese of Urgell in exchange for property within the Country of Cerdanya. The Bishop of Urgell, therefore, became the temporary sovereign of the Valleys of Andorra.

However, in the following centuries, the Bishop of Urgell conflicted with the Count of Foix who wanted to recover their former domains. This conflict was resolved upon the signing of the first and second *Pariatges* (feudal charters) in 1278 and 1288, respectively, and entered into between the Bishop of Urgell and the Count of Foix. These arbitrary rulings established an indivisible joint ownership of the valleys, conferring equal seigniorial rights and powers between the Bishop of Urgell and the Count of Foix (who established the taxes to be paid by Andorran citizens and exercised joint justice through the *battles* – a kind of a first instance court, the military obligations of Andorran citizens and the appointment of notaries and curates). In short, the *Pariatges* represented the Principality of Andorra's independence.

At a later date, the French co-rulers' rights over the Valleys of Andorra were transferred to the kings of France, the heirs of the Count of Foix and, subsequently, to the President of the French Republic.

At the beginning of the 1980s, it was obvious that Andorra's institutions needed to be reformed. On the occasion of the separation of powers in 1981, an agreement was drafted between the co-princes, with the creation of the Andorran Government, known as the Executive Council, and the Head of Government. In accordance with the co-prince's regime, different reforms were introduced such as the Criminal Code and the Administrative Code.

However, the most significant milestone was the approval of the Constitution by referendum on 14 March 1993. The Constitution turned the Principality of Andorra into an independent, legal, democratic and welfare state. Although this may seem recent, the Principality of Andorra has been governed by its own institutional system for over 700 years.

Political System and Government Structure

The political regime of the Principality of Andorra is a parliamentary co-principality. Catalan is the official language of the Principality of Andorra. Other languages in use are Spanish, French and Portuguese.

The Constitution

The Constitution defines the figure of the Co-princes as the heads of State of the Principality of Andorra, jointly and indivisibly. They are, personally and exclusively, the bishop of Urgell and the president of the

French Republic. The Co-princes mediate and moderate the functioning of the country's Government and institutions. Their duties include, among others, sanctioning and enacting laws, calling general elections, calling referendums at the request of the head of the Government and a majority of the General Council concerning issues of a political nature. At present, the Bishop Co-prince is Joan Enric Vives i Sicília, and the French Co-prince is Emmanuel Macron.

The Legislative

The General Council holds legislative power in the Principality of Andorra and is made up of 28 councillors elected by universal suffrage for a term of four years. It traces its origins back to the "*Consell de la Terra*" created in 1419 and reformed in 1866.

Although it is a unicameral parliament, its make-up provides for both national and regional representation, in accordance with constituencies. Of the twenty-eight councillors, fourteen are elected by the country as a whole, proportionally, and fourteen are elected for the seven parishes, two per parish, by simple majority.

With the rank of law, the Regulation of the General Council governs the organisation and procedures of parliamentary activity. The presidency is held by the Speaker and the Deputy Speaker. Other governing bodies include the Executive Council, Presidents' Board, parliamentary groups, the Standing Committee and standing legislative committees.

Under Article 50 of the Constitution, the General Council holds legislative power, approves the national budget and initiates and oversees political action by the Government. The General Council elects a Head of Government at the beginning of the legislature. A debate on policy direction is held once yearly at an ordinary session. The Council may request information and the appearance of political officers before a committee.

The Government

The Government holds executive power for the country and comprises the Head of Government and the ministers. The Head of Government is elected by the General Council and directs the Principality of Andorra's domestic and international policies and national administration and wields regulatory power. Currently, the head of Government is the Honourable Mr. Xavier Espot Zamora.

Administrative Division

The Principality of Andorra's territory is divided administratively into seven parishes which, by traditional order of protocol, are: Canillo, Encamp, Ordino, La Massana, Andorra la Vella, Sant Julià de Lòria and Escaldes-Engordany, with Andorra la Vella as the capital and where the Government is seated. The organ of representation and administration of the parish is the Commune. The Communes are public corporations with legal personality and with local powers of regulation, subject to law, in the form of bye-laws, regulations and decrees.

The Judicial System

The Constitution enshrines the principles of jurisdictional unity and exclusivity. Since 1 January 1994, the judiciary operates as a single organisation of courts and judges structured according to a jurisdictional ranking, and it categorically establishes that jurisdictional power is wielded by the courts of first instance, the Magistrates Court (the "**Magistrates Court**"), the Criminal Law Court (the "**Criminal Law Court**") and the High Court of the Principality of Andorra (the "**High Court**").

The High Court is the highest instance of the judiciary in the Principality of Andorra. It has authority to rule on all appeals brought against the judgments handed down at first instance by the Magistrates Court on civil or administrative matters, within the limits determined by law and, on criminal matters, by the Criminal Law Court, as well as criminal proceedings judged at first instance by the Minors Court. It is divided into three chambers: civil, criminal and contentious-administrative and social security.

The Criminal Law Court, in addition to its authority to rule collegiately at first instance on proceedings concerning serious offences, also has authority to rule at first instance on proceedings for minor offences and criminal acts, as collegiate bodies or as individual judges, respectively. It likewise has authority in respect of rulings by investigating magistrates during enforcement of Criminal law and to enforce its rulings and other resolutions.

The Public Prosecutor's Office has the task of ensuring the defence and application of the law as well as the independence of the courts and to seek application of the law before the courts for the protection of citizens' rights and defence of public interest. It likewise acts in accordance with the principles of legality, unity and internal hierarchy. In addition to exercising public action, such body takes a direct part in criminal

proceedings and requests for all such actions as it may consider necessary to investigate criminal acts and their perpetrators.

The Magistrates Court is the court of first instance and acts for the investigation of jurisdictional areas. It comprises a body of no fewer than 12 magistrates along with a president.

It is organised into civil, administrative and minor sections, as well as into two investigation sections.

Legislative Developments

The Principality of Andorra has historically based its significant economic prosperity on a competitive model based on tourism, trade, real estate and its capacity as a financial hub. However, due to the 2008 financial crisis and, later, the COVID-19 pandemic, the Principality of Andorra is committed to refocus some aspects of its economy.

In this vein, the Principality of Andorra has opted for a standardisation of the level playing field with other European countries and the recommendations of the OECD, by modulating certain distinctive features in order to enable the Principality of Andorra to be more competitive in the offered services, and also to allow the country to become one of the most attractive jurisdictions in Europe in relation to the development of investment projects and business initiatives worldwide.

Andorra's new economic model, based on the liberalisation of foreign investment, provides a host of international strategic opportunities at both corporate and individual levels, which is complemented by a competitive tax framework and an exceptional living standard.

Monetary Agreement

All of this comprised the Monetary Agreement which is broadly aligned with EU legal initiatives in terms of banking, investor protection and anti-money laundering and terrorist financing regulations. The Monetary Agreement represents the cornerstone of the legal changes envisaged for the next 10 years, as it requires Andorra to adopt within certain timeframes a substantial part of all the EU financial legislation. Furthermore, on September 2013, the IOSCO protocol for a multilateral agreement on consultations was signed.

To this extent, the Andorran legal system has been changed since the Monetary Agreement came into effect on 1 April 2012, as it allowed reciprocal cooperation, assistance and exchange of information at an international level with the regulatory and supervisory authorities of global markets.

Association Agreement

The Association Agreement negotiations started in April 2014 and they are still ongoing at the present time. Some key areas are currently being discussed and there is an ambitious calendar in place to pursue negotiations on the remaining matters over 2021.

The normal functioning of the Andorran economy needs the Andorran financial sector to be prepared for the future challenges, including the supervisory authority and other bodies involved in investment and financing activities in the Andorran jurisdiction. This is a critical point to transform a potential threat into an opportunity to adapt its services and processes to international standards.

Accordingly, Andorran banking entities are continuously monitoring the most up-to-date significant developments in banking regulation, such as good practice requirements defined by the Basel Committee, and the challenges of ensuring financial and insurance products, corporate governance, among others, with the clear purpose of positioning themselves within the global markets.

The progressive convergence of the Andorran and EU legal framework by means of the Monetary Agreement is a tectonic shift from the previous framework in regulatory terms, which imposes increasing regulatory and adaptation costs on Andorran financial entities. On top of that, Andorran financial entities are also obliged to concentrate significant resources on technological innovation and digital transformation.

Foreign investment legislation

The liberalisation of foreign investment is one of the most remarkable milestones in recent years. It was accompanied by major reform on obtaining economic rights by foreign individual and legal persons who intended to carry out economic activities in the Principality of Andorra, as well as the removal of the traditional limitation on real estate investment by foreigners.

In this context, the entry into force of Law 93/2010, of 16 December, on measures for the promotion of economic and social activity, and Law 10/2012, of 21 June, on Foreign Investment, and in addition, the

rationalisation and optimisation of public resources have introduced measures to encourage the setting up of new companies, and to reduce Government expenditures.

Accounting legislation

In terms of accounting regulation, the Decree by virtue of which the applicable accounting framework becomes applicable to the operating entities of the Andorran financial sector and collective investment schemes subject to Andorran laws in accordance with international regulations on financial information adopted by the EU ("**NIIF-UE**"), which was simultaneously adopted by the Principality of Andorra ("**NIIF-Andorra**"), was approved in accordance with the final first disposition of Law 30/2007, of 20 December, on the accounting of businessmen. Therefore, the operating entities of the financial system and collective investment schemes of the Principality of Andorra prepare their annual accounts on an individual and consolidated basis for the fiscal years beginning after 1 January 2017 in accordance with NIIF-UE.

Banking legislation

The General Council approved Law 8/2018, of 17 May, on payment services and electronic payments ("**Law 8/2018**"). This piece of law implemented Directive 2007/64/EC of the European Parliament and of the Council, of 13 November 2007, on payment services in the European market ("**PSD**"), with the aim to reinforce the transparency and create a common system of rights and obligations for suppliers and users.

Law 8/2018 also implemented Directive 2009/110/EC of the European Parliament and of the Council, of 16 September 2009, on the taking up, pursuit and prudential supervision of the business of electronic money institutions. With this transposition, the Principality of Andorra regulated, for the first time, the issuance and the legal framework of electronic money, with a harmonised regime which ensured fair competition among the operators and an adequate level of prudential supervision.

The regulation ("**Regulation for the Implementation of PSD II**"), approved by the Government and published in the Official Gazette of the Principality of Andorra on 27 June 2018 and which develops Law 8/2018, contains, mainly: (i) rules on the transparency of the conditions and information requirements of the payment services ("**Title III of PSD II**"); and (ii) rules on the rights and obligations in relation to the supply and the use of payment services ("**Title IV of PSD II**").

A separate rule ("**Regulation on cross-border payments**"), approved by the Government on 20 June 2018 and published in the Official Gazette of the Principality of Andorra on 27 June 2018, implements: (i) Regulation (EC) No. 924/2009 of the European Parliament and the Council, of 16 September 2009, on cross-border payments to the EU; and (ii) Regulation (EU) No. 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro, as well as a system in the Principality of Andorra for cross-border payments to other countries of the Single Euro Payments Area ("**SEPA**"), were established.

Law 8/2018 was amended to reflect the new European regulation on payment services arising from Directive 2015/2366 of the European Parliament and the Council of 25 November ("**PSD2**"). Such amendment was approved by the General Council on 25 October and published in the Official Gazette of the Principality of Andorra on 23 November 2018 as Law 27/2018 amending Law 8/2018, of 17 May, on payment services and electronic money.

With the aforementioned regulation, the Principality of Andorra has adopted all necessary measures to join SEPA, a European unique area for payment systems in euro, which harmonises payment methods, mainly regarding three types of payments and financial instruments: wire transfers, payment cards and direct debits. The Principality of Andorra joined such schemes on 1 March 2019 and the Andorran banks on 5 March 2019.

The regulation which implements Directive 2014/49/EU of the European Parliament and the EC of 16 April 2014 on deposit guarantee schemes by means of Law 20/2018, of 13 September, which governs the Andorran Deposit Guarantee Fund and the Andorran Investments Guarantee System, was approved by the General Council on 13 September 2018 and entered into force on 4 October 2018.

Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate, as well as the Commission Delegated Regulation (EU) 2015/2303 of 28 July 2015 supplementing Directive 2002/87/EC of the European Parliament and of the Council with regard to regulatory technical standards specifying the definitions and coordinating the supplementary supervision of risk concentration and intra-group transactions, have been included in the Andorran legal framework.

Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD IV**") and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("**CRR**"), were transposed by Law 35/2018, of 20 December, on solvency, liquidity and prudential supervision of banking entities and investment companies and the correspondent regulations.

As previously indicated, in September 2013, the AFA joined IOSCO and signed the MMoU, formalising the reciprocal cooperation and the exchange of information regarding the supervision of securities' markets.

In accordance with the requirements of IOSCO and pursuant to the Monetary Agreement, Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms, as well as Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation were implemented in the Principality of Andorra through Law 8/2013 of 9 May, on the organisational requirements and the functioning conditions of the entities which operate in the financial system, the protection of the investor, the market abuse and collateral arrangements.

Anti-money laundering and terrorist financing legislation

The Principality of Andorra is totally committed to the compliance with international standards on anti-money laundering and terrorist financing through the implementation of the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and the Financial Action Task Force's recommendations. In this vein, both the European provisions and the Financial Action Task Force's recommendations are intended to serve as the backbone of the Andorran system for the prevention of money laundering and terrorist financing.

In turn, the Financial Intelligence Unit of Andorra ("**UIFAND**") is entitled to draw up and publish annual reports and statistics to assess the effectiveness of the Andorran system for the prevention of money laundering and terrorist financing. Additionally, the Principality of Andorra is periodically subject to the assessments of the Council of Europe, carried out by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism ("**MONEYVAL**").

Equally, further related regulations have been approved, such as: (i) Law 15/2017, of 13 July, amending Law 9/2005, of 21 February, of the Criminal Code, by virtue of which certain underlying crimes are incorporated and typified, and among others, fiscal evasion; (ii) the Regulation governing Law 14/2017, of 23 May 2018; and (iii) the Regulation of the registry and access to the information on effective beneficiaries, of 5 September 2018.

Recent Legislative Developments

After a long pathway of missed opportunities to amend the law of judicial civil proceedings to entitle other options to safeguard the rights, an amendment of the Transitory Law on Judicial Procedure of 1993 and the Qualified Justice Law of 1993 were finally adopted by the General Council on 18 October 2018 by means of the approval of the Code of Civil Procedure. The Code of Civil Procedure establishes and promotes a structured and effective regulation with the purpose of serving as an instrument for resolving civil disputes. Special emphasis has also been placed on each party being given a full opportunity to present the relevant case at all stages of the proceedings to be heard by Andorran courts.

The Government is working on the implementation of the Code of Civil Procedure, scheduled to enter into force on 1 May 2021.

In addition to the above, in July 2020, the Government announced the so-called action plan "Horitzó 23" ("**H23**"), which outlines a series of measures for reactivating the country's economy. This strategic plan comprises 77 actions, spread across 20 initiatives, which are based on three main pillars: (i) social welfare; (ii) economy; and (iii) innovation, and other measures focused on digital transformation and internationalisation.

Above all, the plan demonstrates a determination to overcome the negative effects of the COVID-19 pandemic.

One of the most critical issues in the Principality of Andorra is the diversification of the economy, as it is almost entirely based on the service and tourism sectors. On one hand, the key commitment is digital

economy through the promotion of new businesses related to e-commerce. However, as far as the tourism sector is concerned, it is actively pursuing new high-quality and sustainable models, focusing on health tourism and mountain sport events. An additional area for improvement is the digital transformation of the Andorran Administration.

H23 also intends to find new alternative routes of transportation, e.g. the promotion of the airport of La Seu de Urgell-Andorra, along with the possibility of creating its own heliport.

Social measures and improving the welfare of the Andorran population are top of the agenda. This includes increasing pensions, raising the minimum wage and improving the availability of social housing.

In addition, in November 2020, the Government approved a draft bill of the National Housing Institute, an institution aiming to provide both medium- and long-term solutions to the housing issue in the Principality of Andorra. The draft bill also provides for the creation of a specific collective investment vehicle, with both public and private capital interest.

Relationship with EU and other international organisms

Andorra has strengthened its international coordination efforts with EU and other international organisms for addressing the challenges derived from COVID-19. To this extent, and in spite of its geographic and political status, the Principality of Andorra has already reached agreements with the EU and has been collaborating with international organisations.

EU

In this vein, Andorra has historically concluded various agreements, namely (i) 1990, Customs Union Agreement with the European Economic Community for industrial products (the "**Custom Union Agreement**"), (ii) 2004, the Cooperation Agreement and the agreement for establishment of measures equivalent to those laid down in Directive 2003/48/EC of the Council on taxation of savings income in the form of interest payment were signed ("**Directive 2003/48/EC**") and (iii) on 12 February 2016, the agreement between the EU and the Principality of Andorra concerning the automatic exchange of information on financial accounts improving international tax standards in Andorra. This latter agreement amended the former agreement signed in 2004 that was aligned with Directive 2003/48/EC, which is aimed to achieve further developments to mutual administrative assistance regarding taxation within the framework of the EU and the Organisation for Economic Co-operation and Development ("**OECD**").

Nonetheless, one of the agreements that stands out the most, it is undoubtedly the Monetary Agreement between the EU and the Principality of Andorra (the "**Monetary Agreement**"). The Monetary Agreement was signed on 30 June 2011.

Prior to the Monetary Agreement, the Principality of Andorra did not have an official currency, nor had it concluded a monetary agreement with any Member State or third country. Indeed, Spanish and French banknotes and coins were used *de facto* in the Principality of Andorra and were replaced by euro banknotes and coins as from 1 January 2002. The Principality of Andorra has also issued some collector coins denominated in *diners*.

In accordance with the Monetary Agreement, the euro became the official currency of the Principality of Andorra. Therefore, by virtue of the Monetary Agreement, the Principality of Andorra has the right to issue euro coins and the obligation to grant legal tender status euro banknotes and coins issued by the Eurosystem and the Member States which have adopted the euro. In all cases, the Principality of Andorra is responsible for ensuring that EU rules on banknotes and coins denominated in euro — including those related to the protection of the euro against counterfeiting — are applicable within its territory.

Notwithstanding the above, the Principality of Andorra has been more extensive and involved in the application of EU banking and financial legislation, legislation concerning the prevention of money laundering, the prevention of fraud and counterfeiting of non-cash means of payment, and statistical reporting requirements should therefore be made progressively applicable to the Principality of Andorra with a view to ensure a more level playing field. Since 1 April 2012, when the Monetary Agreement entered into force, Andorran law has been amended to adapt it to both legal and regulatory provisions of the EU which are specified in the Annex to the Monetary Agreement.

Besides that, the Monetary Agreement does not impose any obligation on the European Central Bank and national central banks to include the financial instruments of the Principality of Andorra in the list(s) of securities eligible for monetary policy operations of the Eurosystem.

In addition to the foregoing, the Andorran financial supervisory body, the Andorran Financial Authority ("**AFA**"), until 2018 known as the Andorran National Financial Institute the ("**INAF**"), joined in 2013 the International Organization of Securities Commissions ("**IOSCO**") and signed a Multilateral Memorandum of Understanding ("**MMoU**") concerning the cooperation and exchange of information on the securities markets.

The Principality of Andorra likewise takes into account the recommendations of international organisations such as the International Monetary Fund ("**IMF**"), MONEYVAL and the OECD, which have been taken into consideration in the drafting of the main regulatory provisions and initiatives governing financial activity in the Principality of Andorra with the aim of attaining compliance with international best practices and standards.

On 16 December 2014, the Council of the EU made the decision to authorise the beginning of negotiations for one or several Association Agreements with the Principality of Andorra, the Principality of Monaco and the Republic of San Marino, and the first negotiation took place on 5 May 2015 (the "**Association Agreement**"). Since then, the Government has been working on the future framework for relationships between the Principality of Andorra and the EU in order to provide the Principality of Andorra with gradual and structured access to the EU internal market, while taking its specific factors into account. Declaration 3 on article 8 of the Treaty of the EU provides a legal basis for EU relationships with small-sized countries, in establishing that "the Union will take into account the particular situation of microstate countries which maintain specific relations of proximity with it".

The logic of the internal reforms, the steps and the strategic projects that recent Governments has carried out, regardless of the leading political party which may be elected from time to time, indefectibly lead towards the participation in the internal market for the complete achievement of the previously mentioned objectives.

This Association Agreement is meant to provide the country with new opportunities of success, promoting business opportunities on a cross-border basis, either through the promotion of new economic sectors or through the internationalisation of existing sectors. Otherwise, the Principality of Andorra would be headed for a situation of isolation. Likewise, this would forfeit the opportunity of advancing in the search for a real sustainable economic development and towards a trusting and fruitful cooperation with its most immediate environment, on the grounds of transparency, which is the path that the Principality of Andorra has chosen to follow.

International bodies

The Principality of Andorra is currently a member of 27 international bodies such as: Council of Europe ("**CoE**"), Organization for Security and Co-operation in Europe ("**OSCE**"), United Nations Organization ("**UNO**"), United Nations Educational, Science and Cultural Organisation ("**UNESCO**"), the World Health Organisation ("**WHO**") and the World Intellectual Property Organization ("**WIPO**"), among others.

Since the approval of the Constitution of the Principality of Andorra in 1993 and the consequent strategic reorientation of its foreign policy, the Principality of Andorra has been present on the international scenario by joining the UNO and other international organisations such as the CoE to acquire full international legal personality.

Andorra prioritises extensive cooperation with different international organisations, emphasising its work on education, environment and climate change, multilingualism and the implementation of the 2030 Agenda for Sustainable Development. In the field of international cooperation for development, Andorra focuses its actions on education, health, climate change and women and children as a vulnerable group.

IMF

In recent years, the Government notably intensified its contacts with the International Monetary Fund ("**IMF**") and was firmly studying the possibility of acceding to the IMF. Finally, the Council of Ministers of the Principality of Andorra requested on 3 January 2020 the accession of the country to the IMF, which was approved on 21 August 2020, with the consequent enactment of Law 10/2020, of 5 October, on the accession of the Principality of Andorra to the IMF by the General Council, whereby the Principality of Andorra ratifies the IMF Articles of Agreement and the enactment of the Edict of 19 October 2020, by which the Government makes public that the IMF Articles of Agreement have entered into force.

In any case, the Principality of Andorra's interest in becoming a member of the IMF is related to the technical assistance provided by the IMF in areas as macroeconomic statistics, financial supervision, prevention of money laundering and terrorist financing, as well as tax and budgetary policy. Potential access

to emergency financing mitigates risks related to the lack of lender-of-last-resort for the country's large banking system.

Notwithstanding the above, the IMF will undoubtedly give the Principality of Andorra the possibility to send a positive signal to foreign investors on the willingness of the country to develop a macroeconomic policy that ensures financial stability.

Likewise, the membership will provide international recognition and an improvement of its rating. Besides that, the membership of the IMF also means having access to emergency financing in stress scenarios.

The IMF executive consists of 24 directors and the Principality of Andorra enters into the group formed by the Netherlands, Belgium, Luxembourg, Israel, Bulgaria, Cyprus, Croatia, Armenia, Bosnia and Herzegovina, Georgia, Moldova, Montenegro, North Macedonia, Romania and Ukraine.

Therefore, the participation of the Principality of Andorra in the IMF brings extensive opportunities to increase bilateral diplomatic relationships with other IMF members.

CEB

The Principality of Andorra is also an official member of the Council of Europe Development Bank ("**CEB**") as of 26 May 2020 when it became the 42nd member of the CEB. By virtue of this, the Principality of Andorra participates in the meetings of the CEB's governing bodies since June 2020.

As a major instrument of the policy of solidarity in Europe, the CEB finances social projects by making available resources raised in conditions reflecting the quality of its rating (AA+ with Fitch Ratings, outlook stable, AAA with Standard & Poor's, outlook stable and Aa1 with Moody's, outlook stable). It, thus, grants loans to its member states, and to financial institutions and local authorities in its member states for the financing of projects in the social sector.

To this extent, the CEB approved a €12 million loan to support the Principality of Andorra's response to COVID-19 being the first CEB loan for the country.

An additional aspect of the CEB is the Green Social Investment Fund ("**GSIF**") for the purpose of helping accelerate CEB member countries' transition towards low carbon and climate resilient economies. It has been endowed with an initial contribution of €5 million, allocated from the CEB's annual profit.

EIB

Besides that, the Principality of Andorra is currently pursuing an agreement for the purposes of becoming an eligible external country for European Investment Bank ("**EIB**") transactions outside the EU. Therefore, it will contribute to the achievement of the European Union's objectives by providing long-term project finance, guarantees and advice. It supports projects inside and outside the European Union.

The EIB has six main lines of action: climate and environment, development, innovation and skills, small businesses, infrastructure and cohesion.

After having consulted the EIB on possible alternatives for collaboration with Andorra through its financing instruments or in its projects, the EIB informed Andorra that the most appropriate alternative would be the conclusion of a Memorandum of Understanding between Andorra and the EIB in the framework of the Association Agreement, currently under negotiation.

However, since the aforementioned alternative implies a long-term perspective, the EIB has conveyed to Andorra entering into a Framework Agreement between them. To this extent, the Principality of Andorra has officially applied to participate in the EIB's financing programmes and the EIB's response has been positively received.

Other international bodies

In addition to the foregoing, the Principality of Andorra is currently a non-active member of three international bodies: the World Trade Organization ("**WTO**"), the Community of Portuguese Speaking Countries ("**CPLP**") and the South American Administrative Centre for Development ("**CLAD**").

Taxation

The taxation system in the Principality of Andorra has been developed in line with the Andorran economic structure and activity.

The approval of the Customs Union Agreement between the Principality of Andorra and the European Economic Community and subsequently the approval of the Constitution resulted in an appropriate scenario for the establishment of the Andorran tax system.

In this context, the Andorran tax system was historically based on indirect taxation and it has been continuously amended with the purpose of achieving a tax system comparable and equivalent to that of other EU and OECD countries. To this extent, both direct and indirect taxation have been developed during the last decades.

The pillars of the Andorran tax system are exhibited in Law 21/2014, of 16 October, on the basis of the tax system which sets out the general framework for the application of taxes within the Principality of Andorra and includes the principle of justice, legality, generality and fair distribution of tax burdens, also establishing general rules which apply to taxation in the absence of a specific law, thus providing legal certainty and stability to the Andorran tax framework

As far as direct taxation is concerned, on 29 December 2010, taxation laws on non-residents and corporate income were passed. On 1 January 2015, the personal income tax ("**IRPF**") came into force, which completed the configuration of the Andorran taxation system and introduced a tax that is the equivalent to those incorporated into neighbouring countries. The tax comprises all the income made by the taxpayer, regardless of its type and source, also including the business income, which, until then, had been subject to income tax on economic activities.

The most relevant direct tax regulations in the Principality of Andorra are therefore (i) on non-resident income tax the income tax for non-residents, (ii) Law 95/2010, of 29 December, on the corporation tax and (iii) Law 5/2014, of 24 April, on the personal income tax.

In terms of indirect taxation, a new framework replaced most of the former indirect taxes on consumption in 2013, in order to be merged by means of Law 11/2012, of 21 June on General Indirect Taxation.

The objective was the implementation in the Andorran legal framework of a taxation system for the very first time in the Principality of Andorra, turning the Andorran tax system into a modern system, comparable to Andorra's neighbouring countries.

The Principality of Andorra assumed the Base Erosion and Profit Shifting ("**BEPS**") commitment on 15 October 2016.

The commitment to these minimum standards determines that Andorra consents to the following points: (i) meeting the minimum standards on tax treaty shopping; (ii) implementing a country-by-country reporting system on transfer pricing; (iii) imposing limits on the benefits of preferential tax regimes; and (iv) implementing the mutual agreement procedure in its tax treaties, likewise the inclusion of the Principality of Andorra in the BEPS Project, which is subject to a peer-to-peer review process.

On 7 June 2017, the Principality of Andorra signed the Multilateral Convention to implement Tax Treaty related measures to Prevent BEPS (the MLI), which transposes more than 2,000 tax treaties worldwide. The MLI offers governments specific solutions to fight against harmful tax practices, and to prevent abusive tax practices and draw up a country-by-country report.

Regarding special tax regimes, on 19 April 2018 the General Council approved Law 6/2018 modifying Law 95/2010 on corporate income tax. This law eliminated two of the four special existing regimes at the time and amended the other two regimes in order to be in line with BEPS Action 5 minimum standard and the Forum on Harmful Tax Practices (FHTP) of the OECD. Thereby, on November 2018 the FHTP published the results of the Andorran regimes reviews determining that these had ceased to be potentially harmful.

The abovementioned Law 6/2018 modifying Law 95/2010 on corporate income tax also included Country-by-Country Reporting (CbC Reporting) domestic legislation under BEPS action 13. This legislation is applicable in relation to reporting fiscal years beginning on or after 1 January 2018. With these amendments, Andorran tax resident corporations that are part of a large multinational enterprises group are required to prepare a CbC report with aggregate data if the total group income is at least 750 million.

On 19 October 2018, the Principality of Andorra adhered to the OECD multilateral agreement that enables the exchange of information on a country-by-country basis with all the competent authorities party to the agreement (reciprocal jurisdictions). This agreement is part of the commitments made to international standards and to the implementation of OECD-led reform in relation to BEPS.

International tax agreements and exchange of information in tax matters

The Principality of Andorra has been continuously adapting its legislative framework to achieve international standards. Therefore, the Principality of Andorra has focused on the process of standardisation and transparency to international bodies such as the OECD.

The process of adopting the international standards of the OECD has led the Principality of Andorra to sign various Agreements for Tax Information Exchange based on the Paris Declaration of 10 March 2009. This declaration sets out the purpose for which the Principality of Andorra has carried out a process of relevant legislative reforms on banking secrecy for the purposes of tax information exchange upon request.

On 7 September 2009, the General Council passed Law 3/2009 on the Exchange of Tax Information upon prior request, later amended by Law 12/2014 of 26 June. This new piece of legislation permitted entry into agreements on the Exchange of Tax Information upon prior request.

The Principality of Andorra has signed Tax Information Exchange Agreements ("**TIEAs**") with the following countries: Austria, Liechtenstein, Monaco, San Marino, France, Belgium, Argentina, the Netherlands, Portugal, Spain, Iceland, Finland, the Faroe Islands, Denmark, Norway, Sweden, Greenland, Germany, Australia, Poland, the Czech Republic, Switzerland, the Korean Republic and Italy.

Apart from the TIEAs, in the last few years, the Principality of Andorra has signed a series of agreements with other countries to avoid double taxation in income tax matters and to prevent tax evasion according to the Model Convention established by the OECD.

Similarly to the TIEAs, the DTAs provide administrative assistance in tax matters which allow the exchange of tax information between states.

The Principality of Andorra has signed agreements with France, Luxembourg, Spain, the United Arab Emirates, Portugal, Liechtenstein, Malta and Cyprus, while working to expand its network further.

On 15 July 2014, the OECD approved the new global standard for the Automatic Exchange of Information in tax matters ("**AEOI**") between jurisdictions. The Common Reporting Standard ("**CRS**") published in February 2015 obliges the competent authorities of countries that have signed on to the CRS to exchange information on an annual basis. The purposes of the CRS are fighting against tax evasion and promoting tax compliance.

On 16 June 2014, the Principality of Andorra became the 48th country to sign the OECD Declaration on the automatic exchange of information in tax matters, thereby undertaking the implementation of the new standard.

On 3 December 2015, the Principality of Andorra signed the multilateral competent authority agreement for the automatic exchange of information in tax matters ("**MCAA**"), a multilateral instrument that regulates the automatic exchange of information with the countries that have signed the OECD standard.

On 12 February 2016, the Principality of Andorra and the EU entered into an agreement for the automatic exchange of tax information which came into effect on 1 January 2017. This agreement amends the former agreement entered into between the Principality of Andorra and the European Community in 2005 and introduces the new global standard for the automatic exchange of information approved by the OECD. Law 19/2016, approved by the General Council of Andorra on 30 November 2016, which sets out the legal framework required to comply with the AEOI commitment.

The Principality of Andorra exchanges information automatically on financial accounts. In 2018, the information was shared with 41 jurisdictions, in 2019 with 32 additional jurisdictions and in 2020 with 22 additional jurisdictions.

As far as the FATCA regulation is concerned, the Principality of Andorra remains within the general regime. Under FATCA, financial institutions are obliged to identify those US clients holding, amongst others, financial accounts in foreign countries that must be reported annually to the US tax authorities. Therefore, in order to ensure compliance with FATCA, a thirty percent (30%) withholding will be applied to certain payments made to those entities and individuals who do not comply with the aforementioned regulation.

Legal Proceedings

The Principality of Andorra has not been presented with any claim, nor has any claim been filed, in the past 12 months, regarding any legal or arbitration proceedings which are material or are likely to have a significant effect on the Principality of Andorra's financial position.

RESPONSE TO COVID-19

In December 2019, a disease generated from a new strain of coronavirus (COVID-19) was reported in Hubei Province, China, which has since spread across the world, resulting in the World Health Organisation declaring it a global pandemic on 11 March 2020. In common with most other countries, the COVID-19 is affecting the Principality of Andorra. The Government has implemented a number of measures in an effort to limit the spread of the COVID-19, which have, in part, resulted in the daily count of new infections declining since March 2020. See *"Risk Factors— Health emergency caused by the COVID-19 pandemic"*.

The Government response

On March 2020, the Government cancelled all sporting events, cultural events and other large public gatherings. All restaurants, bars, recreational areas, children's activity centres, among others, were closed, with the exception of those establishments authorised to sell or supply essential goods or services, such as groceries, pharmacies, clinics and petrol stations.

The Government also decreed the temporary lockdown of non-essential economic sectors and the temporary restriction of movement. The economic activities were gradually re-opened, but with the recommendation of telecommuting.

In June 2020, the Government approved the re-opening of most businesses, including bars and restaurants, but with limited seating and scheduling. This re-opening was backed up with the systematic and free epidemiological testing of its entire population, where 137,457 tests were carried out between the two rounds of the epidemiological study, making the Principality of Andorra the first country to offer free testing to its entire population.

Borders

Although the Principality of Andorra has not imposed border restrictions, it has clearly been affected by the mobility restrictions imposed by its neighbouring countries (i.e. Spain and France). The only restrictions that the Principality of Andorra eventually imposed were based on the principle of reciprocity.

Notwithstanding the foregoing, the Principality of Andorra has imposed certain measures aimed at maintaining a low level of contagion within its population, such as the obligation of a temporary quarantine when the traveller comes from abroad, initially, and if the traveller arrives from a country outside the European Economic Area, for a longer period.

Transportation

Some traffic restrictions were imposed both on private vehicles and public transport since 14 March 2020.

During the lockdown months, transportation was restricted without due cause, excluding freight transport. With the re-opening, transportation in private vehicles was allowed, but some restrictions on limited seating and frequency were adopted for public transport.

Education

On March 2020, the Government announced its decision to close schools and other educational centres. Students and teachers had to follow lessons using electronic media or devices. The 2020-2021 academic year started in September 2020 with the health measures approved by the Ministry of Health.

State of Emergency

As opposed to neighbouring countries, the Principality of Andorra has not applied the mechanism of the State of Emergency to enforce the relevant restrictive measures. Instead, all the restrictive measures have been adopted pursuant to Andorran health regulations.

Notwithstanding this, Law 4/2020, of 23 March, on State of alert and emergency was approved, pursuant to article 42 of the Constitution which establishes the possibility of temporarily limiting or suspending the exercise of certain fundamental rights by means of the declaration of states of alarm and emergency.

Thus, citizen participation and a high degree of social responsibility have represented the key pillar in the management of the health crisis.

International Assistance

In the development of the COVID-19 pandemic, health personnel from the Republic of Cuba assisted local health personnel due to the staff shortages in the Andorran hospitals throughout the most critic months.

Likewise, both France and Spain, within the framework of the subscribed neighbourhood agreements, have provided technical assistance and medical equipment on several occasions. On this side, Andorra has also provided support to its neighbour countries by treating their patients from those countries at the Andorran National Hospital.

Financial Measures

On 23 March 2020, the General Council approved Law 3/2020, which provided for an investment plan of €200 million to mitigate the first effects of this situation on people and companies. Companies that had dismissed staff as of 14 March 2020 had no access to the public financial aids provided for in the law. The main actions that the Government adopted were: (i) a programme was launched through which companies and self-employed workers affected could solicit loans guaranteed by the Government (i.e. companies that had dismissed staff from 14 March 2020 had no access to these grants), whose interests were assumed by the Government (i.e. for this purpose, Andorran banking entities made €130 million available for companies and self-employed workers, which were fully granted); (ii) the Government took charge of the business contributions to the social security of employees of the companies that had stopped their activity (i.e. the cost of this measure has been €3.4 million); (iii) employees with children under the age of 14 were entitled to paid leave if all progenitors worked in essential sectors (i.e. this paid leave was paid by the Government); (iv) employees and self-employed workers affected by a measure of isolation not being able to carry out their jobs, had the right to receive the cash benefits for temporary disability established for the event of an accident at work or an occupational disease; (v) self-employed workers that had to stop their professional activity could request the temporary suspension of their contributions to social security (i.e. if their activity had been significantly reduced, they could benefit from a reduction of their contributions to social security); (vi) 100% reduction in the rental of business premises if the business activity was stopped, 80% reduction if the business activity remained on call and 50% reduction if the business activity had to be maintained; (vii) possibility of requesting the deferment or instalment payments of tax debts without generating late payment interest; (viii) advance corporation tax for 2020 will be calculated by applying the percentage of 20% on the tax settlement of the immediately previous year (instead of the ordinary 50%), being the total deferred amount €17,3 million; (ix) suspension of procedural and administrative deadlines until the end of the health crisis; and (x) relaxation of the requirements for access to financial unemployment benefit and aid to rental housing for people who had to face a worsening of their economic and social situation as a result of the health crisis.

On 18 April 2020, the General Council approved Law 5/2020. This law regulates for the first time in Andorra two legal concepts in labour law: (i) the temporary suspension of employment contracts and (ii) the reduction of time worked. These mechanisms were regulated in order to avoid as much as possible dismissals and the destruction of the productive network. They guarantee the payment of the minimum interprofessional wage and, for higher salaries, the difference is reduced in a percentage that increases as the salary is higher. The payment of these allowances for employees affected by a temporary suspension of employment contracts or a reduction of time worked is made by the employer and the Government at the rate of 25 and 75%, respectively. This measure could be applied until 31 December 2020, with the estimated cost of €28.9 million.

Some other measures regulated by this law were: (i) the possibility of requesting the deferment or instalment payments of tax debts without generating late payment interest is extended also to tax withholds, to payments in instalment and to penalties (i.e. the total amount of deferment or instalment payments of tax debts through both Law 3/2020 and Law 5/2020 was €10.3 million); (ii) self-employed workers and workers affected by a temporary suspension of employment contracts or a reduction of time worked can access to their private pension schemes to obtain a monthly amount equivalent to the minimum interprofessional wage without incurring any type of penalty; and (iii) self-employed workers with a reduction of their incomes by at least 50% can apply for a direct subsidy of the equivalent to the minimum wage while this condition applies (i.e. the cost of this measure was €8.6 million).

On 20 May 2020, a new programme was launched by the Government through which companies and self-employed workers affected could ask for loans guaranteed by the Government. Interests on these credits were also assumed by the Government. In this case, €100 million were available for companies and self-employed workers addressed to the financing of the following expenses: (i) the employer's contribution to the temporary suspension of employment contracts or to the reduction of time worked; (ii) the investments of businesses for customer services in order to adapt to the new sanitary and distancing measures; and (iii) the refinancing of loans that companies already had with Andorran banking entities.

Companies benefiting from this programme cannot distribute dividends while loans are pending. From the amount of €100 million available, €3.2 million has been granted up to now. It has to be noted that, of the two programmes of loans guaranteed by the Government, €110 million have been effectively drawn down.

On 4 December 2020, the Government approved Law 16/2020, which entered into force on 1 January 2021. This law adapts the measures to make them able to support all those companies and their employees, as well as self-employed workers, whose activity is, directly or indirectly, affected by the COVID-19 pandemic. The Law establishes rules for modifying the staff's working schedule and the employees' functions in order to adapt them to the requirements issued by the competent authorities. The cost of these mechanisms from April to December 2020 was €36.9 million (approximate average per month of €4.1 million).

Monetary Policy

The monetary policy during the COVID-19 outbreak has been based on the debt issuance by the Government in order to increase its operational capacity to guarantee the supply of currency and refinance existing debt.

To date, the Government has approved four debt issuances under Andorra's Domestic Issuance Programme: (i) issuance dated 14 April 2020, of €125 million; (ii) issuance dated 2 June 2020, of €125 million; (iii) issuance dated 10 August 2020, of €20 million; and (iv) supplement and issuance dated 14 October 2020, of €180 million.

THE ECONOMY

Overview

The Principality of Andorra is characterised by strong social and economic dynamism and by the stability of its political and institutional system. The economy of the Principality of Andorra, modern and in regular development, has been marked in recent years by important agreements of various kinds attained with EU countries and with important international bodies.

Gross Domestic Product evolution

Andorra's GDP was relatively resilient to swings in the macroeconomic cycle in recent years, including the 2008 global financial crisis (with nominal GDP falling in 2009 and subsequently returning to growth in subsequent years).

However, the economic prospects for 2020 have been wholly influenced by the spreading COVID-19 pandemic. To this extent, GDP in 2020 saw a year-on-year downturn of nearly -12% in real terms, a rate of decline much higher than the previous economic crisis.

(Million euros)

Real GDP	2015	2016	2017	2018	2019	2020
Real GDP	2,479.7	2,571.7	2,580.6	2,621.6	2,674.5	2,354.7
Interannual Variation (y/y-1)	1.4%	3.7%	0.3%	1.6%	2.0%	-12.0%
Nominal GDP	2015	2016	2017	2018	2019	2020
Nominal GDP	2,514.5	2,616.9	2,655.8	2,725.3	2,818.4	2,507.7
Interannual Variation (y/y-1)	2.1%	4.1%	1.5%	2.6%	3.4%	-11.0%

The nominal GDP shows a recovering trend since 2019, as it has increased a 2.6% and 3.4% during the last two years.

Gross Domestic Product (Gross Value Added Approach)

Andorra's economic structure is mainly dominated by the services sector. The activities which lead such sector are the following: financial and insurance activities, real estate activities, scientific and technical activities, administrative and support services; wholesale and retail trade and repair of motor vehicles; accommodation and food services, transport and storage, and information and communication.

By sectors, the most affected due to COVID-19 have been services (-8.16%), construction (-4.9%), wholesale and retail trade (-13.3%), accommodation and food services (-33.6%) which are also the most important in the economy. In contrast, industry (1.1%) and agriculture (1.4%) have still managed to avoid the decline. Within the services, the subsector commerce, hotels and catering, transport, information and communications shows the greatest fall in GVA (-15.6%) since these activities were most affected by lockdown and restrictions on international movement. The decline was also steep in the financial, real estate, professional and technical services subsectors (-6.5%) and gentler in the subsector public administrations, education, health, social and personal services, due to the continuing importance of the health sector during this pandemic and the intense activity by the public sector to deal with the major impact of this crisis.

The following table sets out the contribution of each sector to the economy of the Principality of Andorra for the years indicated:

(Million euros)

GVA Nominal Composition	2015	2016	2017	2018	2019	2020
Agriculture, Forestry and Fishing.....	12.91	13.66	14.86	14.89	14.73	14.53
Industry and Manufacturing (except construction)	121.74	128.75	130.16	134.08	141.27	139.75
Construction	129.24	136.63	145.92	167.78	188.48	179.34
Services	1,978.10	2,043.79	2,068.01	2,116.33	2,185.83	1,998.92
Wholesale and Retail Trade. Repair of Motor Vehicles; Accommodation and Food	675.21	710.49	740.84	762.02	780.45	658.31

(Million euros)

GVA Nominal Composition	2015	2016	2017	2018	2019	2020
Services; Transport and Storage; Information and Communication						
Financial and Insurance Activities; Real Estate Activities; Professional, Scientific and Technical Activities; Administrative and Support Service Activities	840.06	853.30	827.90	831.71	867.62	811.38
Public administration, defence, education, human health and social work activities; Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies.....	462.82	480.00	499.27	522.59	537.76	529.33
Total GVA	2,241.99	2,322.83	2,358.96	2,433.08	2,530.32	2,332.54
Taxes	246.85	294.04	296.80	292.19	288.10	175.16
TOTAL GDP	2,535.12	2,616.86	2,655.76	2,725.27	2,818.42	2,507.69

(% sector)

Sectoral Composition	2015	2016	2017	2018	2019	2020
Agriculture, Forestry and Fishing.....	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Industry and Manufacturing (except construction)	5.4%	5.5%	5.5%	5.5%	5.6%	6.0%
Construction	5.8%	5.9%	6.2%	6.9%	7.4%	7.7%
Services	88.2%	88.0%	87.7%	87.0%	86.4%	85.7%
Wholesale and Retail Trade. Repair of Motor Vehicles; Accommodation and Food Services; Transport and Storage; Information and Communication	30.1%	30.6%	31.4%	31.3%	30.8%	28.2%
Financial and Insurance Activities; Real Estate Activities; Professional, Scientific and Technical Activities; Administrative and Support Service Activities	37.5%	36.7%	35.1%	34.2%	34.3%	34.8%
Public administration, defence, education, human health and social work activities; Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies.....	20.6%	20.7%	21.2%	21.5%	21.3%	22.7%
Total.....	100%	100%	100%	100%	100%	100%

Inflation

In 2020, inflation of the Principality of Andorra has been equal to -0.2% (1.0% in 2019) while core inflation has remained at 0.7%.

Headline Inflation: Consumer Price Index

CPI	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Price Deflator (CPI)	94.1	95.7	97.7	98.7	98.9	98.1	97.6	98.5	100.8	101.5	102.6	102.4
Annual Average	93.2	94.8	97.2	98.6	99.1	99.0	97.9	97.5	100.0	101.3	102.1	102.3
CPI Interannual Var. (y/y-1) (CPI)	1.0%	1.7%	2.2%	1.1%	0.2%	-0.9%	-0.5%	0.9%	2.4%	0.7%	1.0%	-0.2%
Interannual Var. (y/y-1) (Annual Average)	-1.2%	1.7%	2.6%	1.5%	0.5%	-0.1%	-1.1%	-0.4%	2.6%	1.3%	0.8%	0.3%

Core Inflation

CPI	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Core Inflation (CI)	96.4	96.2	96.4	97.7	98.0	98.5	99.2	99.4	100.4	100.8	101.5	102.1
Annual Average	95.9	95.9	96.4	97.5	98.2	98.6	98.9	99.1	100.0	100.4	101.2	101.8
Core Interannual Var.(y/y-1) (CI)	0.3%	-0.2%	0.2%	1.4%	0.3%	0.5%	0.7%	0.2%	0.9%	0.4%	0.7%	0.7%
Core Interannual Var. (y/y-1) (Annual Average)	0.3%	0.0%	0.4%	1.1%	0.8%	0.4%	0.3%	0.3%	0.9%	0.4%	0.7%	0.7%

Employment

The unemployment rate reached an historic low level during the first term of 2020 (1.9%). However, due to COVID-19, the unemployment rate reached 2.9%.

Unemployment Rate	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4
Unemployed Population 15-74 years	1,231	1,441	1,035	1,575	939	767	523	805	679	916	745	460	859	637	643	1,174	912	1,409	1,617	1,538
Unemployment Rate	2.8%	3.3%	2.4%	3.6%	2.1%	1.8%	1.2%	1.8%	1.5%	2.0%	1.6%	1.0%	1.8%	1.4%	1.4%	2.5%	1.9%	3.0%	3.3%	3.2%

Unemployment by term was also strongly affected by COVID-19. To this extent, the short term unemployment rate reached 92.4% and long term unemployment reached 7.6% in 2020.

Unemployment by Term	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4
Short term Unemployed	72.1%	72.9%	71.0%	71.3%	71.6%	75.1%	75.8%	75.0%	70.4%	73.8%	74.5%	69.9%	72.4%	77.5%	76.5%	78.8%	87.6%	91.3%	94.5%	96.2%
Long Term Unemployed	27.9%	27.1%	29.0%	28.7%	28.4%	24.9%	24.2%	25.0%	29.6%	26.2%	25.5%	30.1%	27.6%	22.5%	23.5%	21.2%	12.4%	8.7%	5.5%	3.8%

The registered unemployment in the Principality of Andorra during the pandemic reached levels unseen since historical records have been available. However, during the 2020 and the commencement of 2021 it has been gradually decreasing.

Registered Unemployment	12 2012	6 2013	12 2013	6 2014	12 2014	6 2015	12 2015	6 2016	12 2016	6 2017	12 2017	6 2018	12 2018	6 2019	12 2019	6 2020	12 2020	1 2021
Registered Unemployment.....	881	1,020	800	826	567	585	404	541	301	413	300	379	379	443	390	1,456	1,160	1,264
Non-Contributory Unemployment Allowance Beneficiaries	125	136	85	114	56	43	41	65	28	29	22	9	13	20	25	46	98	104

Wages and Salaries

Andorra has a minimum wage policy. As of 2021 the minimum salary in Andorra is of €1,121.47 per month. The minimum wage per hour is of €6.47.

Wages and Salaries	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Wages and Salaries.....	974.2	953.1	930.9	888.7	866.9	896.5	884.8	939.8	965.8	1,021.3	1,053.7	1,039.0
Interannual Variation (y/y-1)	-0.8%	-2.2%	-2.3%	-4.5%	-2.4%	3.4%	-1.3%	6.2%	2.8%	5.7%	3.2%	-1.4%

Infrastructure

Roads and Railways

Andorra has a network of roads, with a total length of 269 km, of which 198 km are paved, leaving 71 km of unpaved road. The main road to the north (France) goes through the Envalira pass, which is 2,409 metres high but nonetheless remains open all year round as it has a tunnel as well. The two main roads out of Andorra la Vella are the CG-1 to the Spanish border, and the CG-2 to the French border via the Envalira Tunnel near Pas de la Casa.

Other main roads out of Andorra la Vella are the CG-3 and CG-4 to Arcalis and Pal, respectively. Secondary roads and trails also cross the border but are sometimes closed in winter because of deep snow.

Bus services cover all metropolitan areas and many rural communities, with services on most major routes running half-hourly or more frequently during peak travel times. There are frequent long-distance bus services from Andorra to Barcelona and Barcelona Airport, and also to Toulouse and Toulouse Airport, in each case taking approximately three hours. Bus routes also serve Girona Airport and Portugal via Lleida. Bus services are mostly run by private companies, but some local ones are operated by the Government.

Andorra has no railways, although the line connecting Latour-de-Carol and Toulouse, which in turn connects to France's TGVs at Toulouse, runs within two kilometres of the Andorran border. One station in France is connected by bus to Andorra la Vella — L'Hospitalet-près-l'Andorre (served by the SNCF). A bus service used to run to Latour-de-Carol, served by both SNCF's line to Toulouse and Spain's (RENFE) line to Barcelona.

Aeroport d'Andorra - La Seu

Aeroport d'Andorra - La Seu is a public airport owned by the Government of Catalonia and hosts general aviation and commercial flights. It is located in the municipality of Montferrer i Castellbò in Catalonia, eastern Spain, and serves the city of la Seu d'Urgell and Andorra, which is 12 km north of the airport. The airport has a short runway which limits aircraft sizes and the distance to destinations.

Telecommunications

Telephone system in Andorra, including mobile, data and Internet is operated exclusively by the Andorran national telecommunications company, Andorra Telecom, formerly known as Servei de Telecomunicacions d'Andorra (**STA**), which operates with the brand SOM. The same company is also responsible for managing the technical infrastructure and national broadcasting networks for radio and television, both analogue and digital.

Television services are provided in the Principality of Andorra by Televisió Digital Terrestre ("**TDT**"), which as well as broadcasting the one Andorran channel, broadcasts channels from Spain and France.

Internet access is available only through the national telephone company, SOM (formerly STA). Access was first provided in the 1990s by dial-up, but this has since been mostly replaced throughout the country by ADSL at a fixed speed of 2 Mbit/s, and in metropolitan areas of the country by fibre to the home at a fixed speed of 700 Mbit/s.

Utilities

Forces Elèctriques d'Andorra ("**FEDA**") is the major company in charge of Andorra's electricity supply. Its direct predecessor was the Forces Hidroelèctriques d'Andorra ("**FHASA**"), which was nationalised in 1988 by the General Council and converted into the FEDA.

Healthcare

Andorra has a healthcare system that is comparable to France's system. The World Health Organisation ranked this Andorra's universal healthcare system as number 4 in the world.

There are several entities which govern the Andorran healthcare sector: the General Council, the SAAS (the National Health Service), the Ministry of Health and Welfare and the CASS (the Social Security Office).

In order to be covered by CASS, the public entity which manages the social security system, one must be employed by either a resident or a private company. That means that CASS covers expatriates with Active Residency permits and their families. The amount individuals contribute to this system depends on their salary. Employees pay up to 6.5% of their salary and employers are required to contribute another 15.5%. It is important to note that new employees working for an Andorran company need to register with CASS.

CASS's universal healthcare system covers 75% of all outpatient medical costs (including medical prescriptions and doctors' visits), 90% of hospital fees and 100% of work-related injuries. Expatriates with Passive Residency permits and tourists are not covered by this healthcare system and must have private medical insurance. Andorra has a large network of insurance companies to choose from, offering a wide range of personalised private insurance.

Andorra's world-class hospital, the Hospital Nostra Senyora de Meritxell, is equipped with state-of-the-art medical equipment and has specialists who completed their medical training abroad (mainly in France and Spain). The hospital has the capacity to transfer patients in need to hospitals abroad by ambulance or helicopter. Andorra also has numerous specialised private practices and medical centres which can be found throughout the country.

Besides that, Andorra has a great network of doctors that run their private practices throughout the country. These private practices specialise in many different fields such as homecare, dermatology, dentistry, etc. Various languages are spoken in order to cater to patient needs. CASS provides a list of Andorra's hospital and medical centres.

Andorra has one of the highest ratios of pharmacies per capita in Europe. Pharmacists can sell approved foreign medical prescriptions from certain pharmaceutical companies which have been approved by the Ministry of Health and Welfare.

Social Protection

Social protection is enshrined in the Constitution since the right to health protection and to receive services relative to personal needs is respected. In all cases, the Principality of Andorra has the purpose of guaranteeing a system of social protection.

In 2020 public spending on social protection in Andorra amounted to €229.95 million (an increase of 12% compared to 2019). This includes spending on social protection of households and individuals, financed by the Central Administration and the Andorran Social Security Fund ("CASS") through benefits, reimbursement of those in the general sector, the retirement sector and the Retirement Reserve Fund. In 2020 public spending on social protection increased 12% in 2020 compared to 2019 due to COVID-19.

The increase in expenses is mainly explained by sickness and disability benefits, which increased by 16.5%, and by benefits for the elderly which increased by 8.3% over 2020.

Illness and disability account for 34.5% of total spending and the elderly 47.5%.

Involuntary unemployment benefits during 2020 were granted to a total of 290 households, an increase of 199% over 2019, with an average amount per household of €3,119.85. The total amount provided was €904,755.89, 165.8% more than 2019. Of the types of households that received grants, the most grants are to single-person households (113 households; 39% of the amount awarded for grants) and nuclear households (57 households; 19.7% of the amount awarded). In the case of benefits per dependent child, the number of favourable applications in 2020 was 595. The total amount paid was €1,336,479.6, which represents an increase of 2.7% over the previous year.

Tourism

Economic activity in the Principality of Andorra is oriented mainly towards services, as in the case of all other European economies. Tourism and trade form the basis of the economy of the Principality of Andorra. Tourism is increasingly diversified based upon seasonal considerations and accounts for some 8 million visitors yearly.

The Principality of Andorra has three areas dedicated to winter sports: Grandvalira, Vallnord and Naturlàndia, which offer practically all snow sports, with 318 kilometres of ski slopes and a total of 3,075 hectares of skiable areas. The Grandvalira and Vallnord areas have the world's highest concentration of ski lifts per square meter, with capacity to move over 156,000 people hourly.

During the summer, the skiing areas are adapted in order to offer to the visitors a broad range of activities: golf, karting, theme schools, mountain bike circuits, family parks, helicopter flights, etc. In addition, visitors can go to the Madriu-Perafita-Claror valley (which represents close to 10% of the land area), declared UNESCO World Heritage Landscape in 2004, a category to which only 84 landscapes worldwide belong to.

BALANCE OF PAYMENTS AND FOREIGN TRADE

Balance of Payments

Balance of Payments, BPM6 Methodology

Country Name: Andorra

Currency: Euros

Scale: Million

	Indicator	2019
BCA_BP6_EUR	Current account.....	507.61
BXCA_BP6_EUR	Credit	2,637.35
BMCA_BP6_EUR	Debit	2,129.74
BGS_BP6_EUR	Goods and services	270.48
BXGS_BP6_EUR	Credit	2,085.71
BMGS_BP6_EUR	Debit	1,815.23
BIP_BP6_EUR	Primary income.....	274.42
BXIP_BP6_EUR	Credit	511.02
BMIP_BP6_EUR	Debit	236.61
BIS_BP6_EUR	Secondary income.....	-37.29
BXIS_BP6_EUR	Credit	40.62
BMIS_BP6_EUR	Debit	77.91
BK_BP6_EUR	Capital account	0.25
BK_CD_BP6_EUR	Credit	0.31
BK_DB_BP6_EUR	Debit	0.06
BACK_BP6_EUR	Net lending (+) / net borrowing (-) (balance from current and capital account).....	507.86
	Financial account.....	
BF_BP6_EUR	Net lending (+) / net borrowing (-) (balance from financial account)	509.24
bfd_BP6_EUR	Direct investment.....	-286.12
bfda_BP6_EUR	Net acquisition of financial assets.....	91.04
bfdl_BP6_EUR	Net incurrence of liabilities.....	377.16
bfp_BP6_EUR	Portfolio investment.....	83.75
bfpa_BP6_EUR	Net acquisition of financial assets.....	73.37
bfpl_BP6_EUR	Net incurrence of liabilities.....	-10.38
	Financial derivatives (other than reserves) and employee stock options	
bff_BP6_EUR	Net acquisition of financial assets.....	
bffl_BP6_EUR	Net incurrence of liabilities.....	
bfo_BP6_EUR	Other investment.....	711.60
bfoa_BP6_EUR	Net acquisition of financial assets.....	169.29
bfol_BP6_EUR	Net incurrence of liabilities.....	-542.31
bfoe_BP6_EUR	Other equity	0.36
bfoae_BP6_EUR	Net acquisition of financial assets.....	0.36
bfole_BP6_EUR	Net incurrence of liabilities.....	
bfocd_BP6_EUR	Currency and deposits.....	229.92
bfocta_BP6_EUR	Net acquisition of financial assets.....	98.36
bfoctdl_BP6_EUR	Net incurrence of liabilities.....	-131.56
bfoln_BP6_EUR	Loans	480.88
bfolna_BP6_EUR	Net acquisition of financial assets.....	65.87
bfolnl_BP6_EUR	Net incurrence of liabilities.....	-415.01
bfolnpc_BP6_EUR	Insurance, pension, and standardized guarantee schemes	1.06

BFOLNPCA_BP6_EUR	Net acquisition of financial assets.....	4.71
BFOLNPCL_BP6_EUR	Net incurrence of liabilities.....	3.65
BFOT_BP6_EUR	Trade credit and advances.....	
BFOTA_BP6_EUR	Net acquisition of financial assets.....	
BFOTL_BP6_EUR	Net incurrence of liabilities.....	
BFOR_BP6_EUR	Other accounts receivable/payable.....	-0.61
BFORA_BP6_EUR	Net acquisition of financial assets.....	
BFORPL_BP6_EUR	Net incurrence of liabilities.....	0.61
BFOLSDR_BP6_EUR	Special drawing rights (Net incurrence of liabilities).....	
BFRA_BP6_EUR	Reserve assets	
BOP_BP6_EUR	Net errors and omissions.....	1.37

Foreign Trade

EXPORTS BY COUNTRY IN VALUE

Periodic seriesYEARLY.			Distribution	
	2019	2020	2019	2020
Value of Exports. Destined to Afghanistan. Code 004	0	0	0.0%	0.0%
Value of Exports. Destined to Albania. Code 008	326.91	10,018.00	0.0%	0.0%
Value of Exports. Destined to German. Code 276	1,146,973.15	2,596,726.69	1.0%	1.8%
Value of Exports. Destined to Algeria. Code 012	22,500.00	942,773.00	0.0%	0.7%
Value of Exports. Destined to Angola. Code 024	1,132.42	0	0.0%	0.0%
Value of Exports. Destined to Anguilla. Code 660	0	0	0.0%	0.0%
Value of Exports. Destined to Antigua and Barbudos. Code 028	0	0	0.0%	0.0%
Value of Exports. Destined to Dutch Antilles. Code 530	0	0	0.0%	0.0%
Value of Exports. Destined to Saudi Arabia. Code 682	52,281.30	67,983.56	0.0%	0.0%
Value of Exports. Destined to Argentina. Code 032	36,439.63	1,311,974.39	0.0%	0.9%
Value of Exports. Destined to Armenia. Code 051	1,514.07	414.26	0.0%	0.0%
Value of Exports. Destined to Aruba. Code 533	0	0	0.0%	0.0%
Value of Exports. Destined to Australia. Code 036	326,528.33	196,584.25	0.3%	0.1%
Value of Exports. Destined to Austria. Code 040	67,694.69	125,343.00	0.1%	0.1%
Value of Exports. Destined to Azerbaijan. Code 031	7,133.31	4,351.79	0.0%	0.0%
Value of Exports. Destined to Bahamas. Code 044	0	0	0.0%	0.0%
Value of Exports. Destined to Bahrain. Code 048	5,084.12	6,766.05	0.0%	0.0%
Value of Exports. Destined to Bangladesh. Code 050	0	0	0.0%	0.0%
Value of Exports. Destined to Barbados. Code 052	0	302.7	0.0%	0.0%
Value of Exports. Destined to Belgium. Code 056	637,946.01	578,325.89	0.6%	0.4%
Value of Exports. Destined to Belize. Code 084	0	0	0.0%	0.0%
Value of Exports. Destined to Benin. Code 204	0	0	0.0%	0.0%
Value of Exports. Destined to Bermuda. Code 060	0	0	0.0%	0.0%
Value of Exports. Destined to Bhutan. Code 064	0	0	0.0%	0.0%
Value of Exports. Destined to Belarus. Code 112	55,822.85	17,155.00	0.0%	0.0%
Value of Exports. Destined to Bolivia. Code 068	0	0	0.0%	0.0%
Value of Exports. Destined to Bosnia Herzegovina. Code 070	115	549	0.0%	0.0%
Value of Exports. Destined to Bostwana. Code 072	0	0	0.0%	0.0%
Value of Exports. Destined to Brasil. Code 076	24,284.42	23,136.73	0.0%	0.0%
Value of Exports. Destined to Brunei. Code 096	740.97	364.76	0.0%	0.0%
Value of Exports. Destined to Bulgaria. Code 100	19,892.28	26,516.27	0.0%	0.0%
Value of Exports. Destined to Burkina Faso. Code 854	3,525.00	1,260.00	0.0%	0.0%
Value of Exports. Destined to Burundi. Code 108	0	0	0.0%	0.0%

Value of Exports. Destined to Cambodia. Code 116	99,813.26	34,916.68	0.1%	0.0%
Value of Exports. Destined to Cameroon. Code 120	0	0	0.0%	0.0%
Value of Exports. Destined to Canada. Code 124	70,208.42	124,652.98	0.1%	0.1%
Value of Exports. Destined to Cape Verde. Code 132	0	0	0.0%	0.0%
Value of Exports. Destined to Central African (Republic). Code 140	0	0	0.0%	0.0%
Value of Exports. Destined to Ceuta. Code 900	73,394.20	8	0.1%	0.0%
Value of Exports. Destined to Jericho - Gaza Strip. Code 274	0	0	0.0%	0.0%
Value of Exports. Destined to Vatican City. Code 336	0	0	0.0%	0.0%
Value of Exports. Destined to Colombia. Code 170	224,301.56	5,728.59	0.2%	0.0%
Value of Exports. Destined to Comoros. Code 174	4,868.82	0	0.0%	0.0%
Value of Exports. Destined to Congo (Democratic Republic of). Code 180	0	32	0.0%	0.0%
Value of Exports. Destined to Congo (Republic). Code 178	150	12,361.00	0.0%	0.0%
Value of Exports. Destined to North Korea. Code 408	0	200	0.0%	0.0%
Value of Exports. Destined to South Korea. Code 410	116,124.98	95,670.29	0.1%	0.1%
Value of Exports. Destined to Ivory Coast. Code 384	0	0	0.0%	0.0%
Value of Exports. Destined to Costa Rica. Code 188	4,022.00	12,081.00	0.0%	0.0%
Value of Exports. Destined to Croatia. Code 191	6,369.16	5,981.87	0.0%	0.0%
Value of Exports. Destined to Cuba. Code 192	0	1,834.64	0.0%	0.0%
Value of Exports. Destined to Denmark. Code 208	11,228.88	26,511.39	0.0%	0.0%
Value of Exports. Destined to Djibouti. Code 262	0	33	0.0%	0.0%
Value of Exports. Destined to Dominican. Code 212	0	0	0.0%	0.0%
Value of Exports. Destined to Dominican Republic. Code 214	10,000.00	5,156.10	0.0%	0.0%
Value of Exports. Destined to USA. Code 840	2,001,663.19	2,288,096.90	1.8%	1.6%
Value of Exports. Destined to Egypt. Code 818	7,543.83	1,359.00	0.0%	0.0%
Value of Exports. Destined to El Salvador. Code 222	785,771.87	552,619.43	0.7%	0.4%
Value of Exports. Destined to United Arab Emirates. Code 784	1,021,368.85	502,023.32	0.9%	0.4%
Value of Exports. Destined to Ecuador. Code 218	104	0	0.0%	0.0%
Value of Exports. Destined to Eritrea. Code 232	0	0	0.0%	0.0%
Value of Exports. Destined to Slovakia. Code 703	11,718.48	2,183.28	0.0%	0.0%
Value of Exports. Destined to Slovenia. Code 705	1,804.85	24,420.04	0.0%	0.0%
Value of Exports. Destined to Spain. Code 724	70,973,850.19	99,834,268.60	62.4%	69.9%
Value of Exports. Destined to Estonia. Code 233	13,517.49	10,812.92	0.0%	0.0%
Value of Exports. Destined to Ethiopia. Code 231	0	0	0.0%	0.0%
Value of Exports. Destined to Fiji. Code 242	0	0	0.0%	0.0%
Value of Exports. Destined to Philippines. Code 608	2,752.38	4,903.84	0.0%	0.0%
Value of Exports. Destined to Finland. Code 246	8,759.68	34,773.75	0.0%	0.0%
Value of Exports. Destined to France. Code 250	12,579,721.75	13,943,533.43	11.1%	9.8%
Value of Exports. Destined to Gabon. Code 266	0	3,100.00	0.0%	0.0%
Value of Exports. Destined to Gambia. Code 270	0	0	0.0%	0.0%
Value of Exports. Destined to Georgia. Code 268	2,454.86	1,521.29	0.0%	0.0%
Value of Exports. Destined to Ghana. Code 288	635.46	501.44	0.0%	0.0%
Value of Exports. Destined to Gibraltar. Code 292	0	569.99	0.0%	0.0%
Value of Exports. Destined to Great Britain. Code 826	1,792,308.61	669,570.62	1.6%	0.5%
Value of Exports. Destined to Greece. Code 300	4,683.99	7,714.73	0.0%	0.0%
Value of Exports. Destined to Grenada. Code 308	0	0	0.0%	0.0%
Value of Exports. Destined to Greenland. Code 304	0	0	0.0%	0.0%

Value of Exports. Destined to Guatemala. Code 320	109,439.14	146,090.06	0.1%	0.1%
Value of Exports. Destined to Guinea Bissau. Code 624	0	0	0.0%	0.0%
Value of Exports. Destined to Equatorial Guinea. Code 226	0	0	0.0%	0.0%
Value of Exports. Destined to Guinea. Code 324	0	0	0.0%	0.0%
Value of Exports. Destined to Guyana. Code 328	0	15,158.54	0.0%	0.0%
Value of Exports. Destined to Haiti. Code 332	0	0	0.0%	0.0%
Value of Exports. Destined to Holland. Code 528	2,924,126.11	2,016,779.89	2.6%	1.4%
Value of Exports. Destined to Honduras. Code 340	310,898.26	293,241.79	0.3%	0.2%
Value of Exports. Destined to Hong Kong. Code 344	2,339,335.66	1,465,868.70	2.1%	1.0%
Value of Exports. Destined to Hungary. Code 348	97,058.35	24,254.91	0.1%	0.0%
Value of Exports. Destined to Yemen. Code 887	0	0	0.0%	0.0%
Value of Exports. Destined to Aland Islands. Code 248	0	0	0.0%	0.0%
Value of Exports. Destined to Cayman Islands. Code 136	0	0	0.0%	0.0%
Value of Exports. Destined to Falkland Islands. Code 238	0	0	0.0%	0.0%
Value of Exports. Destined to Feroe Islands. Code 234	0	0	0.0%	0.0%
Value of Exports. Destined to North Mariana Islands. Code 580	0	0	0.0%	0.0%
Value of Exports. Destined to Marshall Islands. Code 584	0	0	0.0%	0.0%
Value of Exports. Destined to Norfolk Islands. Code 574	0	100.92	0.0%	0.0%
Value of Exports. Destined to Solomon Islands. Code 090	0	0	0.0%	0.0%
Value of Exports. Destined to Seychelles Islands. Code 690	0	0	0.0%	0.0%
Value of Exports. Destined to Turks and Caicos Islands. Code 796	0	0	0.0%	0.0%
Value of Exports. Destined to British Virgin Isles. Code 092	0	0	0.0%	0.0%
Value of Exports. Destined to US Virgin Isles. Code 850	32.78	0	0.0%	0.0%
Value of Exports. Destined to Wallis and Futuna Islands. Code 876	0	0	0.0%	0.0%
Value of Exports. Destined to India. Code 356	18,109.25	1,356.39	0.0%	0.0%
Value of Exports. Destined to Indonesia. Code 360	3,660.84	7	0.0%	0.0%
Value of Exports. Destined to Iran. Code 364	0	0	0.0%	0.0%
Value of Exports. Destined to Iraq. Code 368	504.9	5,137.01	0.0%	0.0%
Value of Exports. Destined to Ireland. Code 372	13,006.18	72,425.04	0.0%	0.1%
Value of Exports. Destined to Iceland. Code 352	1,543.34	1,191.76	0.0%	0.0%
Value of Exports. Destined to Israel. Code 376	249,828.20	200,500.73	0.2%	0.1%
Value of Exports. Destined to Italian. Code 380	1,669,710.27	1,309,348.11	1.5%	0.9%
Value of Exports. Destined to Yugoslavia(Federal Republic). Code 891	53,477.05	83,939.18	0.0%	0.1%
Value of Exports. Destined to Jamaica. Code 388	0	112.85	0.0%	0.0%
Value of Exports. Destined to Japan. Code 392	198,588.49	245,756.18	0.2%	0.2%
Value of Exports. Destined to Jordan. Code 400	197,083.73	240,419.52	0.2%	0.2%
Value of Exports. Destined to Kazakhstan. Code 398	4,094.68	3,171.27	0.0%	0.0%
Value of Exports. Destined to Kenya. Code 404	0	0	0.0%	0.0%
Value of Exports. Destined to Kyrgyzstan. Code 417	136.18	138.48	0.0%	0.0%
Value of Exports. Destined to Kiribati. Code 296	0	0	0.0%	0.0%
Value of Exports. Destined to Kuwait. Code 414	130,792.02	79,538.20	0.1%	0.1%
Value of Exports. Destined to Laos. Code 418	446.82	255	0.0%	0.0%
Value of Exports. Destined to Lesotho. Code 426	0	0	0.0%	0.0%
Value of Exports. Destined to Latvia. Code 428	209,599.23	284,973.43	0.2%	0.2%
Value of Exports. Destined to Lebanon. Code 422	559,455.38	288,205.59	0.5%	0.2%
Value of Exports. Destined to Liberia. Code 430	0	0	0.0%	0.0%

Value of Exports. Destined to Libya. Code 434	291.92	8,000.00	0.0%	0.0%
Value of Exports. Destined to Liechtenstein. Code 438	0	219.12	0.0%	0.0%
Value of Exports. Destined to Lithuania. Code 440	1,321.23	2,668.23	0.0%	0.0%
Value of Exports. Destined to Luxembourg. Code 442	15,899.89	89,788.86	0.0%	0.1%
Value of Exports. Destined to Macau. Code 446	11,437.35	6,550.40	0.0%	0.0%
Value of Exports. Destined to Macedonia. Code 807	23	25.98	0.0%	0.0%
Value of Exports. Destined to Madagascar. Code 450	0	152,000.00	0.0%	0.1%
Value of Exports. Destined to Malaysia. Code 458	10,626.32	6,224.74	0.0%	0.0%
Value of Exports. Destined to Malawi. Code 454	0	0	0.0%	0.0%
Value of Exports. Destined to Maldives. Code 462	312.77	0	0.0%	0.0%
Value of Exports. Destined to Mali. Code 466	0	0	0.0%	0.0%
Value of Exports. Destined to Malta. Code 470	2,248.74	2,373.87	0.0%	0.0%
Value of Exports. Destined to Moroccan. Code 504	4,046.10	1,272.68	0.0%	0.0%
Value of Exports. Destined to Mauritius. Code 480	0	8	0.0%	0.0%
Value of Exports. Destined to Mauritian. Code 478	0	0	0.0%	0.0%
Value of Exports. Destined to Mayotte. Code 175	0	375	0.0%	0.0%
Value of Exports. Destined to Melilla. Code 901	0	0	0.0%	0.0%
Value of Exports. Destined to Mexico. Code 484	166,814.57	161,731.57	0.1%	0.1%
Value of Exports. Destined to Micronesia. Code 583	0	0	0.0%	0.0%
Value of Exports. Destined to Mozambique. Code 508	0	0	0.0%	0.0%
Value of Exports. Destined to Moldavia. Code 498	17,408.35	22,221.61	0.0%	0.0%
Value of Exports. Destined to Mongolia. Code 496	835.84	1,043.87	0.0%	0.0%
Value of Exports. Destined to Montserrat. Code 500	0	0	0.0%	0.0%
Value of Exports. Destined to Myanmar. Code 104	0	0	0.0%	0.0%
Value of Exports. Destined to Namibia. Code 516	0	0	0.0%	0.0%
Value of Exports. Destined to Nauru. Code 520	0	0	0.0%	0.0%
Value of Exports. Destined to Nepal. Code 524	50	400	0.0%	0.0%
Value of Exports. Destined to Nicaragua. Code 558	60	0	0.0%	0.0%
Value of Exports. Destined to Niger. Code 562	0	0	0.0%	0.0%
Value of Exports. Destined to Nigeria. Code 566	1,027.07	285.29	0.0%	0.0%
Value of Exports. Destined to Norway. Code 578	3,358,798.38	4,137,177.56	3.0%	2.9%
Value of Exports. Destined to New Caledonia. Code 540	80.5	33.8	0.0%	0.0%
Value of Exports. Destined to New Zealand. Code 554	14,658.23	5,655.23	0.0%	0.0%
Value of Exports. Destined to Oceania Americana. Code 907	0	0	0.0%	0.0%
Value of Exports. Destined to Australian Oceania. Code 902	0	0	0.0%	0.0%
Value of Exports. Destined to New Zealand Oceania. Code 909	0	0	0.0%	0.0%
Value of Exports. Destined to Oman. Code 512	1,397.71	1,408.11	0.0%	0.0%
Value of Exports. Destined to Pakistan. Code 586	0	0	0.0%	0.0%
Value of Exports. Destined to Palace. Code 585	0	22	0.0%	0.0%
Value of Exports. Destined to Panama. Code 591	3,265.96	21,589.20	0.0%	0.0%
Value of Exports. Destined to Papua New Guinea. Code 598	0	0	0.0%	0.0%
Value of Exports. Destined to Paraguay. Code 600	0	0	0.0%	0.0%
Value of Exports. Destined to Peru. Code 604	820.43	637	0.0%	0.0%
Value of Exports. Destined to Pitcairn. Code 612	0	0	0.0%	0.0%
Value of Exports. Destined to French Polynesia. Code 258	69.5	0	0.0%	0.0%
Value of Exports. Destined to Poland. Code 616	18,501.89	64,286.17	0.0%	0.0%
Value of Exports. Destined to Portugal. Code 620	89,146.97	218,466.25	0.1%	0.2%
Value of Exports. Destined to Puerto Rico. Code 630	0	0	0.0%	0.0%

Value of Exports. Destined to Qatar. Code 634	28,026.73	34,137.41	0.0%	0.0%
Value of Exports. Destined to Polar Regions. Code 908	0	0	0.0%	0.0%
Value of Exports. Destined to Réunion. Code 638	0	0	0.0%	0.0%
Value of Exports. Destined to Romania. Code 642	155,840.50	96,993.61	0.1%	0.1%
Value of Exports. Destined to Russia. Code 643	267,697.34	206,094.73	0.2%	0.1%
Value of Exports. Destined to Rwanda. Code 646	0	0	0.0%	0.0%
Value of Exports. Destined to Western Sahara. Code 732	0	0	0.0%	0.0%
Value of Exports. Destined to Saint Christopher and Nevis. Code 659	0	0	0.0%	0.0%
Value of Exports. Destined to Saint Lucia. Code 662	0	0	0.0%	0.0%
Value of Exports. Destined to Samoa. Code 882	0	0	0.0%	0.0%
Value of Exports. Destined to San Marino. Code 674	179,758.80	17,222.40	0.2%	0.0%
Value of Exports. Destined to Sant Pere and Miqueló. Code 666	0	0	0.0%	0.0%
Value of Exports. Destined to Sant Vicenç and les Grenadines. Code 670	0	0	0.0%	0.0%
Value of Exports. Destined to Santa Helena. Code 654	0	0	0.0%	0.0%
Value of Exports. Destined to Sao Tome and Principe. Code 678	0	0	0.0%	0.0%
Value of Exports. Destined to Senegal. Code 686	0	181,469.97	0.0%	0.1%
Value of Exports. Destined to Sierra Leone. Code 694	258.56	163.64	0.0%	0.0%
Value of Exports. Destined to Singapore. Code 702	430,165.25	25,853.89	0.4%	0.0%
Value of Exports. Destined to Syria. Code 760	0	0	0.0%	0.0%
Value of Exports. Destined to Somalia. Code 706	0	0	0.0%	0.0%
Value of Exports. Destined to Sri Lanka. Code 144	0	4	0.0%	0.0%
Value of Exports. Destined to Republic of South Africa. Code 710	10,219.40	2,704.34	0.0%	0.0%
Value of Exports. Destined to Sudan. Code 736	0	0	0.0%	0.0%
Value of Exports. Destined to Swedish. Code 752	30,834.35	70,715.40	0.0%	0.0%
Value of Exports. Destined to Switzerland. Code 756	185,081.88	1,216,873.64	0.2%	0.9%
Value of Exports. Destined to Surinam. Code 740	0	0	0.0%	0.0%
Value of Exports. Destined to Swaziland. Code 748	0	0	0.0%	0.0%
Value of Exports. Destined to Tajikistan. Code 762	0	0	0.0%	0.0%
Value of Exports. Destined to Thailand. Code 764	7,436.04	4,061.10	0.0%	0.0%
Value of Exports. Destined to Taiwan. Code 905	19,581.63	25,632.99	0.0%	0.0%
Value of Exports. Destined to Tanzania. Code 834	0	0	0.0%	0.0%
Value of Exports. Destined to British Territory (Indian Ocean). Code 903	0	0	0.0%	0.0%
Value of Exports. Destined to Timor. Code 626	0	57	0.0%	0.0%
Value of Exports. Destined to Togo. Code 768	0	0	0.0%	0.0%
Value of Exports. Destined to Tonga. Code 776	0	0	0.0%	0.0%
Value of Exports. Destined to Trinitat. Code 780	0	280	0.0%	0.0%
Value of Exports. Destined to Tunisia. Code 788	0	12,818.18	0.0%	0.0%
Value of Exports. Destined to Turkmenistan. Code 795	0	0	0.0%	0.0%
Value of Exports. Destined to Turkey. Code 792	2,692.39	2,677.45	0.0%	0.0%
Value of Exports. Destined to Tuvalu Islands. Code 798	0	0	0.0%	0.0%
Value of Exports. Destined to Chad. Code 148	0	0	0.0%	0.0%
Value of Exports. Destined to Czech Republic. Code 203	45,378.92	28,602.69	0.0%	0.0%
Value of Exports. Destined to Ukraine. Code 804	5,405.01	14,841.66	0.0%	0.0%
Value of Exports. Destined to Uganda. Code 800	0	0	0.0%	0.0%
Value of Exports. Destined to Uruguay. Code 858	172	752.4	0.0%	0.0%

Value of Exports. Destined to Uzbekistan. Code 860	25,186.35	1,378.51	0.0%	0.0%
Value of Exports. Destined to Vanuatu. Code 548	0	0	0.0%	0.0%
Value of Exports. Destined to Venezuela. Code 862	0	0	0.0%	0.0%
Value of Exports. Destined to Vietnam. Code 704	1,964.49	13,219.08	0.0%	0.0%
Value of Exports. Destined to Chile. Code 152	46,894.40	4,196.70	0.0%	0.0%
Value of Exports. Destined to China. Code 156	706,542.61	211,517.61	0.6%	0.1%
Value of Exports. Destined to Cyprus. Code 196	4,473.32	4,677.81	0.0%	0.0%
Value of Exports. Destined to Zambia. Code 894	0	0	0.0%	0.0%
Value of Exports. Destined to Zimbabwe. Code 716	0	0	0.0%	0.0%
Value of Exports. Destined to Others	0	814,839.81	0.0%	0.6%
Value of Exports. Destined to Unknow	6,592,291.03	4,079,297.86	5.8%	2.9%
Value of Exports Total	113,795,045.82	142,871,204.25	100.0%	100.0%

Period: 01/01/2019 to 01/02/2020

Source: Ministry of Finance / Customs Department

Unit: euros

Subject: FOREIGN TRADE

Sub-category: EXPORTS

Divisions: EXPORTS BY COUNTRY IN VALUE

IMPORTS BY COUNTRY IN VALUE

Periodic series YEARLY.	Distribution			
	2019	2020	2019	2020
Value of Imports. Origin Afghanistan. Code 004	420.99	1,093.23	0.0%	0.0%
Value of Imports. Origin Albania. Code 008	42,387.80	26,229.55	0.0%	0.0%
Value of Imports. Origin German. Code 276	54,807,954.14	45,135,897.82	4.0%	3.4%
Value of Imports. Origin Algeria. Code 012	0	18,890.06	0.0%	0.0%
Value of Imports. Origin Angola. Code 024	0	0	0.0%	0.0%
Value of Imports. Origin Anguilla. Code 660	0	0	0.0%	0.0%
Value of Imports. Origin Antigua and Barbudos. Code 028	0	0	0.0%	0.0%
Value of Imports. Origin Dutch Antilles. Code 530	0	0	0.0%	0.0%
Value of Imports. Origin Saudi Arabia. Code 682	2,111.77	2,421.43	0.0%	0.0%
Value of Imports. Origin Argentina. Code 032	7,137.82	42,770.09	0.0%	0.0%
Value of Imports. Origin Armenia. Code 051	106,104.95	57,139.54	0.0%	0.0%
Value of Imports. Origin Aruba. Code 533	0	0	0.0%	0.0%
Value of Imports. Origin Australia. Code 036	31,427.00	53,423.17	0.0%	0.0%
Value of Imports. Origin Austria. Code 040	6,343,852.61	3,647,943.43	0.5%	0.3%
Value of Imports. Origin Azerbaijan. Code 031	0	0	0.0%	0.0%
Value of Imports. Origin Bahamas. Code 044	0	0	0.0%	0.0%
Value of Imports. Origin Bahrain. Code 048	6,870.21	1,149.13	0.0%	0.0%
Value of Imports. Origin Bangladesh. Code 050	4,821,444.43	3,330,736.94	0.3%	0.3%
Value of Imports. Origin Barbados. Code 052	11,217.16	68,771.25	0.0%	0.0%
Value of Imports. Origin Belgium. Code 056	4,143,055.62	5,165,798.25	0.3%	0.4%
Value of Imports. Origin Belize. Code 084	0	0	0.0%	0.0%
Value of Imports. Origin Benin. Code 204	0	0	0.0%	0.0%
Value of Imports. Origin Bermuda. Code 060	0	1,031.10	0.0%	0.0%
Value of Imports. Origin Bhutan. Code 064	0	0	0.0%	0.0%
Value of Imports. Origin Belarus. Code 112	3,336.18	1,468.59	0.0%	0.0%

Value of Imports. Origin Bolivia. Code 068	3,389.18	566.48	0.0%	0.0%
Value of Imports. Origin Bosnia Herzegovina. Code 070	150,400.68	163,587.10	0.0%	0.0%
Value of Imports. Origin Bostwana. Code 072	0	0	0.0%	0.0%
Value of Imports. Origin Brasil. Code 076	88,251.45	12,389.35	0.0%	0.0%
Value of Imports. Origin Brunei. Code 096	1,183.24	7,262.38	0.0%	0.0%
Value of Imports. Origin Bulgaria. Code 100	822,007.67	268,524.94	0.1%	0.0%
Value of Imports. Origin Burkina Faso. Code 854	0	0	0.0%	0.0%
Value of Imports. Origin Burundi. Code 108	4,403.98	10,405.52	0.0%	0.0%
Value of Imports. Origin Cambodia. Code 116	1,615,256.49	910,991.14	0.1%	0.1%
Value of Imports. Origin Cameroon. Code 120	0	647.1	0.0%	0.0%
Value of Imports. Origin Canada. Code 124	662,677.81	407,946.63	0.0%	0.0%
Value of Imports. Origin Cape Verde. Code 132	0	193.96	0.0%	0.0%
Value of Imports. Origin Central African (Republic). Code 140	0	1,930.00	0.0%	0.0%
Value of Imports. Origin Ceuta. Code 900	0	0	0.0%	0.0%
Value of Imports. Origin Jericho - Gaza Strip. Code 274	0	0	0.0%	0.0%
Value of Imports. Origin Vatican City. Code 336	0	0	0.0%	0.0%
Value of Imports. Origin Colombia. Code 170	248,971.93	67,845.63	0.0%	0.0%
Value of Imports. Origin Comoros. Code 174	0	0	0.0%	0.0%
Value of Imports. Origin Congo (Democratic Republic of). Code 180	0	0	0.0%	0.0%
Value of Imports. Origin Congo (Republic). Code 178	965.2	1,603.43	0.0%	0.0%
Value of Imports. Origin North Korea. Code 408	874.32	106.1	0.0%	0.0%
Value of Imports. Origin South Korea. Code 410	2,311,168.36	1,650,629.53	0.2%	0.1%
Value of Imports. Origin Ivory Coast. Code 384	125.71	125.34	0.0%	0.0%
Value of Imports. Origin Costa Rica. Code 188	14,922.15	24,507.70	0.0%	0.0%
Value of Imports. Origin Croatia. Code 191	190,408.69	82,944.56	0.0%	0.0%
Value of Imports. Origin Cuba. Code 192	2,016,299.52	1,918,512.66	0.1%	0.1%
Value of Imports. Origin Denmark. Code 208	1,276,758.32	963,060.41	0.1%	0.1%
Value of Imports. Origin Djibouti. Code 262	0	0	0.0%	0.0%
Value of Imports. Origin Dominican. Code 212	3,139.67	4,432.85	0.0%	0.0%
Value of Imports. Origin Dominican Republic. Code 214	392,147.80	355,554.56	0.0%	0.0%
Value of Imports. Origin USA. Code 840	9,623,757.82	11,468,754.64	0.7%	0.9%
Value of Imports. Origin Egypt. Code 818	216,691.78	180,001.04	0.0%	0.0%
Value of Imports. Origin El Salvador. Code 222	11,263.37	2,905.70	0.0%	0.0%
Value of Imports. Origin United Arab Emirates. Code 784	361,045.75	161,013.89	0.0%	0.0%
Value of Imports. Origin Ecuador. Code 218	0	328.19	0.0%	0.0%
Value of Imports. Origin Eritrea. Code 232	17,970.46	14,696.74	0.0%	0.0%
Value of Imports. Origin Slovakia. Code 703	399,829.35	292,210.76	0.0%	0.0%
Value of Imports. Origin Slovenia. Code 705	196,419.88	89,360.08	0.0%	0.0%
Value of Imports. Origin Spain. Code 724	886,115,782.71	951,035,234.30	64.3%	72.6%
Value of Imports. Origin Estonia. Code 233	37,176.54	38,310.47	0.0%	0.0%
Value of Imports. Origin Ethiopia. Code 231	87.99	0	0.0%	0.0%
Value of Imports. Origin Fiji. Code 242	3,697.95	10,689.43	0.0%	0.0%
Value of Imports. Origin Philippines. Code 608	233,244.83	186,822.17	0.0%	0.0%
Value of Imports. Origin Finland. Code 246	791,318.15	775,759.96	0.1%	0.1%
Value of Imports. Origin France. Code 250	166,580,572.60	122,729,443.92	12.1%	9.4%
Value of Imports. Origin Gabon. Code 266	0	799.08	0.0%	0.0%
Value of Imports. Origin Gambia. Code 270	0	0	0.0%	0.0%

Value of Imports. Origin Georgia. Code 268	7,538.43	16,001.76	0.0%	0.0%
Value of Imports. Origin Ghana. Code 288	0	0	0.0%	0.0%
Value of Imports. Origin Gibraltar. Code 292	0	0	0.0%	0.0%
Value of Imports. Origin Great Britain. Code 826	20,239,512.67	14,190,183.15	1.5%	1.1%
Value of Imports. Origin Greece. Code 300	347,473.79	223,207.43	0.0%	0.0%
Value of Imports. Origin Grenada. Code 308	0	530.76	0.0%	0.0%
Value of Imports. Origin Greenland. Code 304	0	0	0.0%	0.0%
Value of Imports. Origin Guatemala. Code 320	23,870.24	13,947.41	0.0%	0.0%
Value of Imports. Origin Guinea Bissau. Code 624	0	0	0.0%	0.0%
Value of Imports. Origin Equatorial Guinea. Code 226	0	0	0.0%	0.0%
Value of Imports. Origin Guinea. Code 324	46.06	0	0.0%	0.0%
Value of Imports. Origin Guyana. Code 328	15,003.48	2,913.00	0.0%	0.0%
Value of Imports. Origin Haiti. Code 332	386.03	4,894.44	0.0%	0.0%
Value of Imports. Origin Holland. Code 528	14,616,288.43	8,612,917.05	1.1%	0.7%
Value of Imports. Origin Honduras. Code 340	86,617.54	41,433.73	0.0%	0.0%
Value of Imports. Origin Hong Kong. Code 344	409,276.39	1,111,262.86	0.0%	0.1%
Value of Imports. Origin Hungary. Code 348	405,486.57	266,130.63	0.0%	0.0%
Value of Imports. Origin Yemen. Code 887	478.2	0	0.0%	0.0%
Value of Imports. Origin Aland Islands. Code 248	0	0	0.0%	0.0%
Value of Imports. Origin Cayman Islands. Code 136	0	169.6	0.0%	0.0%
Value of Imports. Origin Falkland Islands. Code 238	0	0	0.0%	0.0%
Value of Imports. Origin Feroe Islands. Code 234	0	569.52	0.0%	0.0%
Value of Imports. Origin North Mariana Islands. Code 580	0	0	0.0%	0.0%
Value of Imports. Origin Marshall Islands. Code 584	0	15.06	0.0%	0.0%
Value of Imports. Origin Norfolk Islands. Code 574	0	0	0.0%	0.0%
Value of Imports. Origin Solomon Islands. Code 090	0	0	0.0%	0.0%
Value of Imports. Origin Seychelles Islands. Code 690	0	2,543.10	0.0%	0.0%
Value of Imports. Origin Turks and Caicos Islands. Code 796	0	0	0.0%	0.0%
Value of Imports. Origin British Virgin Isles. Code 092	1,408.81	0	0.0%	0.0%
Value of Imports. Origin US Virgin Isles. Code 850	1,962.01	817.44	0.0%	0.0%
Value of Imports. Origin Wallis and Futuna Islands. Code 876	25.19	0	0.0%	0.0%
Value of Imports. Origin India. Code 356	3,671,208.07	1,818,344.25	0.3%	0.1%
Value of Imports. Origin Indonesia. Code 360	2,559,606.22	1,068,202.18	0.2%	0.1%
Value of Imports. Origin Iran. Code 364	4,745.21	6,254.94	0.0%	0.0%
Value of Imports. Origin Iraq. Code 368	0	0	0.0%	0.0%
Value of Imports. Origin Ireland. Code 372	574,118.30	696,521.80	0.0%	0.1%
Value of Imports. Origin Iceland. Code 352	12,837.91	9,888.58	0.0%	0.0%
Value of Imports. Origin Israel. Code 376	139,142.59	15,154.33	0.0%	0.0%
Value of Imports. Origin Italian. Code 380	53,066,431.03	32,719,490.33	3.9%	2.5%
Value of Imports. Origin Yugoslavia(Federal Republic). Code 891	55.8	0	0.0%	0.0%
Value of Imports. Origin Jamaica. Code 388	1,090.80	2,161.74	0.0%	0.0%
Value of Imports. Origin Japan. Code 392	4,301,208.95	4,727,172.30	0.3%	0.4%
Value of Imports. Origin Jordan. Code 400	23,682.68	31,458.87	0.0%	0.0%
Value of Imports. Origin Kazakhstan. Code 398	889.01	144.45	0.0%	0.0%
Value of Imports. Origin Kenya. Code 404	5,790.25	1,053.26	0.0%	0.0%
Value of Imports. Origin Kyrgyzstan. Code 417	0	63,469.40	0.0%	0.0%
Value of Imports. Origin Kiribati. Code 296	0	0	0.0%	0.0%

Value of Imports. Origin Kuwait. Code 414	13,364.60	0	0.0%	0.0%
Value of Imports. Origin Laos. Code 418	19,667.54	18,913.55	0.0%	0.0%
Value of Imports. Origin Lesotho. Code 426	0	0	0.0%	0.0%
Value of Imports. Origin Latvia. Code 428	86,770.75	160,676.79	0.0%	0.0%
Value of Imports. Origin Lebanon. Code 422	794.63	1,234.64	0.0%	0.0%
Value of Imports. Origin Liberia. Code 430	0	0	0.0%	0.0%
Value of Imports. Origin Libya. Code 434	297	495	0.0%	0.0%
Value of Imports. Origin Liechtenstein. Code 438	7,358.13	3,017.00	0.0%	0.0%
Value of Imports. Origin Lithuania. Code 440	116,783.31	209,367.09	0.0%	0.0%
Value of Imports. Origin Luxembourg. Code 442	2,945,656.78	1,637,296.32	0.2%	0.1%
Value of Imports. Origin Macau. Code 446	3,321.08	4,012.50	0.0%	0.0%
Value of Imports. Origin Macedonia. Code 807	56,837.85	40,706.03	0.0%	0.0%
Value of Imports. Origin Madagascar. Code 450	61,817.92	32,163.97	0.0%	0.0%
Value of Imports. Origin Malaysia. Code 458	482,724.66	243,879.46	0.0%	0.0%
Value of Imports. Origin Malawi. Code 454	0	27.79	0.0%	0.0%
Value of Imports. Origin Maldives. Code 462	686.02	0	0.0%	0.0%
Value of Imports. Origin Mali. Code 466	100.22	0	0.0%	0.0%
Value of Imports. Origin Malta. Code 470	33,184.78	11,398.49	0.0%	0.0%
Value of Imports. Origin Moroccan. Code 504	939,211.29	470,563.70	0.1%	0.0%
Value of Imports. Origin Mauritius. Code 480	109,733.33	38,895.28	0.0%	0.0%
Value of Imports. Origin Mauritian. Code 478	1,173.54	669.02	0.0%	0.0%
Value of Imports. Origin Mayotte. Code 175	0	0	0.0%	0.0%
Value of Imports. Origin Melilla. Code 901	0	0	0.0%	0.0%
Value of Imports. Origin Mexico. Code 484	810,153.54	576,114.83	0.1%	0.0%
Value of Imports. Origin Micronesia. Code 583	0	0	0.0%	0.0%
Value of Imports. Origin Mozambique. Code 508	0	0	0.0%	0.0%
Value of Imports. Origin Moldavia. Code 498	115,395.30	135,456.98	0.0%	0.0%
Value of Imports. Origin Mongolia. Code 496	645.03	0	0.0%	0.0%
Value of Imports. Origin Montserrat. Code 500	0	0	0.0%	0.0%
Value of Imports. Origin Myanmar. Code 104	679,694.37	559,438.97	0.0%	0.0%
Value of Imports. Origin Namibia. Code 516	0	0	0.0%	0.0%
Value of Imports. Origin Nauru. Code 520	0	4,885.50	0.0%	0.0%
Value of Imports. Origin Nepal. Code 524	5,359.17	428.14	0.0%	0.0%
Value of Imports. Origin Nicaragua. Code 558	25,604.43	18,552.92	0.0%	0.0%
Value of Imports. Origin Niger. Code 562	0	0	0.0%	0.0%
Value of Imports. Origin Nigeria. Code 566	1,188.00	0	0.0%	0.0%
Value of Imports. Origin Norway. Code 578	880,518.35	93,082.12	0.1%	0.0%
Value of Imports. Origin New Caledonia. Code 540	1,934.24	0	0.0%	0.0%
Value of Imports. Origin New Zealand. Code 554	13,069.13	4,806.39	0.0%	0.0%
Value of Imports. Origin Oceania Americana. Code 907	0	0	0.0%	0.0%
Value of Imports. Origin Australian Oceania. Code 902	0	0	0.0%	0.0%
Value of Imports. Origin New Zealand Oceania. Code 909	0	0	0.0%	0.0%
Value of Imports. Origin Oman. Code 512	0	0	0.0%	0.0%
Value of Imports. Origin Pakistan. Code 586	1,318,168.66	622,671.52	0.1%	0.0%
Value of Imports. Origin Palace. Code 585	0	0	0.0%	0.0%
Value of Imports. Origin Panama. Code 591	85,851.04	115,190.23	0.0%	0.0%
Value of Imports. Origin Papua New Guinea. Code 598	528	487.98	0.0%	0.0%
Value of Imports. Origin Paraguay. Code 600	9,476.77	0	0.0%	0.0%

Value of Imports. Origin Peru. Code 604	80,639.19	115,622.06	0.0%	0.0%
Value of Imports. Origin Pitcairn. Code 612	0	0	0.0%	0.0%
Value of Imports. Origin French Polynesia. Code 258	100,680.13	1,616.74	0.0%	0.0%
Value of Imports. Origin Poland. Code 616	8,792,136.44	5,863,094.97	0.6%	0.4%
Value of Imports. Origin Portugal. Code 620	12,500,292.08	8,513,980.38	0.9%	0.6%
Value of Imports. Origin Puerto Rico. Code 630	0	0	0.0%	0.0%
Value of Imports. Origin Qatar. Code 634	7,633.11	32,631.06	0.0%	0.0%
Value of Imports. Origin Polar Regions. Code 908	0	0	0.0%	0.0%
Value of Imports. Origin Réunion. Code 638	0	0	0.0%	0.0%
Value of Imports. Origin Romania. Code 642	1,897,601.46	1,698,369.00	0.1%	0.1%
Value of Imports. Origin Russia. Code 643	108,634.82	34,507.36	0.0%	0.0%
Value of Imports. Origin Rwanda. Code 646	0	0	0.0%	0.0%
Value of Imports. Origin Western Sahara. Code 732	0	0	0.0%	0.0%
Value of Imports. Origin Saint Christopher and Nevis. Code 659	829.88	0	0.0%	0.0%
Value of Imports. Origin Saint Lucia. Code 662	1,584.99	240.1	0.0%	0.0%
Value of Imports. Origin Samoa. Code 882	0	0	0.0%	0.0%
Value of Imports. Origin San Marino. Code 674	0	0	0.0%	0.0%
Value of Imports. Origin Sant Pere and Miqueló. Code 666	0	0	0.0%	0.0%
Value of Imports. Origin Sant Vicenç and les Grenadines. Code 670	0	0	0.0%	0.0%
Value of Imports. Origin Santa Helena. Code 654	0	0	0.0%	0.0%
Value of Imports. Origin Sao Tome and Principe. Code 678	0	0	0.0%	0.0%
Value of Imports. Origin Senegal. Code 686	0	0	0.0%	0.0%
Value of Imports. Origin Sierra Leone. Code 694	3,923.47	43,165.97	0.0%	0.0%
Value of Imports. Origin Singapore. Code 702	863,612.42	327,727.30	0.1%	0.0%
Value of Imports. Origin Syria. Code 760	522.35	863.87	0.0%	0.0%
Value of Imports. Origin Somalia. Code 706	7	429.12	0.0%	0.0%
Value of Imports. Origin Sri Lanka. Code 144	280,063.03	196,343.30	0.0%	0.0%
Value of Imports. Origin Republic of South Africa. Code 710	507,216.71	1,004,583.20	0.0%	0.1%
Value of Imports. Origin Sudan. Code 736	0	0	0.0%	0.0%
Value of Imports. Origin Swedish. Code 752	2,480,117.55	2,014,127.03	0.2%	0.2%
Value of Imports. Origin Switzerland. Code 756	14,326,821.85	13,166,980.91	1.0%	1.0%
Value of Imports. Origin Surinam. Code 740	0	174.22	0.0%	0.0%
Value of Imports. Origin Swaziland. Code 748	0	0	0.0%	0.0%
Value of Imports. Origin Tajikistan. Code 762	0	17.48	0.0%	0.0%
Value of Imports. Origin Thailand. Code 764	1,951,347.69	1,123,883.98	0.1%	0.1%
Value of Imports. Origin Taiwan. Code 905	4,448,142.07	5,359,350.38	0.3%	0.4%
Value of Imports. Origin Tanzania. Code 834	1,691.79	305.8	0.0%	0.0%
Value of Imports. Origin British Territory (Indian Ocean). Code 903	1,851.42	0	0.0%	0.0%
Value of Imports. Origin Timor. Code 626	111.36	0	0.0%	0.0%
Value of Imports. Origin Togo. Code 768	0	0	0.0%	0.0%
Value of Imports. Origin Tonga. Code 776	0	0	0.0%	0.0%
Value of Imports. Origin Trinitat . Code 780	27,124.31	3,922.69	0.0%	0.0%
Value of Imports. Origin Tunisia. Code 788	1,326,385.59	882,130.61	0.1%	0.1%
Value of Imports. Origin Turkmenistan. Code 795	0	0	0.0%	0.0%
Value of Imports. Origin Turkey. Code 792	6,612,906.33	4,009,615.30	0.5%	0.3%
Value of Imports. Origin Tuvalu Islands. Code 798	0	0	0.0%	0.0%

Value of Imports. Origin Chad. Code 148	2.52	0	0.0%	0.0%
Value of Imports. Origin Czech Republic. Code 203	3,121,342.30	2,091,050.21	0.2%	0.2%
Value of Imports. Origin Ukraine. Code 804	417,328.30	397,753.96	0.0%	0.0%
Value of Imports. Origin Uganda. Code 800	6,185.48	0	0.0%	0.0%
Value of Imports. Origin Uruguay. Code 858	644.42	858.65	0.0%	0.0%
Value of Imports. Origin Uzbekistan. Code 860	0	0	0.0%	0.0%
Value of Imports. Origin Vanuatu. Code 548	0	0	0.0%	0.0%
Value of Imports. Origin Venezuela. Code 862	27,410.00	15,009.00	0.0%	0.0%
Value of Imports. Origin Vietnam. Code 704	7,450,730.07	4,090,209.08	0.5%	0.3%
Value of Imports. Origin Chile. Code 152	9,705.47	6,315.53	0.0%	0.0%
Value of Imports. Origin China. Code 156	47,437,160.54	32,780,321.02	3.4%	2.5%
Value of Imports. Origin Cyprus. Code 196	35,670.46	84.54	0.0%	0.0%
Value of Imports. Origin Zambia. Code 894	0	0	0.0%	0.0%
Value of Imports. Origin Zimbabwe. Code 716	0	70.88	0.0%	0.0%
Value of Imports. Origin Others	254,604.99	174,988.33	0.0%	0.0%
Value of Imports. Origin Unknown	8,787,889.19	4,650,409.37	0.6%	0.4%
Value of Imports. Total	1,377,933,332.97	1,310,646,900.31	100.0%	100.0%

Period: 01/01/2019 to 01/02/2020

Source: Ministry of Finance / Customs Department

Unit: euros

Subject: FOREIGN TRADE

Sub-category: IMPORTS

Divisions: IMPORTS BY COUNTRY IN VALUE

EXPORTS BY CAPITAL IN VALUE			Distribution	
Periodic seriesYEARLY.	2019	2020	2019	2020
Value of Exports. Chapter 01- Live Animals	115,146.06	78,494.49	0.1%	0.1%
Value of Exports. Chapter 02-. Meat and small edible things	1,395.84	3,305.76	0.0%	0.0%
Value of Exports. Chapter 03-. Fish and shellfish	0	2,974.63	0.0%	0.0%
Value of Exports. Chapter 04-. Milk and dairy products; birds' eggs; natural honey	7,504.65	13,031.68	0.0%	0.0%
Value of Exports. Chapter 05-. Other products of animal origin, not counted in other parts	15,748.70	225	0.0%	0.0%
Value of Exports. Chapter 06-. Live plants and florist items	418.6	0	0.0%	0.0%
Value of Exports. Chapter 07-. Edible legumes, plants, roots and tubers	45	1,692.91	0.0%	0.0%
Value of Exports. Chapter 08-. Edible fruit; Citrus and melon peels and rinds	0	19	0.0%	0.0%
Value of Exports. Chapter 09-. Coffee, tea, mate and spices	6,397.94	1,314.35	0.0%	0.0%
Value of Exports. Chapter 10-. Cereals	0	0	0.0%	0.0%
Value of Exports. Chapter 11-. Flour, malt, flakes and cellulose product; wheat gluten	124.65	0	0.0%	0.0%
Value of Exports. Chapter 12-. Oleaginous Seeds and fruits; medicinal plants; straw and forage	0	0	0.0%	0.0%
Value of Exports. Chapter 13-. Vegetable gums, resins, juices and other extracts	0	0	0.0%	0.0%

Value of Exports. Chapter 14-. Weaving matter and other products from vegetable origin	0	0	0.0%	0.0%
Value of Exports. Chapter 15-. Animal and vegetable greases and oils; waxes from animal or vegetable origin	86,974.35	65,874.36	0.1%	0.0%
Value of Exports. Chapter 16-. Preparations of meat, fish or shellfish	3,899.74	730.31	0.0%	0.0%
Value of Exports. Chapter 17-. Sugars and sugary substances	6,050.83	4,320.24	0.0%	0.0%
Value of Exports. Chapter 18-. Cacao and products made from it	0	25	0.0%	0.0%
Value of Exports. Chapter 19-. Substance made of cereals, flour, milk cellulose or flakes; dough	935.52	9,586.37	0.0%	0.0%
Value of Exports. Chapter 20-. Preparations of legumes, fresh vegetable, fruit or other parts of plants	22,727.85	5,500.04	0.0%	0.0%
Value of Exports. Chapter 21-. Different food substances	65.1	4,962.39	0.0%	0.0%
Value of Exports. Chapter 22-. Alcoholic drinks and vinegars	353,860.61	420,903.36	0.3%	0.3%
Value of Exports. Chapter 23-. Waste from food industries, fodder	0	0	0.0%	0.0%
Value of Exports. Chapter 24-. Tobacco and tobacco substitutes	42,247.91	829,309.01	0.0%	0.6%
Value of Exports. Chapter 25-. Sal; Sulphur; stones and dirt; gypsum; lime and cements	1,550,341.95	285,376.03	1.4%	0.2%
Value of Exports. Chapter 26-. Minerals, scoria and ash	7,540.00	7,060.00	0.0%	0.0%
Value of Exports. Chapter 27-. Flammable minerals, oils, petroleum; mineral wax	101,399.14	40,457.44	0.1%	0.0%
Value of Exports. Chapter 28-. Inorganic chemical products	4,602.00	969.43	0.0%	0.0%
Value of Exports. Chapter 29-. Organic chemical Products	21,040.61	3,450.90	0.0%	0.0%
Value of Exports. Chapter 30-. Pharmaceutical Products	18,240.71	33,603.25	0.0%	0.0%
Value of Exports. Chapter 31-. Manure	0	0	0.0%	0.0%
Value of Exports. Chapter 32-. Extracts of manure; tannins; pigments; paints and varnishes	39,933.17	17,425.85	0.0%	0.0%
Value of Exports. Chapter 33-. Essential oils; perfume and toiletries products, and cosmetic preparations	3,522,998.44	3,322,586.79	3.1%	2.3%
Value of Exports. Chapter 34-. Soaps, lubrication preparations, artificial waxes or substances	10,647.92	17,253.08	0.0%	0.0%
Value of Exports. Chapter 35-. Albuminous matter; bile; enzymes	3,579.80	1,191.04	0.0%	0.0%
Value of Exports. Chapter 36-. Explosives and powder; pyrotechnic items; torches; flammable materials	2,907.26	0	0.0%	0.0%
Value of Exports. Chapter 37-. Cinematographic or photographic products	3,896.35	2,089.90	0.0%	0.0%
Value of Exports. Chapter 38-. Different chemical industry products	19,016.92	23,669.03	0.0%	0.0%
Value of Exports. Chapter 39-. Plastics and articles made from plastics	417,527.13	761,173.67	0.4%	0.5%
Value of Exports. Chapter 40-. Rubber and articles made from rubber	160,632.20	208,529.17	0.1%	0.1%
Value of Exports. Chapter 41-. Untreated Skins (not including furriers) and leathers	22,281.78	13,435.75	0.0%	0.0%
Value of Exports. Chapter 42-. Leather Objects; travel articles, change purses, wallets	1,125,558.86	1,883,407.23	1.0%	1.3%

Value of Exports. Chapter 43-. Furriers and treated skins; false furriers	16,729.91	3,911.37	0.0%	0.0%
Value of Exports. Chapter 44-. Wood, vegetable charcoal and wood articles	1,409,311.88	1,192,458.74	1.2%	0.8%
Value of Exports. Chapter 45-. Cork and cork items	0	0	0.0%	0.0%
Value of Exports. Chapter 46-. Articles for basket-weaving and working Esparto	3,676.97	16,379.09	0.0%	0.0%
Value of Exports. Chapter 47-. Wood pulp or other fibrous materials	584,719.37	504,244.99	0.5%	0.4%
Value of Exports. Chapter 48-. Paper and cardboard; s I cartons; Cellulose based paper articles	4,647,612.95	6,531,983.32	4.1%	4.6%
Value of Exports. Chapter 49-. Press Products	2,425,901.30	1,605,696.73	2.1%	1.1%
Value of Exports. Chapter 50-. Silk	0	0	0.0%	0.0%
Value of Exports. Chapter 51-. Wool, fine furs or sticks; threads and fabrics made of horsehair	100	186.2	0.0%	0.0%
Value of Exports. Chapter 52-. Cotton	45.6	1.88	0.0%	0.0%
Value of Exports. Chapter 53-. Other vegetable fibre textiles; paper thread and paper tissue	0	20.1	0.0%	0.0%
Value of Exports. Chapter 54-. Synthetic or artificial wire	111.9	470.06	0.0%	0.0%
Value of Exports. Chapter 55-. Discontinuous artificial or synthetic fibres	670.67	28	0.0%	0.0%
Value of Exports. Chapter 56-. Boxes, felt and non-woven fabric; special threads; rope making items	33,756.21	44,956.25	0.0%	0.0%
Value of Exports. Chapter 57-. Curtains and other protection from the sun made from cloth	54,468.20	30,769.65	0.0%	0.0%
Value of Exports. Chapter 58-. Special fabrics, needles, carpets, ribbons, lace	124,142.71	87,924.21	0.1%	0.1%
Value of Exports. Chapter 59-. Dyed, oiled, layered or coated fabrics;	15,927.50	128,592.09	0.0%	0.1%
Value of Exports. Chapter 60- Knitted goods	0	0	0.0%	0.0%
Value of Exports. Chapter 61-. Clothes and clothing accessories, knitted	1,583,464.32	1,323,069.16	1.4%	0.9%
Value of Exports. Chapter 62-. Clothes and clothing accessories, not knitted	5,339,957.43	5,248,595.42	4.7%	3.7%
Value of Exports. Chapter 63-. Other packaged textile articles; drapes and old clothes	1,253,360.31	889,399.36	1.1%	0.6%
Value of Exports. Chapter 64-. Shoes, boots and other like objects; parts of the same	2,649,461.75	2,726,008.08	2.3%	1.9%
Value of Exports. Chapter 65-. Hair and parts of hair	834,176.23	1,673,574.84	0.7%	1.2%
Value of Exports. Chapter 66-. Umbrellas, canes, sticks, whips, rods	4,540.40	3,330.09	0.0%	0.0%
Value of Exports. Chapter 67-. Feeders; artificial flowers; objects made of hair	1,853.36	70.54	0.0%	0.0%
Value of Exports. Chapter 68-. Products made of stone, gypsum, cement, amiant	63,910.89	80,098.22	0.1%	0.1%
Value of Exports. Chapter 69-. Ceramic Products	88,394.64	162,925.09	0.1%	0.1%
Value of Exports. Chapter 70-. Glass and glass articles	137,773.30	125,461.44	0.1%	0.1%
Value of Exports. Chapter 71-. Fine pearls or farm pearls, gems and gemstones, precious metals	6,608,186.37	5,443,088.58	5.8%	3.8%
Value of Exports. Chapter 72-. Welding, iron and steel	1,912,145.64	1,950,571.70	1.7%	1.4%
Value of Exports. Chapter 73-. Cast Products in iron or steel	958,953.18	791,560.60	0.8%	0.6%

Value of Exports. Chapter 74-. Copper and copper products	352,876.20	344,884.23	0.3%	0.2%
Value of Exports. Chapter 75-. Nickel and nickel products	330	0	0.0%	0.0%
Value of Exports. Chapter 76-. Aluminium and aluminium products	432,379.53	226,614.15	0.4%	0.2%
Value of Exports. Chapter 77-. Reserved SH	0	0	0.0%	0.0%
Value of Exports. Chapter 78-. Lead and lead products	0	0	0.0%	0.0%
Value of Exports. Chapter 79-. Zinc and zinc products	438.79	351.06	0.0%	0.0%
Value of Exports. Chapter 80-. Tin and tin products	652.1	171.2	0.0%	0.0%
Value of Exports. Chapter 81-. Other common metals; alloys	221.92	224.25	0.0%	0.0%
Value of Exports. Chapter 82-. Tools for making tools, items for knife making	33,728.71	102,049.37	0.0%	0.1%
Value of Exports. Chapter 83-. Different Products made of common metals	16,895.20	64,138.36	0.0%	0.0%
Value of Exports. Chapter 84-. Nuclear Reactors, boilers, machines, tools and mechanical engines	8,826,054.26	8,111,920.81	7.8%	5.7%
Value of Exports. Chapter 85-. Electric machines, tools, and materials; for recording and reproduction	30,020,937.19	26,786,496.03	26.4%	18.7%
Value of Exports. Chapter 86-. Railway vehicles and material; mechanical equipment and signage	0	645	0.0%	0.0%
Value of Exports. Chapter 87-. Automobile vehicles, tractors, motorcycles, bicycles and other land vehicles	15,981,455.42	19,884,470.23	14.0%	13.9%
Value of Exports. Chapter 88-. Air and Space Navigation	508,639.00	38,000.00	0.4%	0.0%
Value of Exports. Chapter 89-. Maritime and River Navigation	424,263.16	164,200.00	0.4%	0.1%
Value of Exports. Chapter 90-. Optical instruments and tools for measuring and checking pressure	10,816,203.13	12,496,332.84	9.5%	8.7%
Value of Exports. Chapter 91-. Watch shops	3,539,578.98	2,013,271.93	3.1%	1.4%
Value of Exports. Chapter 92-. Musical instruments; parts of said instruments	282,651.13	220,353.98	0.2%	0.2%
Value of Exports. Chapter 93-. Weapons, munitions and their parts and accessories	129,030.82	93,207.47	0.1%	0.1%
Value of Exports. Chapter 94-. Furniture; Medical and surgical furniture; items and bedclothes for beds and similar items	598,987.70	765,835.08	0.5%	0.5%
Value of Exports. Chapter 95-. Toys, games, fun or sport articles	1,009,819.53	934,733.33	0.9%	0.7%
Value of Exports. Chapter 96-. Different Products	202,749.79	183,929.25	0.2%	0.1%
Value of Exports. Chapter 97-. Art Objects, collection or antiques	1,871,474.61	31,491,441.97	1.6%	22.0%
Value of Exports. Chapter 98-. Reserved SH	0	0	0.0%	0.0%
Value of Exports. Chapter 99-. Reserved SH	296,638.08	318,610.45	0.3%	0.2%
Value of Exports Total	113,795,045.82	142,871,204.25	100.0%	100.0%

Period: 01/01/2019 to 01/02/2020

Source: Ministry of Finance / Customs Department

Unit: euros

Subject: FOREIGN TRADE

Sub-category: EXPORTS

Divisions: EXPORTS BY CAPITAL IN VALUE

IMPORTS PER CAPITA IN VALUE			Distribution	
Periodic series YEARLY.	2019	2020	2019	2020
Value of Imports. Chapter 01- Live Animals	104,408.37	84,934.82	0.0%	0.0%
Value of Imports. Chapter 02-. Meat and small edible things	30,793,353.98	26,944,831.68	2.2%	2.1%
Value of Imports. Chapter 03-. Fish and shellfish	12,972,849.86	11,581,271.14	0.9%	0.9%
Value of Imports. Chapter 04-. Milk and dairy products; birds' eggs; natural honey	24,874,231.27	21,885,496.70	1.8%	1.7%
Value of Imports. Chapter 05-. Other products of animal origin, not counted in other parts	58,016.55	43,493.40	0.0%	0.0%
Value of Imports. Chapter 06-. Live plants and florist items	1,436,852.53	1,485,794.78	0.1%	0.1%
Value of Imports. Chapter 07-. Edible legumes, plants, roots and tubers	12,686,621.02	13,622,055.51	0.9%	1.0%
Value of Imports. Chapter 08-. Edible fruit; Citrus and melon peels and rinds	7,129,823.70	8,557,939.69	0.5%	0.7%
Value of Imports. Chapter 09-. Coffee, tea, mate and spices	6,704,595.74	5,295,171.37	0.5%	0.4%
Value of Imports. Chapter 10-. Cereals	403,795.98	491,184.27	0.0%	0.0%
Value of Imports. Chapter 11-. Flour, malt, flakes and cellulose product; wheat gluten	882,314.87	911,069.58	0.1%	0.1%
Value of Imports. Chapter 12-. Oleaginous Seeds and fruits; medicinal plants; straw and forage	409,616.91	520,302.01	0.0%	0.0%
Value of Imports. Chapter 13-. Vegetable gums, resins, juices and other extracts	17,842.22	18,204.75	0.0%	0.0%
Value of Imports. Chapter 14-. Weaving matter and other products from vegetable origin	4,417.51	13,415.91	0.0%	0.0%
Value of Imports. Chapter 15-. Animal and vegetable greases and oils; waxes from animal or vegetable origin	5,121,028.41	4,706,034.98	0.4%	0.4%
Value of Imports. Chapter 16-. Preparations of meat, fish or shellfish	17,984,748.30	16,412,146.15	1.3%	1.3%
Value of Imports. Chapter 17-. Sugars and sugary substances	6,002,714.34	3,932,367.27	0.4%	0.3%
Value of Imports. Chapter 18-. Cacao and products made from it	9,553,744.03	6,282,953.96	0.7%	0.5%
Value of Imports. Chapter 19-. Substance made of cereals, flour, milk cellulose or flakes; dough	24,512,315.28	20,640,257.91	1.8%	1.6%
Value of Imports. Chapter 20-. Preparations of legumes, fresh vegetable, fruit or other parts of plants	12,631,006.96	10,886,467.05	0.9%	0.8%
Value of Imports. Chapter 21-. Different food substances	23,276,007.95	21,888,910.53	1.7%	1.7%
Value of Imports. Chapter 22-. Alcoholic drinks and vinegars	81,595,591.78	62,182,465.17	5.9%	4.7%
Value of Imports. Chapter 23-. Waste from food industries, fodder	3,886,544.68	3,863,582.39	0.3%	0.3%
Value of Imports. Chapter 24-. Tobacco and tobacco substitutes	30,261,128.18	21,843,780.19	2.2%	1.7%
Value of Imports. Chapter 25-. Sal; Sulphur; stones and dirt; gypsum; lime and cements	7,950,903.86	7,411,186.90	0.6%	0.6%
Value of Imports. Chapter 26-. Minerals, scoria and ash	13,284.67	791.04	0.0%	0.0%
Value of Imports. Chapter 27-. Flammable minerals, oils, petroleum; mineral wax	111,675,656.30	73,070,188.71	8.1%	5.6%
Value of Imports. Chapter 28-. Inorganic chemical products	833,403.02	838,814.11	0.1%	0.1%
Value of Imports. Chapter 29-. Organic chemical Products	703,512.68	668,866.07	0.1%	0.1%
Value of Imports. Chapter 30-. Pharmaceutical Products	31,993,212.28	32,510,950.23	2.3%	2.5%
Value of Imports. Chapter 31-. Manure	480,318.30	486,121.30	0.0%	0.0%

Value of Imports. Chapter 32-. Extracts of manure; tannins; pigments; paints and varnishes	6,162,113.41	5,342,733.60	0.4%	0.4%
Value of Imports. Chapter 33-. Essential oils; perfume and toiletries products, and cosmetic preparations	102,453,269.01	64,295,045.92	7.4%	4.9%
Value of Imports. Chapter 34-. Soaps, lubrication preparations, artificial waxes or substances	15,118,270.41	13,976,283.61	1.1%	1.1%
Value of Imports. Chapter 35-. Albuminous matter; bile; enzymes	601,862.95	502,594.39	0.0%	0.0%
Value of Imports. Chapter 36-. Explosives and powder; pyrotechnic items; torches; flammable materials	280,721.53	188,773.55	0.0%	0.0%
Value of Imports. Chapter 37-. Cinematographic or photographic products	598,350.80	493,692.90	0.0%	0.0%
Value of Imports. Chapter 38-. Different chemical industry products	6,428,202.86	11,930,848.13	0.5%	0.9%
Value of Imports. Chapter 39-. Plastics and articles made from plastics	20,987,113.86	17,458,810.60	1.5%	1.3%
Value of Imports. Chapter 40-. Rubber and articles made from rubber	9,453,978.08	8,115,418.67	0.7%	0.6%
Value of Imports. Chapter 41-. Untreated Skins (not including furriers) and leathers	7,724.84	4,935.07	0.0%	0.0%
Value of Imports. Chapter 42-. Leather Objects; travel articles, change purses, wallets	12,736,252.52	8,617,316.48	0.9%	0.7%
Value of Imports. Chapter 43-. Furriers and treated skins; false furriers	267,007.45	92,642.11	0.0%	0.0%
Value of Imports. Chapter 44-. Wood, vegetable charcoal and wood articles	11,266,149.72	9,828,800.43	0.8%	0.7%
Value of Imports. Chapter 45-. Cork and cork items	192,301.79	27,485.00	0.0%	0.0%
Value of Imports. Chapter 46-. Articles for basket-weaving and working Esparto	119,674.74	85,717.98	0.0%	0.0%
Value of Imports. Chapter 47-. Wood pulp or other fibrous materials	17,977.85	13,391.85	0.0%	0.0%
Value of Imports. Chapter 48-. Paper and cardboard; s I cartons; Cellulose based paper articles	19,403,744.93	18,970,317.93	1.4%	1.4%
Value of Imports. Chapter 49-. Press Products	11,415,237.51	8,047,296.61	0.8%	0.6%
Value of Imports. Chapter 50-. Silk	2,626.86	3,937.22	0.0%	0.0%
Value of Imports. Chapter 51-. Wool, fine furs or sticks; threads and fabrics made of horsehair	35,403.02	27,551.34	0.0%	0.0%
Value of Imports. Chapter 52-. Cotton	66,618.41	85,565.98	0.0%	0.0%
Value of Imports. Chapter 53-. Other vegetable fibre textiles; paper thread and paper tissue	16,520.99	7,974.26	0.0%	0.0%
Value of Imports. Chapter 54-. Synthetic or artificial wire	142,459.32	102,566.63	0.0%	0.0%
Value of Imports. Chapter 55-. Discontinuous artificial or synthetic fibres	702,192.94	378,225.90	0.1%	0.0%
Value of Imports. Chapter 56-. Boxes, felt and non-woven fabric; special threads; rope making items	1,246,165.21	1,079,328.45	0.1%	0.1%
Value of Imports. Chapter 57-. Curtains and other protection from the sun made from cloth	674,304.24	439,106.41	0.0%	0.0%
Value of Imports. Chapter 58-. Special fabrics, needles, carpets, ribbons, lace	155,654.09	174,730.48	0.0%	0.0%
Value of Imports. Chapter 59-. Dyed, oiled, layered or coated fabrics;	308,567.14	137,159.86	0.0%	0.0%
Value of Imports. Chapter 60- Knitted goods	53,906.67	19,041.95	0.0%	0.0%

Value of Imports. Chapter 61-. Clothes and clothing accessories, knitted	30,756,949.73	24,536,580.18	2.2%	1.9%
Value of Imports. Chapter 62-. Clothes and clothing accessories, not knitted	61,945,903.28	41,306,994.66	4.5%	3.2%
Value of Imports. Chapter 63-. Other packaged textile articles; drapes and old clothes	8,250,244.25	9,673,029.05	0.6%	0.7%
Value of Imports. Chapter 64-. Shoes, boots and other like objects; parts of the same	27,280,689.84	18,373,428.07	2.0%	1.4%
Value of Imports. Chapter 65-. Hair and parts of hair	6,811,982.92	5,468,032.49	0.5%	0.4%
Value of Imports. Chapter 66-. Umbrellas, canes, sticks, whips, rods	396,534.46	323,867.95	0.0%	0.0%
Value of Imports. Chapter 67-. Feeders; artificial flowers; objects made of hair	161,106.36	72,826.44	0.0%	0.0%
Value of Imports. Chapter 68-. Products made of stone, gypsum, cement, amiant	7,440,623.91	5,819,687.27	0.5%	0.4%
Value of Imports. Chapter 69-. Ceramic Products	5,892,812.56	4,388,689.53	0.4%	0.3%
Value of Imports. Chapter 70-. Glass and glass articles	5,125,394.72	3,856,903.36	0.4%	0.3%
Value of Imports. Chapter 71-. Fine pearls or farm pearls, gems and gemstones, precious metals	14,683,753.47	10,405,350.23	1.1%	0.8%
Value of Imports. Chapter 72-. Welding, iron and steel	4,709,768.79	4,203,907.75	0.3%	0.3%
Value of Imports. Chapter 73-. Cast Products in iron or steel	19,785,475.69	16,521,108.14	1.4%	1.3%
Value of Imports. Chapter 74-. Copper and copper products	240,860.37	372,899.58	0.0%	0.0%
Value of Imports. Chapter 75-. Nickel and nickel products	82.83	0	0.0%	0.0%
Value of Imports. Chapter 76-. Aluminium and aluminium products	8,182,537.31	6,902,697.58	0.6%	0.5%
Value of Imports. Chapter 77-. Reserved SH	0	0	0.0%	0.0%
Value of Imports. Chapter 78-. Lead and lead products	558.74	11,963.75	0.0%	0.0%
Value of Imports. Chapter 79-. Zinc and zinc products	55,069.73	69,326.95	0.0%	0.0%
Value of Imports. Chapter 80-. Tin and tin products	1,294.90	2,132.78	0.0%	0.0%
Value of Imports. Chapter 81-. Other common metals; alloys	92,372.79	27,216.19	0.0%	0.0%
Value of Imports. Chapter 82-. Tools for making tools, items for knife making	3,714,376.92	3,073,357.37	0.3%	0.2%
Value of Imports. Chapter 83-. Different Products made of common metals	6,521,792.31	5,756,957.40	0.5%	0.4%
Value of Imports. Chapter 84-. Nuclear Reactors, boilers, machines, tools and mechanical engines	70,268,108.56	64,497,429.34	5.1%	4.9%
Value of Imports. Chapter 85-. Electric machines, tools, and materials; for recording and reproduction	90,583,241.53	72,490,592.40	6.6%	5.5%
Value of Imports. Chapter 86-. Railway vehicles and material; mechanical equipment and signage	470,030.98	332,419.09	0.0%	0.0%
Value of Imports. Chapter 87-. Automobile vehicles, tractors, motorcycles, bicycles and other land vehicles	177,772,102.91	151,376,927.09	12.9%	11.5%
Value of Imports. Chapter 88-. Air and Space Navigation	326,468.18	2,657,650.68	0.0%	0.2%
Value of Imports. Chapter 89-. Maritime and River Navigation	4,378,898.10	1,535,872.77	0.3%	0.1%
Value of Imports. Chapter 90-. Optical instruments and tools for measuring and checking pressure	23,942,910.76	21,148,159.91	1.7%	1.6%
Value of Imports. Chapter 91-. Watch shops	22,280,442.66	17,809,381.66	1.6%	1.4%
Value of Imports. Chapter 92-. Musical instruments; parts of said instruments	925,280.14	1,074,928.52	0.1%	0.1%

Value of Imports. Chapter 93-. Weapons, munitions and their parts and accessories	970,888.81	639,943.54	0.1%	0.0%
Value of Imports. Chapter 94-. Furniture; Medical and surgical furniture; items and bedclothes for beds and similar items	32,343,710.90	25,111,961.79	2.3%	1.9%
Value of Imports. Chapter 95-. Toys, games, fun or sport articles	23,484,108.35	15,209,972.45	1.7%	1.2%
Value of Imports. Chapter 96-. Different Products	4,574,511.97	3,836,405.23	0.3%	0.3%
Value of Imports. Chapter 97-. Art Objects, collection or antiques	25,209,518.96	221,520,914.26	1.8%	16.9%
Value of Imports. Chapter 98-. Reserved SH	0	0	0.0%	0.0%
Value of Imports. Chapter 99-. Reserved SH	484,689.56	709,041.97	0.0%	0.1%
Value of Imports. Total	1,377,933,332.97	1,310,646,900.31	100.0%	100.0%

Period: 01/01/2019 to 01/02/2020

Font: Ministry of Finance / Customs Department

Unit: euros

Subject: FOREIGN TRADE

Sub-category: IMPORTS

Divisions: IMPORTS PER CAPITA IN VALUE

MONETARY AND FINANCIAL SYSTEM

Structure and Development of the Banking System

In recent years, the Andorran banking industry has made substantial efforts to adapt its legal framework to international standards, particularly in respect of banking and financial regulation, and it will continue with this adaptation over the coming months, evolving progressively towards these international standards with the aim of competing on equal terms with all other of the world's financial centres.

The adaptation of the Andorran industry to specific European banking regulations, the development of standards for tax transparency within the framework of the OECD and the consolidation of a new Andorran tax framework have been accompanied by substantial processes for internationalisation of most banks in the industry, involving diversification and growth of business activities. At present, three of the country's five bank groups are undertaking processes for international expansion. All banks of the Principality of Andorra are certified as qualified intermediaries by the United States Internal Revenue Service (the "IRS").

The legislation of the Principality of Andorra does not allow for the creation of any opaque structures, nor private foundations for particular interests which may promote offshore investment structures. Banking entities operate in international markets, applying their standards and best practices.

The financial system of the Principality of Andorra has confirmed its strength during the year 2020, continuously giving examples of its solvency in an international context, with a negative interest rate and a continuous adaptation of the services and processes to the international standards in order to compete in equal conditions with the remaining financial centres worldwide. The consolidation of the internal market and the good behaviour of the internationalisation process of Andorran banking entities is translated into the diversification and growth of its business.

Supervision of Banks

The AFA is the regulatory and supervisory authority of the Andorran financial system. The AFA is granted powers to issue, among others, technical communications and recommendations in order to develop regulations and standards regarding the exercise of banking, financial and insurance activities. Furthermore, its constitutive law grants the AFA the ability to set the applicable fallback of international standards for interpretational and prudential supervision purposes.

As the authority of the Andorran financial system, its functions encompass: (i) promoting and ensuring the functioning of the Andorran financial system; (ii) ensuring the stability and safeguarding the reputation of the Andorran financial system; (iii) ensuring adequate protection of clients and investors; (iv) promoting the competitiveness of the Andorran financial system; and (v) reducing the systemic risk arising from the instability of the financial markets.

In addition, the AFA: (i) has the power to carry out all the actions that are necessary to ensure the correct development of its supervision and control functions to the entities which compose the Andorran financial system (and their consolidated groups); (ii) exercises disciplinary and sanctioning power over these entities; (iii) provides treasury and public debt management services; (iv) manages customer complaints which are submitted to the AFA; (v) is responsible for the international relations with central banks and other supervisory authorities; and (vi) submits reports and opinions on financial legislation to the Government.

There are other bodies involved in financial activities whose functions are not strictly regulatory, but their role is essential for the adequate functioning of the Andorran financial system.

The UIFAND is an independent body created to promote and coordinate measures to prevent money laundering and terrorist financing. This unit was created in 2000 under the Law for international cooperation on criminal matters and the fight against money laundering arising from international crime, following recommendations of the European Council's MONEYVAL Committee and the 40 recommendations from the Financial Action Task Force.

The UIFAND has the following functions: (i) manages and promotes the activities of prevention and the fight against the use of the financial system for money laundering or terrorist financing; (ii) issues technical communications; (iii) requests any information or documents to reporting subjects, including Andorran banking entities; (iv) conducts on-site inspections; (v) requests and receives certificates from the competent judicial authorities for criminal records; (vi) receives and analyses the statements and all written or oral communications from reporting subjects; (vii) cooperates with other foreign organisations; (viii) sanctions minor administrative offences; (ix) submits to the Public Prosecutor all appropriate cases where there are reasonable suspicions of having committed a criminal offence; and (x) submits proposed regulations to the Government relating to the fight against money laundering and terrorist financing.

The State Agency for the Resolution of Banking Institutions ("**AREB**") is a public institution created by Law 8/2015, of 2 April, on urgent measures to introduce mechanisms for the recovery and resolution of banking institutions ("**Law 8/2015**"). This law attributes to this agency the management of the processes for the winding-up and resolution of banking entities.

The Andorran Fund for the Resolution of Banking Institutions was created for the purpose of financing the measures agreed by the AREB in the application of Law 8/2015. This institution, which does not have legal personality, is managed by the AREB.

Structure of the Banking System

The banking sector is the predominant sector of the Andorran financial system, as well as the most important segment for the overall financial stability of the country. This sector consists of five banks, which are mainly owned by local shareholders, with the exception of Vall Banc, S.A. (owned by J.C. Flowers IVL.P) and BancSabadell d'Andorra, S.A. (owned by Banco de Sabadell, S.A. of Spain). The five banks in Andorra are as follows (as 31 December 2020):

Banks	CET1 phased- in	TIER 1	Solvency ratio
Andorra Banc Agrícola Reig, S.A.	13.56%	16.02%	16.02%
Crèdit Andorrà, SA	15.91%	15.91%	17.63%
Mora Banc Grup, SA	27.31%	27.31%	28.02%
Vall Banc, S.A.	22.13%	22.13%	22.13%
BancSabadell d'Andorra, S.A.	20.40%	20.40%	20.40%

The qualification agency Fitch Ratings has issued on 9 April 2021 its long-term valuation of three of the Andorran banks, Andorra Banc Agrícola Reig, S.A. (BBB), Mora Banc Grup, S.A. (BBB-) and Credit Andorra, S.A. (BBB-).

As of 31 December 2020, the asset-to-GDP ratio of Andorran banks amounted to 604.94%. Gross credits and deposits amounted to €6,358.98 million and €10,681.32 million, respectively. The following table sets out developments in banking system assets:

	Year ended 31 December					
	2015	2016	2017	2018	2019	2020
Banking System Assets (€ million).....	14,441.8	14,492.5	14,145.4	13,969.9	14,840.7	15,170
Banking System Assets (% GDP) ⁽¹⁾	574.3	553.8	532.6	512.6	526.6	604.94

Notes:

(1) According to the GDP figures released on nominal GDP, Department d'Estadística d'Andorra.

Investment Funds

By the end of 2020, there were seven investment fund management companies in Andorra, managing 465 open-ended investment funds, where 272 investment funds are configured under Andorran law and 193 are configured under foreign law. The total net asset value of the funds on 31 December 2020 was €40.22 million, representing an 8.7% increase as compared to 2019.

Insurance

Legislation and Institutional Framework

Insurance companies conduct their activities in accordance with Law 12/2017, of 22 June, on the regulation and supervision of insurance and reinsurance in the Principality of Andorra, Regulation of 20 December 2017, applying Law 12/2017, of 22 June, on the regulation and supervision of insurance and reinsurance in the Principality of Andorra, Regulation of 27 December 2017 on the development of the first final provision

of Law 12/2017, of 22 June, on the organisation and supervision of insurance and reinsurance in the Principality of Andorra, and Regulation of 8 May 2019 on the development of Law 12/2017, of 22 June, on the organisation and supervision of insurance and reinsurance in the Principality of Andorra for certain delegations in the Principality of Andorra.

Law 12/2017 incorporates the principles and standards of the International Association of Insurance Supervisors as well as Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance.

The law regulates (i) the applicable regime and transactions of insurance companies, (ii) risk management, (iii) the role of authorised actuaries, (iv) financial reporting, (v) internal and external auditing, (vi) the activities of insurance brokerage companies and agencies, (vii) supervision over insurance companies, (viii) procedures for decision-making by the Insurance and Reinsurance Supervisory Authority, (ix) the transactions of insurance and reinsurance pools, (x) cooperation with supervisory agencies and EU authorities and (xi) penalty provisions.

Insurance Market and Supervision

There are currently 29 licensed insurance companies operating in Andorra, 15 of which are branches of foreign insurance companies authorised to do business in the Principality. On 31 December 2020, the aggregate share of foreign ownership in the insurance market was 24%.

As of 31 December 2020, there were 72 licensed insurance intermediaries, of which 50 of them are insurance brokers and 22 are insurance agents. Insurance brokers are linked to an insurance company authorised to operate in the Principality of Andorra and provide their services by means of an insurance agency agreement, which operates under the authority and responsibility of the insurance company, while insurance agents carry out their intermediary profession on their own behalf and without an agency agreement.

Insurance penetration (measured as the ratio of gross written premiums to GDP) at the end of 2020 was 6.52%, and insurance density (measured as the total amount of gross written premiums divided by total population) was €2,370. The insurance sector is characterised by its moderate market concentration.

PUBLIC FINANCE

The Principality of Andorra Budget and Financial Information

The budgeting process in Andorra is based on the Constitution of the Principality of Andorra, the General Budget Law and the Sustainability of Public Finances and Budgetary and Fiscal Stability Law and its subsequent amendments, respectively.

The purpose of the General Budget Law is to determine the forecast for the income and the maximum obligations the Administration may accept, as well as to indicate the criteria for the execution of the budget. The General Budget Law also includes a number of permanent amendments of different legal regulations related to public finances, the public service and the economic activity of the public sector.

The General Budget Law sets out the obligations that can be recognised by the Andorran public sector. To this extent, the Andorran public sector is comprised of the Central Government, seven *Comuns* (one for each parish) and "parapublic" entities, which are a group of entities fully owned by the public sector.

The General Budget Law also establishes the entitlements foreseen to be settled during the same year in accordance with the budgetary legal framework.

Budgeting Monitoring and Reporting

The General Intervention authority "*Intervenció General*" is the authority responsible for budgetary monitoring and reporting. The key roles of this authority encompass the audit of the Andorran public sector acts and to ensure that the rules laid down in the budgetary framework are consistent.

The General Intervention authority audits the accounting registers of revenues and expenditures, sets up and drafts the general accounts and submits to the Government the general public accounting scheme that determines the structure, justification, processing and the obligation to render accounts that must be approved by the General Council.

The General Intervention is the authority in charge of the monitoring of legality, economic and financial opportunity and in respect of the contracting of public contracts for works, services, supplies and acquisitions.

Local Budgets

The *Comuns* obtain their annual revenues from transfers received from the Government and the remaining amount from funds they collect and other income.

The table below shows total revenue and expenses for each of the *Comuns*:

(*Million euros*)

Local Governments	2020 Budget	2020 Real	2020 Difference
CURRENT INCOME	120.5	126.4	5.9
Direct taxes.....	35.3	36.3	1.0
Indirect taxes	4.9	8.3	3.3
Taxes and other income.....	44.6	45.8	1.2
Current transfers.....	23.6	27.5	3.9
Estate revenue	12.1	8.5	-3.5
CAPITAL INCOME	38.2	33.2	-5.0
Alienation of assets	0.5	0.5	0.0
Capital transfers.....	37.7	32.7	-5.0
TOTAL	158.7	159.6	0.9
CURRENT EXPENDITURE	109.0	96.7	-12.3
Personal expenditure	53.5	50.9	-2.6
Consumption expenditure.....	45.8	35.5	-10.2
Financial expenditure	1.3	1.0	-0.4
Current transfers.....	8.4	9.3	0.9
CAPITAL EXPENDITURE.....	47.5	23.5	-24.1
Investment expenditure	47.4	22.3	-25.0
Capital transfers.....	0.2	1.2	1.0
TOTAL	156.5	120.2	-36.3
Surplus or Deficit	2.1	39.3	37.2

The *Comuns* have experienced a certain degree of variation between the initial budget for 2020 and the revenue and expense clearance budget for the year.

Recent Budgets

The 2021 Budget

After the approval of the 2021 Budget, the Government submitted it to the Andorran General Council for its final processing. The 2021 Budget was adopted on 17 December 2020.

The 2021 Budget is the cornerstone of the budgetary framework in conjunction with the Financial Balance Plan "*Pla d'equilibri financer*" adopted by the Government due to the COVID-19 outbreak. The 2021 Budget has the purpose of financing the expenditures derived from the health emergency situation caused by COVID-19.

The main sector affected by the direct consequences of the COVID-19 in the 2021 Budget have been the infrastructures, since the Government has decided to maintain only those that it has considered essential, such as the Portalada, the reforms to the Emergency Service; the maintenance of the '*Renova Plan*' since the Andorran Government is committed to promoting sustainability and providing aid to the population and various reforms and extensions in various schools in the country.

The Principality of Andorra Revenues and Expenditures

(million euros)

Expenditure	2017	2018	2019	2020	2018/17	2019/18	2020/19
Central Government	414.3	434.5	438.8	503.1	4.9%	1.0%	14.7%
<i>Central Government</i>							
<i>(SEC'95)</i>	<i>414.3</i>	<i>434.5</i>	<i>438.8</i>	<i>503.1</i>	<i>4.9%</i>	<i>1.0%</i>	<i>14.7%</i>
Non Market Non-Profit							
Institutions	73.9	78.0	82.3	96.6	5.5%	5.5%	17.3%
Central Government Social							
Security	293.4	304.4	319.2	326.2	3.7%	4.9%	2.2%
Local Governments	115.2	133.5	139.1	120.2	15.9%	4.2%	-13.6%
Public companies outside							
the market	23.3	23.1	23.8	18.3	-0.9%	3.0%	-23.0%
Total General							
Government	920.1	973.5	1,003.2	1,064.4	5.8%	3.1%	6.1%
% GDP	34.6%	35.7%	35.6%	42.4%	+1.1pp	-0.1pp	+6.8pp
Revenue	2017	2018	2019	2020	2018/17	2019/18	2020/19
Central Government	423.4	432.3	442.2	398.5	2.1%	2.3%	-9.9%
Non Market Non-Profit							
Institutions	73.2	77.9	83.0	96.8	6.4%	6.5%	16.6%
Central Government Social							
Security	341.9	357.8	360.4	359.5	4.7%	0.7%	-0.3%
Local Governments	146.6	156.9	161.4	159.6	7.0%	2.9%	-1.1%
Public companies outside							
the market	23.3	23.7	24.4	22.1	1.7%	3.0%	-9.3%
Total General							
Government	1,008.4	1,048.6	1,071.4	1,036.4	4.0%	2.2%	-3.3%
% GDP	38.0%	38.5%	38.0%	41.3%	+0.5pp	-0.5pp	+3.3pp
Surplus (or Deficit)	2017	2018	2019	2020	2018/17	2019/18	2020/19
Central Government	9.1	-2.2	3.4	-104.6	-124.2%	-254.1%	-3,186.6%
<i>Central Government</i>							
<i>(SEC'95)</i>	<i>9.1</i>	<i>-2.2</i>	<i>3.4</i>	<i>-104.6</i>	<i>-124.2%</i>	<i>-254.1%</i>	<i>-3,186.6%</i>
Non Market Non-Profit							
Institutions	-0.7	-0.1	0.7	0.2	-85.7%	-800.0%	-68.5%

Central Government Social Security	48.5	53.4	41.2	33.3	10.1%	-22.8%	-19.3%
Local Governments	31.4	23.4	22.3	39.3	-25.5%	-4.7%	76.4%
Public companies outside the market.....	0.0	0.6	0.6	3.8	-	0.0%	537.9%
Total General Government	88.3	75.1	68.2	-28.0	-14.9%	-9.2%	-141.0%
Total General Government (SEC' 95).....	88.3	75.1	68.2	-28.0	-14.9%	-9.2%	-141.0%
% GDP	3.3%	2.8%	2.4%	-1.1%	-0.5pp	-0.4pp	+3.5pp
% GDP (SEC '95).....	3.3%	2.8%	2.4%	-1.1%	-0.5pp	-0.4pp	+3.5pp

The Principality of Andorra Assets

(Million euros)

Public Sector Assets	2017	2018	2019	2020	2018/17	2019/18	2020/19
Central Government	1,076.5	1,031.3	1,075.3	1,166.8	-4.20%	4.27%	8.51%
Non Market Non-Profit Institutions.....	78.6	79.7	79.1	86.6	1.40%	-0.75%	9.48%
Central Government Social Security	1,284.6	1,273.8	1,419.4	1,487.5	-0.84%	11.43%	4.80%
Local Governments	603.5	654.7	660.7	699.4	8.48%	0.92%	5.86%
Public companies outside the market.....	5.2	6.8	6.2	9.2	30.77%	-8.82%	48.39%
Total General Government.....	3,048.4	3,046.3	3,240.7	3,449.5	-0.07%	6.38%	6.44%
Public Sector Liquid Assets	2017	2018	2019	2020	2018/17	2019/18	2020/19
Central Government	104.2	109.6	105.3	231.5	5.2%	-3.9%	119.8%
Non Market Non-Profit Institutions.....	11.4	13.2	10.1	11.3	15.8%	-23.5%	11.9%
Central Government Social Security	1,244.7	1,236.4	1,390.9	1,459.2	-0.7%	12.5%	4.9%
Local Governments	104.9	109.9	125.7	147.8	4.8%	14.3%	17.6%
Public companies outside the market.....	2.6	2.7	2.6	5.8	3.8%	-3.7%	123.1%
Total General Government.....	1,467.8	1,471.8	1,634.5	1,855.6	0.3%	11.1%	13.5%
% GDP	55.3%	54.0%	58.0%	74.0%	-1.2pp	+4.0pp	+16.0pp

The Principality of Andorra International Reserves

The table below shows the international reserves of the Principality of Andorra for the years indicated:

International Reserves

(million)

	2019	2020
Special Drawing Rights (SDR – international reserve asset of the IMF)	0	35 (corresponding to approximately €43 million)

There are no potential encumbrances as forward contracts or derivatives to the Issuer's international reserves set out above.

PUBLIC DEBT

Overview

The following table sets out the Principality of Andorra's public debt broken into Central Government debt, Local Government debt and related entities as a percentage of GDP, as at the dates indicated:

Deficit

(million euros)

Central Government	2017	2018	2019	2020
CG surplus or deficit	9.1	-2.2	3.4	-104.6
Annual trend (y/y-1)	-59.7%	-124.2%	-254.1%	-3,186.6%
CG surplus or deficit (% GDP)	0.3%	0.1%	0.1%	4.2%
CG surplus or deficit (SEC95)	9.1	-2.2	3.4	-104.6
CG surplus or deficit (% GDP) SEC95	0.3%	0.1%	0.1%	4.2%
Local Government	2017	2018	2019	2020
LG surplus or deficit	31.4	23.4	22.3	39.3
Annual trend (y/y-1)	-26.6%	-25.48%	-4.70%	76.43%
LG surplus or deficit (% GDP)	1.2%	0.86%	0.79%	1.57%
Related entities (non market non profit institutions)	2017	2018	2019	2020
RE surplus or deficit	-0.7	-0.1	0.7	0.2
Annual trend (y/y-1)	-36.4%	-85.7%	-800.0%	-68.5%
RE surplus or deficit (% GDP)	0.0%	0.0%	0.0%	0.0%
Related entities (Social Security)	2017	2018	2019	2020
RE SS surplus or deficit	48.5	53.4	41.2	33.3
Annual trend (y/y-1)	-1.6%	10.1%	-22.8%	-19.3%
RE SS surplus or deficit (% GDP)	1.8%	2.0%	1.5%	1.3%
Public companies outside the market	2017	2018	2019	2020
NMK surplus or deficit	0	0.6	0.6	3.8
Annual trend (y/y-1)	-100.0%	100.0%	100.0%	100.0%
NMK surplus or deficit (% GDP)	0.00%	0.02%	0.02%	0.15%
Central Government	2017	2018	2019	2020
Total GG surplus or deficit	88.3	75.1	68.2	-28.0
Annual trend (y/y-1)	-22.5%	-14.9%	-9.2%	-141.0%
GG Deficit or surplus (% GDP)	3.3%	2.8%	2.4%	1.1%
Total GG surplus or deficit (SEC95)	88.3	75.1	68.2	-28.0
Annual trend (y/y-1)	-22.5%	-14.9%	-9.2%	-141.0%
GG Deficit or surplus (% GDP) SEC95	3.3%	2.8%	2.4%	1.1%

Debt

(million euros)

General Government	2017	2018	2019	2020
Central Government	912.5	904.0	920.8	1,016.0
Local Government	92.8	86.5	76.8	66.0
RE (non market non profit institutions)	-	-	-	-
Public companies outside the market	-	-	-	-
Total gross debt GG	1,005.3	990.5	997.7	1,082.0
Total gross debt GG (% GDP)	37.9%	36.3%	35.4%	43.1%

(Million euros)

General Government	2017	2018	2019	2020
Central Government Debt	912.5	904.0	920.8	1,016.0
Long-term debt	692.0	533.4	580.3	867.1
LT debt (bank)	122.0	88.4	110.3	72.1
LT debt (treasuries)	570.0	445.0	470.0	795.0
Short-term debt	220.5	370.7	340.5	148.9

CT debt (bank).....	20.5	20.7	15.5	23.9
CT debt (treasuries).....	200.0	350.0	325.0	125.0
NMK-NP Inst. Debt	0.0	0.0	0.0	0.0
Long-term debt (bank).....	0.0	0.0	0.0	0.0
Short-term debt (bank).....	0.0	0.0	0.0	0.0
Central Government Soc. Seg. Debt	0.0	0.0	0.0	0.0
Local Government Debt	92.8	86.5	76.8	66.0
Long-term debt (bank).....	81.3	76.0	66.1	57.7
Short-term debt (bank).....	11.6	10.4	10.7	8.3
GG Debt	1,005.3	990.5	997.7	1,082.0
GG Debt (% GDP).....	37.9%	36.3%	35.4%	43.1%

	31/12/2020	Maturity (years)
BONDS ISSUED	920,000,000 €	1.6
BANK CREDIT LINES	100,000,000 €	0.7
AMORTIZABLE BANK LOANS	85,951,051 €	11.9
DEBT CENTRAL GOVERNMENT	1,105,951,051 €	2.2

Amortization of loans (million euros)

General Government	2019	2020
Central Government	329.5	232.9
RE (non market non profit institutions).....	-	-
Public companies outside the market.....	-	-
Local Government.....	10.2	10.1
Total amortization of GG	339.7	243.0

Payment of interest (million euros)	2019	2020	2020/19
Central Government	11.7	12.0	2.5%
Non Market Non-Profit Institutions.....	-	-	-
Public companies outside the market.....	-	-	-
Local Governments	0.9	0.8	-13.2%
Total payment of interest GG	12.6	12.8	1.3%

Credit Ratings

In the latest evaluation by Standard & Poor's on 15 January 2021, the rating agency confirmed the Principality Andorra's rating at BBB/A-2 and maintained the stable outlook for the Principality of Andorra. The evaluators positively pointed out that the recently achieved IMF membership could act as a policy anchor contributing to the country's economic and budgetary resilience.

Furthermore, the latest sovereign rating evaluation by the rating agency Fitch took place on 29 January 2021 in which the agency reaffirmed the Principality of Andorra's rating as BBB+ with stable outlook. It was also positively highlighted the continued reduction of the Principality of Andorra's indebtedness with regards to GDP since 2012. A reduction which is expected to continue in the following years, based on the budget surplus projections and a continued growth of the GDP. Fitch's evaluators also highlight recent membership with CEB and collaboration with EIB, which should also result in additional financing opportunities. The rating agency positively assessed the Principality's adhesion to the IMF as well as the diversification and internationalisation of the Andorran debt, allowing the increase of the average maturity of the debt.

TAXATION

The tax laws of the investor's state and of the Issuer's state of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Principality of Andorra

Taxation on the income of Non Residents

Pursuant to article 15 of Law 94/2010, of December 29, on the tax of income of non-residents, income obtained by non-resident individuals and companies in Andorra as interest is exempt.

Taxation on the income of companies

Law 95/2010, of 29 December, on the Corporate Income Tax ("CIT") applicable since 1 January 2012, as modified by Law 17/2011, of 1 December, establishes in its article 9 that the taxable base of CIT includes all income obtained by the company, that is not exempt from taxation. Income obtained from the Notes is not considered exempt from taxation, which implies that income arising from the Notes is taxable at the rate of 10 per cent. This income can be reduced in the amount of any expenses related to the holding of the Notes.

Taxation on the income of individuals

Since 1 January 2015, taxation is applicable to individuals with tax residence in the Principality of Andorra. Law 5/2014, of 24 April, on taxation on the income made by individuals who are Andorran tax residents establishes that revenues from public debt issued by the Principality of Andorra, despite being considered as capital investments, are exempt from this obligation pursuant to article 5 of this Law.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Banco Santander, S.A., Crédit Agricole Corporate and Investment Bank, Andorra Banc Agricol Reig, S.A., BancSabadell d'Andorra, S.A., Crèdit Andorrà, SA, Mora Banc Grup, SA and Vall Banc SA (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, the Dealers are set out in a Dealer Agreement dated 23 April 2021 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. If, in the case of any Tranche of Notes, the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 1; TEFRA D or TEFRA C as specified in the relevant Final Terms.*

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. Each of the Dealers has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes within the United States. In addition, until 40 days after the commencement of any offering, an offer or sale of Notes from that offering within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of EU MIFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MIFID II.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part

of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or

- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other UK regulatory restrictions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Selling Restrictions Addressing Additional Securities Laws

The Principality of Andorra

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may only be offered, sold or distributed in the Principality of Andorra in accordance with the requirements set forth by the laws of Andorra, in particular, Law 7/2013, of 9 May, on the regime for the operative entities of the Andorran financial system and other provisions which govern the financial activities at the Principality of Andorra ("**Law 7/2013**") (*Llei 7/2013, del 9 de maig, sobre el règim jurídic de les entitats operatives del sistema financer andorrà i altres disposicions que regulen l'exercici de les activitats financeres al Principat d'Andorra*) and Law 8/2013, of 9 May, on the organisational requirements and operating conditions of the operating entities in the Andorran financial system, the investor protection, the market abuse and financial securities agreements ("**Law 8/2013**") (*Llei 8/2013, del 9 de maig, sobre els requisits organitzatius i les condicions de funcionament de les entitats operatives del sistema financer, la protecció de l'inversor, l'abús de mercat i els acords de garantia financer*) as well as any other related regulation that may be in force from time to time, as further amended, supplemented or restated governing the issue, offer and sale of securities in Andorra.

Accordingly, the Notes can only be publicly offered, marketed, promoted or negotiated in Andorra by locally licensed financial entities "*entitats operatives del sistema financer andorrà*". Dealers may offer or distribute exclusively the Notes to locally licensed financial entities authorised by the Andorran Financial Authority "*Autoritat Financera Andorrana*" in accordance with the laws of Andorra, or sell them to Andorran eligible counterparties or professional investors, as defined in Law 8/2013, as long as the selling of such securities is expressly solicited by such investors.

To the extent that any Andorran financial institution is appointed as Dealer in relation to an issuance of Notes, additional Andorran selling restrictions may be included in the Final Terms.

General

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme was adopted by the Andorran Council of Ministers on 23 April 2021. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Legal and Arbitration Proceedings

2. The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position of the Issuer.

Significant Change

3. Since 31 December 2020 there has been no significant change in the tax and budgetary systems, gross public debt, foreign trade and balance of payments, foreign exchange reserves, financial position and resources and income and expenditure figures of the Issuer.

Documents on Display

4. Copies of the following documents may be inspected during normal business hours at the specified offices of the Issuer or at <https://www.finances.ad/liquidacions-de-comptes> (in respect of item (a)), <https://www.finances.ad/pressupostos-del-govern-d-andorra> (in respect of item (b)) and <https://www.finances.ad/emissions-de-deute-public> (in respect of items (c)-(e)) for the 12 months from the date of this Base Prospectus:

- (a) The Issuer's financial and audit reports for the 2019 and 2020 fiscal years;
- (b) the Issuer's budget for the 2021 fiscal year;
- (c) the Agency Agreement;
- (d) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
- (e) a copy of this Base Prospectus together with any supplement to this Base Prospectus.

This Base Prospectus, supplements and the Final Terms for Notes that are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market "Bourse de Luxembourg" will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

For the avoidance of doubt, URLs given in respect of website addresses in this Base Prospectus are inactive textual references only and it is not intended to incorporate the contents of any such websites into this Base Prospectus nor should the contents of such websites be deemed to be incorporated into this Base Prospectus. None of the information contained in such websites has been scrutinised or approved by the CSSF.

Clearing of the Notes

5. The Notes have been accepted for clearance through Euroclear Bank SA/NV, of 1 Boulevard du Roi Albert II, B-120 Brussels, Belgium and Clearstream Banking S.A., of 42 Avenue J.F. Kennedy, L-1855, Luxembourg. The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Notes Having a Maturity of Less than One Year

6. Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to

expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

Issue Price and Yield

7. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

Legal Entity Identifier (LEI)

8. The Legal Entity Identifier (LEI) of the Issuer is 549300ZPD490G9UI0A49.

Issuer website

9. The Issuer's website is <https://www.finances.ad/emissions-de-deute-public>. Information contained on the website does not form part of this Base Prospectus.

Validity of Base Prospectus and Supplements

10. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

THE ISSUER

Principat d'Andorra

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AD500 Andorra la Vella

Principat d'Andorra

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Crédit Agricole Corporate and Investment Bank

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