

ADMINISTRATIVE RULINGS OF THE NATIONAL SUPERINTENDENCE OF COSTS AND PRICES

In relation to the Law on Fair Costs and Prices, 4 Administrative Rulings issued by the National Superintendence of Costs and Prices (the “Superintendence”) were published in Official Gazette No. 39.805, dated November 22, 2011. The most significant aspects of said Rulings are:

1.- Administrative Rulings Nos. 002, 003, and 004, all dated November 8, 2011, whereby the following individuals are designated to hold the supervisory positions of the Superintendence:

William Contrera, as Cost and Price Intendant.

Nelson Arencibia, as Integral Management Intendant.

María Duque, as Inspection and Supervision Intendant.

2.- Ruling No. 005 dated November 22, 2011, whereby the National Superintendence of Silos, Agrarian Warehouses and Deposits (SADA), the National Integrated Service of Customs and Tax Administration (SENIAT), and the Institute for the Defense of Individuals in the Access to Goods and Services (INDEPABIS) are instructed to conduct in all of the national territory the inspections prescribed in the Decree with the Status, Value, and Force of Law on Fair Costs and Prices (the “Decree”).

Said Ruling empowers 262 officers to carry out the necessary inspections of the subjects regulated by the Decree in order to obtain the information required to comply with the same.

Likewise, 220 representatives and spokespersons of the organized communities are authorized to participate - in coordination with the Superintendence and the Ministry of the Popular Power with competence over communes and social protection - in the procedures of inspection prescribed in the Decree and to provide the support required to obtain the information that is necessary to comply with the same.

3.- Administrative Ruling No. 006 dated November 22, 2011, whereby the general guidelines that will govern the National Registry of Prices of Goods and Services (the “Registry”) are established. The most important aspects of this Ruling are the following:

- Registration with the Registry will be processed in the stages and phases described in said Ruling.
- The subjects categorized as small establishments will process their registration with the Registry through the special procedures to be established by the Superintendence.
- Small establishments are understood as those engaged in the commercialization of products, with a payroll not exceeding five (5) persons, which have difficulties to access the technological infrastructure in order to process their registration with the Registry, and which have declared gross income not exceeding 1,500 T.U. in the immediately preceding fiscal year.
- The Superintendence will determine the stages of registration for the products selected by it.

- Each Registration stage will comprise the following phases: (i) Price Notification; (ii) Cost Notification; (iii) Analysis of the Information Provided, and (iv) Price Determination.
- Each Registration stage will be regulated through Administrative Rulings by the Superintendence.
- The Superintendence will determine through Administrative Rulings the products and services to be included in the Registry by the regulated subjects.
- The Superintendence will determine the dates when the relevant notifications will begin and end and the periods of time for providing the information.
- After the regulated subjects have completed the process of price notification, the Superintendence will issue the Electronic Certificate.
- Once the price notification phase is completed, the regulated subjects determined by the Superintendence, at the time and in the conditions to that end indicated, must provide the information about accounting, financial, and mercantile data; data of related companies, agencies, and branches; inventory data and data referred to technology transfer, all as detailed in the Administrative Ruling.
- After completing the analysis of the information provided, the Superintendence, through an Administrative Ruling, will establish the guidelines and parameters for setting the maximum prices or price range.
- The setting of the prices of the products determined by the Superintendence will be made through Administrative Rulings to be published in the Official Gazette of the Republic.
- The inclusion of new goods and services, as well as the requests for price adjustment or modification, will be processed in the conditions to be established by the Superintendence.

3.- Administrative Ruling No. 007 dated November 22, 2011, whereby the rules that regulate the notification of prices of goods determined before the entry into force of the Decree are issued. The most important aspects of this Ruling are the following:

- The subjects that produce, import, transform, distribute, and/or commercialize the products mentioned below are under the obligation to notify the Superintendence of the prices fixed prior to the entry into force of the Decree. Said products are:
 - 1.- Compotes, all presentations.
 - 2.- Mineral water, all presentations.
 - 3.- Pasteurized fruit juice, all presentations.
 - 4.- Disposable diapers for babies, all presentations.
 - 5.- Hair shampoo, all presentations.
 - 6.- Hair rinse, all presentations.
 - 7.- Deodorant, all presentations.
 - 8.- Bath soap, all presentations.
 - 9.- Razors, all presentations.
 - 10.- Toilett paper, all presentations.
 - 11.- Sanitary pads, all presentations.
 - 12.- Tooth paste and mouthwash, all presentations.
 - 13.- Chlorine, all presentations.
 - 14.- Floor wax, all presentations.
 - 15.- Detergents, all presentations.
 - 16.- Laundry soap bar, all presentations.
 - 17.- Dishwashing liquid, gel, or cream, all presentations.

- 18.- Cleaners (disinfectants), all presentations.
19.- Fabric softeners and rinses, all presentations.

- The companies that produce and commercialize the end products mentioned in this Administrative Ruling will provide, through the respective fields of the web page, the following information: cost accumulation system used; inventory valuation method used; item name; general description; brand; unit of measurement; presentation; package; unit cost; sales price; health registration number of the product (if applicable); SENCAMER registration number of the product (if applicable).
- The companies that commercialize the aforementioned items will also notify the following: type of establishment, supplier's name; supplier's RIF; purchase price; unit cost; sales price.
- In the case of imported items, the following must be notified: tariff code and its description; quantity imported during the requested period; CIF value of the import; and FOB value of the import.
- The sales prices of the aforementioned products notified to the Price Administration Automated System (the "System") may not be modified until the Maximum Sales Price is determined by the Superintendence.
- The notification of the sales price of the products must be made by the subjects from November 23, 2011 up to and including December 7, 2011.
- The subjects that fail to perform the obligation to notify the sales price of said products to the System will be penalized in accordance with the provisions of the Decree.
- The small sale establishments that cannot give the notification through the web page must provide the information required to the Superintendence through the reception center and/or electronic mail created for such purpose.
- The Superintendence will make available to the interested parties the set of instructions describing the manner in which the price notification will be given.

Finally, the Superintendence's web page is: <http://www.sundecop.gob.ve/>

