

**DECREE WITH THE STATUS, VALUE, AND FORCE OF ORGANIC LAW
ON LABOR AND WORKERS (“OLLW”)
MEMORANDUM**

Following you will find the aspects that we have considered to be most significant of the DECREE WITH THE STATUS, VALUE, AND FORCE OF ORGANIC LAW ON LABOR AND WORKERS (“OLLW”), which has not been published in the Official Gazette yet.

The preparation of this Memo was based on the version of the OLLW published by the Ministry of the Secretary of the Presidency of the Republic.

The OLLW has been sent to the Constitutional Chamber of the Supreme Tribunal of Justice in order for it to ratify its character of Organic Law.

Article 2: PUBLIC ORDER PROVISIONS:

The provisions of this law and those derived from the same are of public order and of imperative, obligatory, and immediate application, putting priority on the application of the principles of social justice, solidarity, equity, and respect for human rights.

Article 3: Scope of application

This Law will govern the labor situations and relationships of the workers and the employers, developed within the national territory and deriving from work as a social fact. The provisions contained in this Law and those derived from the same apply to Venezuelans and foreigners by reason of the work performed or agreed in the country and in no case may they be waived or relaxed by individual agreements. Collective bargaining agreements may establish rules in favor of the workers that exceed the general rule, respecting the purpose of this Law. Likewise, the provisions of this Law will be applied to workers hired in Venezuela to provide services abroad.

Articles 4 and 12: They establish the possibility for labor inspectors' offices to compulsorily enforce their decisions.

Article 7: Workers who provide professional services through contracts on a professional fee basis will have the rights and obligations determined by the relevant laws of professional practice, always provided that such laws do not deteriorate the rules that must govern labor relationships. In this connection, they will be covered by the Labor and Social Security legislation in all matters that are favorable to them.

The fees corresponding to the activity of said workers are deemed to be paid through the payment of the remuneration and other benefits derived from the labor relationship, except as expressly agreed to the contrary.

Article 17: Social Security

It provides for social security for non-dependent workers and homemakers.

Article 22: Substance over form

It establishes the substance-over-form principle in labor relationships, as well as in the interpretation and application of labor and social security matters.

Article 28: Small and medium-sized industries are not excluded from the application of the percentage of foreign workers in the payroll.

No distinction is made between employees and workers.

The concept of *trabajador de confianza* (workers of trust) is eliminated.

Article 43. Employer's strict liability

All employers will guarantee to their workers adequate safety, hygiene, and environmental conditions and they will be liable for the industrial accidents and occupational diseases suffered by the workers, apprentices, trainees, recipients of scholarships at the work entity or for work-related causes. The employer's liability will be established whether or not there is fault or negligence by the employer or by the workers, apprentices, trainees, recipients of scholarships. The provisions of this Law on health and safety at work will be applied.

The concept of economic unit is broadened.

Article 47: Outsourcing

For purposes of the Law, outsourcing is understood as the simulation or fraud committed by employers in general with the purpose of distorting, failing to acknowledge, or hindering the application of the labor legislation. The administrative or judicial entities with competence over labor matters will establish the liability of the employers in the event of simulation or labor fraud under the law.

Article 48: Outsourcing is prohibited. Therefore, the following will not be permitted:

1. Hiring of a work entity to execute permanent works or services within the work facilities of the hiring work entity, related in a direct manner to the productive process of the hiring entity and without the execution of which the operations of the hiring entity would be affected or interrupted.
2. Hiring of workers through intermediaries in order to evade the obligations derived from the labor relationship of the hiring entity.
3. Work entities created by the employer to evade the obligations to the workers.
4. Fraudulent contracts or agreements intended to simulate a labor relationship, through the use of juridical forms of civil or mercantile law.
5. Any other form of labor simulation or fraud.

In the preceding cases, the employers will perform all of their obligations to the workers derived from the labor relationship according to the law and will include the outsourced workers in the payroll of the work entity. Said outsourced workers will be covered by fire freeze up to the time when they are actually incorporated into the work entity.

Articles 49 and the following: The concept of contractor is established in terms similar to those known to date.

Article 51: Statute of Limitations of the actions

The statute of limitations of the actions resulting from the claims of termination benefits will be of ten years as from the date of termination of the provision of services, according to the provisions of the Constitution.

The statute of limitations of the rest of the actions resulting from labor relationships will be of five years as from the date of termination of the provision of services. In cases of industrial accidents or occupational diseases, the five-year statute of limitations will be applied in accordance with the provisions of the Organic Law on Prevention, Work Conditions and Environment (*Ley Orgánica de Prevención, Condiciones y Medio Ambiente de Trabajo* - LOPCYMAT).

Articles 55 and the following: Employment agreement

The provisions on employment agreements remain similar to those known to date; when the agreement is entered into in writing, a counterpart of the same must be delivered to the worker and it will be placed on record in a book to be kept to that end.

Employment agreements may be entered into for a fixed period of time, for an indefinite period of time, or for a specific work.

The explanation is provided that labor relationships for a fixed period of time and for a specific work are exceptional and the provisions regulating them must be interpreted in a restrictive manner.

In the case of employment agreements for a fixed period of time, if a new agreement is entered into within a period shorter than three months following the expiration of the term of such agreement, this will be considered as an extension of the agreement or in the case of two or more extensions, it will be deemed that the parties bound themselves for an indefinite period of time.

Articles 66 and the following. Substitution of employer.

The provisions on employer substitution are similar to those known to date, except for a new case; when the State carries out the compulsory acquisition of the property of a company after it is closed, with the purpose of reviving the economic and productive activity, there will be no substitution of employer and the debts of the employer to the workers will be paid by said employer or discounted from the price agreed to be paid by the State, or payment of the same will be guaranteed by such price in agreement with the workers.

Articles 71 and the following. Suspension of the employment relationship.

Important changes:

Permission to take care of the spouse, ascendants and descendants up to the first degree of kindred, when necessary and for the period of time agreed by the parties, is added as a reason for suspension of the employment relationship.

In the cases of sick leave for occupational disease or industrial accident and regular accident or disease, the employer must pay the worker the difference between his/her salary and the amount paid by the entity

with competence over social security matters; if the worker is not insured, the employer must pay the totality of the salary.

The suspension period will be calculated for the worker's seniority.

Articles 76 and the following. Termination of the employment relationship.

Following are the important changes in this connection:

The OLLW establishes the guarantee of job security and limits any form of unjustified dismissal. Dismissals that are contrary to the law are null.

Labor or sexual harassment is added as a justified cause for dismissal.

The following are added as justified causes for leaving the employment: substitution of employer when the worker considers it inconvenient for his/her interests; labor or sexual harassment, serious breach of the obligations imposed by the employment relationship.

The payment of damages by the worker to the employer when the former terminates the employment agreement before the end of its term is eliminated.

The discount of the payment in lieu of notice of termination omitted by the worker is suppressed. (Article 83).

Articles 85 and the following: The fire freeze regime and its procedure are modified. Changes include that workers hired for an indefinite period of time will be covered by the job security established in the OLLW after the first month of services, no reference is made to the probation period.

Article 92. Indemnification for termination of the employment relationship for reasons beyond the worker's control.

In the cases of termination of the employment relationship for reasons beyond the worker's control or in the cases of dismissal without any reasons justifying the same, if the worker states his/her will not to bring a proceeding to obtain reinstatement, the employer must pay him/her an indemnification equivalent to the amount corresponding to him/her on account of termination benefits. Likewise, if after bringing the proceeding, the worker receives double payment, the proceeding must be concluded with the additional payment of salaries accrued and not paid.

Articles 96 and the following. Fair distribution of wealth and employment conditions.

Article 102. Prohibition against charging bank commissions.

A prohibition is established against charging bank commissions or imposing the obligation to keep a specific balance in the accounts of the workers, retirees, pensioners, by reason of the opening and maintenance of their accounts by the financial entities.

The definition of salary remains the same.

The salary of atypical efficacy (*salario de eficacia atípica*) was eliminated with immediate effect.

The definition of normal salary remains the same.

The services of initial education centers are added as a social benefit with a non-remunerative character.

Article 106. Voucher of payment.

The employer will give workers a voucher of payment at each time at which payment of remuneration and benefits is made, indicating the amount of the salary and itemizing the amounts for commissions, premiums, incentive pays, profit sharing, year-end bonus, extra pays, vacation bonus, surcharges for public holidays, extra hours, night work, and other salary items, as well as the corresponding deductions.

Failure to perform this obligation will lead to presume the salary claimed by the worker, unless there is evidence to the contrary, without prejudice to the penalties established in the law.

Article 121. Salary for vacations.

The base salary for the calculation of the amount corresponding to the worker on account of vacations will be the normal salary earned in the month of work immediately preceding that in which vacations are enjoyed.

In cases of salary per work unit, paid by piece, or on commission, it will be the average of the normal salary earned during the three months preceding that in which vacations are enjoyed.

Article 122. Base salary for calculation of termination benefits.

The base salary for the calculation of the amount corresponding to the worker on account of termination benefits and of the indemnification by reason of the employment relationship will be the last salary earned, calculated in a manner that integrates all salary items received by the worker.

In cases of salary per work unit, paid by piece, or on commission or any other form of variable salary, the base for the calculation will be the salary earned during the immediately preceding six months, calculated in a manner that integrates all salary items received by the worker.

The salary to which this article refers, in addition to the benefits earned, includes the share of the amount to be paid to him/her on account of vacation bonus and profit sharing.

For the aforesaid purposes, the participation of the worker in the liquid benefits or profits referred to in the Law will be distributed over the time of service during the respective fiscal year.

If by the time of the calculation of the termination benefits, the liquid benefits or profits have not been determined because the economic year of the employer has not ended, the employer will be bound to include in the calculation of the indemnification the corresponding quota share, after determining the benefits or profits. The employer will proceed to make the payment within thirty days following the date of determination of the profits or benefits. In the cases in which no payment of participation in the benefits or profits is applicable, the share corresponding to the year-end bonus will be included as part of the salary.

Article 131. Participation of the workers in the benefits of work entities.

The obligation to distribute at least 15% of the liquid benefits as profit sharing remains, but in no case may this participation be lower than the equivalent to thirty days of salary. The special provision for companies with a capital not exceeding Bs. 1,000.00 or a number of workers fewer than 50 was eliminated.

This minimum of thirty days of salary on account of profit sharing must be delivered to the worker within the first 15 days of the month of December of each year or at the time established in the collective bargaining agreement.

The employers who perform not-for-profit activities must deliver their workers a year-end bonus equivalent to at least 30 days of salary.

Articles 141 and the following. Regime of termination benefits.

Article 142. Guarantee and calculation of termination benefits.

The termination benefits will be protected, calculated, and paid as follows:

- a) Each quarter, the employer will deposit the equivalent to 15 days of salary in favor of each worker, calculated on the basis of the last salary earned, as a guarantee of the termination benefits. The right to this deposit is acquired at the time when the quarter begins.
- b) In addition, after the first year of service, the employer will deposit in favor of each worker two days of salary per year, accumulative up to thirty days of salary.
- c) When the employment relationship terminates for any reason whatsoever, the termination benefits will be calculated on the basis of thirty days per year of service or fraction of six months, calculated with the last salary.
- d) The worker will receive, on account of termination benefits, the higher of the total of the guarantee deposited according to letters a and b and the calculation made upon termination of the labor relationship according to letter c.
- e) If the employment relationship terminates before the first three months, the payment corresponding to the worker on account of termination benefits will be of five days of salary per month of work performed or fraction thereof.
- f) Payment of the termination benefits will be made within five days following termination of the labor relationship and if payment is not made, interest will accrue at the interest rate on loans determined by the Venezuelan Central Bank, taking the six principal banks of the country as a reference.

Article 143. Deposit of guarantee of termination benefits.

The quarterly and annual deposits referred to in the foregoing article will be made in an individual trust or in a National Fund of Termination Benefits to the name of the worker, at the worker's will.

The guarantee of the termination benefits may also be credited in the accounting of the work entity at which the worker works, always provided that it has been previously authorized by him/her in writing.

The amounts deposited on account of guarantee of termination benefits will accrue interest at the yield of trusts or of the National Fund of Termination Benefits, as the case may be.

If the employer credits the amounts in the accounting of the work entity, under the worker's authorization, the guarantee of termination benefits will accrue interest at the interest rate on savings determined by the Venezuelan Central Bank.

If the employer fails to make the deposits established, the guarantee of termination benefits will accrue interest at the interest rate on loans determined by the Venezuelan Central Bank, taking the six principal Banks of the country as a reference, without prejudice to the penalties prescribed in the law.

The employer must inform workers, in detail, on a half-yearly basis, the amount deposited or credited on account of guarantee of termination benefits.

The financial entity or the National Fund of Termination Benefits, as the case may be, will annually deliver workers the interest generated by reason of the guarantee of termination benefits. Likewise, they will inform workers in detail of the amount of capital and interest.

The termination benefits and the interest generated by the same are exempt from Income Tax. The interest will be calculated on a monthly basis and paid upon the elapsing of each year of services, except if the worker expressly states in writing his/her wish to capitalize the same.

Article 144. Advance of termination benefits.

The worker will be entitled to an advance of up to seventy-five percent (75%) of the amount deposited as guarantee of the termination benefits, in order to perform obligations derived from:

- a) Construction, acquisition, improvement or repair of housing unit for him/her and his/her family;
- b) Release of mortgage or any other encumbrance on a housing unit owned by him/her;
- c) Investment in education for him/her or his/her family;
- d) Expenses for medical and hospital care for him/her or his/her family.

If the termination benefits are credited in the accounting of the work entity, the employer must grant the worker a credit or guarantee, in the events indicated, up to the amount of balance in his/her favor. If the employer decides to grant a guarantee, the difference on account of interest that may be prejudicial to the worker will be borne by the employer.

If the termination benefits are deposited in a financial entity or in the National Fund of Termination Benefits, the worker may use said capital to guarantee obligations undertaken with the aforesaid purposes.

Article 145. Heirs' right.

In the event of death of the worker, the following persons will be entitled to receive the termination benefits appertaining to him/her:

- a) The sons and daughters;
- b) The widow or widower who has not filed for or obtained the legal separation, or the person with whom the worker cohabited in a stable manner until his/her death;
- c) The father and mother, and
- d) The underage grandchildren if they are orphan.

None of the persons indicated in this article has a preferential right. If the termination benefits of the deceased worker are simultaneously or successively requested by two or more of the aforesaid persons, the indemnification will be distributed in equal portions among all.

The employer will be exempt from any liability upon payment of the termination benefits of the deceased worker to the relatives of the worker that claimed them within the three months following his/her death.

Article 151. Privileges of workers' pecuniary rights

The salary, the termination benefits and indemnification or any other credit owed to the worker by reason of the employment relationship will have absolute privilege and preference over any other debt of the employer, including mortgage and pledge credits and the Labor Judge will be bound to preserve said guarantee. The special protection of this credit will be governed by the provisions of this Law.

The natural persons, in their capacities as employers, and the shareholders are jointly and severally liable for the obligations derived from the labor relationship, for the purposes of facilitating compliance with the guaranties of salaries. A preventive measure of attachment may be granted on the property of the employer involved.

Article 161: Employers' responsibility in the right to education

Employers that have more than 1000 workers who provide services more than 100 kilometers away from a city must establish educational centers.

Article 162: Employers that have more than 200 workers must grant scholarships.

Article 163: Employers that have more than 1000 workers who provide services more than 100 kilometers away from a city must have a health center.

Article 164: Prohibition against labor harassment.

Article 165: Prohibition against sexual harassment.

Articles 167 and the following. Working hours.

Pincipal changes:

Article 173: Working hours will not exceed five days a week and workers will be entitled to two remunerated consecutive days of rest during each week of work (no work on Saturdays).

Day working hours: Between 5:00 a.m. and 7:00 p.m. They will not exceed 8 hours a day or 40 hours a week.

Night working hours: Between 7:00 p.m. and 5:00 a.m. They will not exceed 7 hours a day or 35 hours a week.

Mixed working hours: They will not exceed 7 and a half hours a day or 37 and a half hours a week.

Exceptions for certain types of work and for situations established in the collective bargaining agreement continue to be in the Law.

Working hours amounting to six days of work must be compensated with an additional day of enjoyment in the vacation period of such year, with payment of salary and without impact on the vacation bonus.

The conditions for the possibility of working during extra hours are similar to those existing now. The need for an authorization of the Labor Inspector in order to work extra hours is ratified. As a penalty, it is added that work during extra hours without the authorization of the Labor Inspector must be paid with double the surcharge established in the Law.

Articles 184 and the following. Working days.

Carnival Monday and Tuesday and December 24 and 31 are recognized as public holidays.

Articles 189. Vacations.

Most significant changes:

The benefit of nourishment must be paid during vacations.

The possibility of working during the additional days of vacations is not ruled; said days of vacations have to be actually enjoyed.

Vacation bonus: 15 days of salary for the first year of work and one additional day per each year of service up to a maximum of 30 days.

Articles 293 and the following. Collective, integral, continuous, and permanent training of workers in the social process of work.

New provisions on recipients of scholarships, apprentices, and trainees.

Article 311. The missions (*misiones*) developed by the National Executive, intended for the technical and educational training of the worker, may require that the employers provide space and personnel for the development of the training plans directed to the workers under their subordination, without interrupting the productive tasks of the work entity.

Articles 330 and the following. Protection of family in the social process of work.

Article 335: Pregnant workers will be covered by fire freeze during pregnancy and up to two years after childbirth. Also, female workers who receive children under the age of 3 in foster care will be covered by fire freeze.

Male workers will be covered by fire freeze from the beginning of pregnancy of their spouse/partner up to two years after childbirth (article 420 LOTT).

Article 336: Pregnant workers will be entitled to a rest of six weeks before childbirth and 20 weeks after childbirth.

Article 339: Male workers will be entitled to a remunerated leave or license of 14 calendar days as from the birth of their child or as from the date on which the child is received by them in foster care. They will be covered by fire freeze for a period of two years after childbirth or after the day on which a child under the age of 3 is received by them in foster care.

Article 340: Female workers who are granted the adoption of a child under the age of 3 will be entitled to a remunerated maternity leave of 26 weeks after the date on which the child is received in foster care.

Article 341: When the workers apply for their vacations after the paternity or post-maternity leave, they must be granted to them.

Article 342: The pre and post-maternity periods, the paternity leave period, and the permission for adoption must be calculated for the purposes of determining the seniority of the worker at the work entity.

Article 345: While breastfeeding, women will be entitled to two rest periods a day of half an hour each, in order to breastfeed their child at the Initial Education Center or respective breastfeeding room. If there is no Initial Education Center with a breastfeeding room, the rest periods prescribed in this article will last one and a half hour each.

Article 347: Workers who have one or more children with any disability or disease preventing them from being self-sufficient or obstructing their capacity to be self-sufficient will be protected by fire freeze on a permanent basis, according to the law.

Articles 418 and the following. Right to employment security or fire freeze.

If the reinstatement of a worker is ordered (after the claim has been admitted and the applicability of the right to employment security or fire freeze has been demonstrated and there is a presumption of the labor relationship claimed), a labor officer will immediately go to the place of work, accompanied by the worker affected by the dismissal, and will notify the employer or its representatives of the claim filed and of the Labor Inspector's order to the effect that the reinstatement be made and the juridical situation violated be restored and that the salaries accrued and not paid and other benefits not received be paid.

The employer or its representative may file the pertinent allegations and documents for its defense. In the search for truth, the labor officer must order, on the site and in the same act, any proof, investigation or examination that he deems to be appropriate, and he may question any worker and demand the presentation of books, records or other documents. The employer's or its representatives' absence or refusal to appear in the act will cause the statements of the affected worker to be considered valid. All actions will be placed on record by the labor officer.

If the employer, its representatives, or surveillance personnel prevent or obstruct the restoration of the juridical situation violated, the labor officer will request support from the public order forces in order to guarantee compliance with the procedure.

If the disobedience or obstruction of the reinstatement and restoration of the juridical situation violated persists, flagrancy will be deemed to exist and the employer, its representative or the personnel at its service that are responsible for the disobedience or obstruction will be subject to the order of the Prosecutor's Office to appear before the relevant judicial authority.

If during the act, the existence of the labor relationship may not be proven, a period of proof will begin and the reinstatement will be suspended. After the period of proof, the Labor Inspector will issue his decision, against which no appeal may be filed.

For the procedures of qualification of fault, in the cases of workers who used violence that endangered the physical integrity of another worker, of the employer or its representatives and that may constitute a hazard for the safety of the persons or the facilities or property of the work center, the possibility is included for the employer to separate the worker involved, by way of exception and for a period not exceeding 48 hours, within which period it will request from the competent labor officer the pertinent legal authorization to maintain the separation until the qualification of dismissal is resolved.

Articles 431 and the following. Collective Bargaining Agreement .

Provisions similar to those now existing remain.

The collective bargaining agreement may regulate the working hours within certain parameters.

If there is only one union among the workers interested in the collective bargaining agreement, such union will be the most representative union organization.

Standing committee for the due evaluation and follow-up of the application of the collective bargaining agreement, formed by the parties; it will hold meetings at least once a month.

Mediation and arbitration at the Regulated Labor Meeting (*Reunión Normativa Laboral*) when no agreements are reached.

Article 497: The Councils of Workers are defined as the popular expression of the Popular Power for leading participation in the social process of work, with the purpose of producing goods and services that satisfy the people's needs.

Articles 499 and the following. Labor administrative entities.

There are some changes not included in this summary because of their speciality; however, we have to refer to the possibility allowed to Labor Inspectors' Offices to process and decide claims related to facts (employment conditions), which decisions may only be appealed before a court with the inspector's previous certification of compliance with the decision.

Article 519: It provides for the creation of the National Registry of Work Entities.

Articles 521 and the following. Penalties.

Penalties are established for:

Infringement of the salary payment terms and conditions
 Infringement in the announcements of schedules
 Infringement of the working hours limits
 Infringement of the special forms of employment conditions
 Infringement of the provisions on foreign workers
 Infringement for labor or sexual harassment
 Infringement of the rules on profit sharing
 Infringement of fire freeze
 Disobedience of an order of a labor officer
 Infringement of the minimum salary, time of payment of salary and vacations
 Infringement of the provisions that protect maternity, paternity and family.
 Infringement of trade union rights
 Infringement for fraud or simulation of employment relationship
 Infringement of the guarantees of the collective bargaining
 Infringement of the provisions on nourishment and initial education centres.

The infringements are penalized with fines ranging between 30 and 360 tax units.

Article 538. Grounds for arrest

Employers who disobey an order of reinstatement of a worker protected by right to employment security or fire freeze, employers who violate the right to strike and those who fail to execute, or obstruct the execution of, acts issued by labor administrative offices will be penalized with police arrest from six to fifteen months. This penalty, in the cases of associated employers, will be suffered by those who instigated the infringement and if they are not identified, the penalty will be applied to the members of the respective board of directors. The Labor Inspector will request the intervention of the Prosecutor's Office for purposes of exercising the relevant criminal action.

Employers who illegally and without justification shutdown the source of work will suffer equal penalty of arrest. (Article 539).

If the fines are not paid, a penalty of arrest ranging between 10 and 90 days will be imposed (Article 546).

Article 553. Denial or revocation of the labor clearance certificate (*solvenca laboral*).

The labor clearance certificate of employers that fail to perform the obligations imposed by the Law will be denied or revoked, according to the provisions of the Law.

Temporary, repealing provisions and final provision

Temporary Provisions:

First.

In a period not exceeding three years after the promulgation of the Law, employers who have performed acts contrary to the provision that prohibits outsourcing will adapt themselves to said provision and include the outsourced workers in the payroll of the principal hiring work entity. During said period of time and until they are actually included in the payroll of the principal hiring work entity, the outsourced

workers will be protected by fire freeze and have the same employment benefits and conditions as those of the workers directly hired by the employer benefiting from the services.

Second. Termination benefits:

1. The indemnity for seniority deposited in an individual trust or credited in an account to the name of the worker in the accounting of the work entity, prior to the entry into force of this Law, will remain available to the workers in the same conditions, as an integral part of the guarantee of termination benefits established in this Law.
2. The period of service for the calculation of the termination benefits of workers who are active at the time of the entry into force of this Law will be that elapsed as from June 19, 1997.
3. The quarterly and annual deposits on account of guarantee of termination benefits established in this Law will begin to be made as from its entry into force and, at the worker's will, they may be deposited in the same individual trust or credited in the same account in the accounting of the work entity.
4. The first deposit of fifteen days of salary on account of guarantee of termination benefits established in this Law, for the workers whose period of service at the time of its entry into force does not exceed three months, will be made after completing three months of service.

Third. Working hours:

1. The number of working hours established in this Law will become effective one year after its promulgation. During said period of time the work entities will organize their schedules with the participation of the workers and they will file the work schedules with the Labor Inspectors' Offices of their jurisdiction, for the pertinent legal purposes.
2. The salary of the workers may not be reduced in any manner whatsoever as a consequence of the reduction in the working hours established in the Law.

Fourth. Unions:

1. The National Registry of Unions established in the Law will become operative as from January 1, 2013. Up to said date, the activities corresponding to the registration and documentation of the unions will continue to be processed before the Labor Inspector's Office of the corresponding jurisdiction.
2. The Unions will adapt their articles of organization to this Law before December 31, 2012.

Fifth.

Employment agencies will become centers of encounter for education and work in a period of time not exceeding six months as from the date of entry into force of this Law.

Sixth.

Until the entry into force of a special law establishing the forms of participation of the workers in the management of the work entities, labor directors at public work entities will continue to perform their functions for the period for which they were elected.

Seventh.

For the correct application of this law and its implementation in all of the national Territory and in all work entities, the President of the Bolivarian Republic of Venezuela will designate a Superior Council for Work (*Consejo Superior de Trabajo*) that will have an operations Regulations and that will be directly in

charge of all actions for the full development of the Organic Labor Law, in a period of three years after the entry into force of this Law.

Repealing provisions:

Articles 187 through 192 of the Organic Labor Procedural Law are repealed. The proceeding for job security is the one established in this Law.

The Organic Labor Law of June 19, 1997 is repealed.

Final provision:

This Law will enter into force upon its publication in the Official Gazette of the Bolivarian Republic of Venezuela.

Caracas, May 4, 2012.

