

**AMENDMENT TO THE ADMINISTRATIVE RULING ON DETERMINATION,
FIXING, AND MARKING OF PRICES**

Due to an error, Administrative Ruling dated October 25, 2015, which regulates the Methods for Determination, Fixing, and Marking of Prices in all of the National Territory, issued by the National Superintendent for the Defense of Socioeconomic Rights, and published in Official Gazette No. 40,774 of October 26, 2015 was modified and printed again. Therefore, Administrative Ruling No. 070/2015 (the "Ruling"), which contains the full text of the aforesaid Administrative Ruling of October 25, 2015 and the modifications indicated below, was published in Official Gazette No. 40,775 of October 27, 2015:

1. **Article 2, number 2:** The designation Maximum Price of Sale to the Producer, Importer or Intermediary Provider ("**Precio Máximo de Venta del Productor, Importador o Prestador Intermediario**" - **PMVPI**) was substituted by Maximum Price of Sale of the Producer or Importer ("**Precio Máximo de Venta del Productor o Importador**" . **PMVPI**), which was defined as follows: It is the highest price, expressed in bolivars, that the regulated entity/individual that produces or imports the good may assign to a specific good or service.
2. **Article 2, number 5:** The definition of Intermediation Margin ("**Margen de Intermediación**" - **MI**) was modified and such term was defined as follows: It is the percentage ratio between the Maximum Price of Sale to the Public (PMVP) and the Maximum Price of Sale of the Producer or Importer (PMVPI), as expressed in the following formula:

$$MI = \left(\left(\frac{PMVP}{PMVPI} \right) - 1 \right) * 100$$

The maximum intermediation margin will be calculated for the entire commercialization chain of each good, regardless of the number of intermediaries intervening in the same.

3. **Article 3, number 1:** The category Maximum Price of Sale of the Producer, Importer or Intermediary Provider ("***Precio Máximo de Venta del Productor, Importador o Prestador Intermediario***" - PMVPI) was substituted by Maximum Price of Sale of the Producer or Importer ("***Precio Máximo de Venta del Productor o Importador***" - PMVPI), which was defined as that determined and fixed by the regulated entity/individual that produces or imports the good with the purpose of commercializing the same among other regulated entities/individuals that will sell it to the end user. The producer or importer may not sell goods or services at prices in excess of the Maximum Price of Sale of the Producer or Importer to the regulated entities/individuals that acquire them for their commercialization to the end user.

4. **Article 3, number 2:** The category Maximum Price of Sale to the Public ("***Precio Máximo de Venta al Público***" - PMVP) was modified and defined as that the determination and fixing of which corresponds to the provider of the service or the producer or importer of the good. It will be the result of the sum of the Price of Sale of the Producer or Importer plus the intermediation margin corresponding to the rest of the links of the commercialization chain, with the restrictions referred to the Maximum Profit Margin and the Maximum Intermediation Margin established in the Ruling. The end seller may make offers or discounts on said price, but under no circumstance may the good or service be commercialized at a price in excess of said price. As a control instrument, the PMVP is an objective element of determination of the charging of excessive prices, when a specific good or service is commercialized at a price exceeding said maximum price.

5. **Article 3, number 3:** The category Fair Price ("***Precio Justo***") was modified and defined as that determined and fixed for a good or service by the National Superintendence for the Defense of Socioeconomic Rights (*Superintendencia Nacional para la Defensa de los Derechos Socioeconómicos* – SUNDDE). The determination and fixing of the Fair Price (*Precio Justo*) may only be made by the SUNDDE on the basis of the regulations prescribed in the Organic Law of Fair Prices ("*Ley Orgánica de Precios Justos*" – LOPJ) and of those developed by the SUNDDE in this matter.

The Fair Price (*Precio Justo*) and the PMVP are prices of commercialization to the end user of the goods and services in all of the national territory.

The PMVPI and the PMVP may be revised or fixed by the SUNDDE, upon its own initiative, adjusting them to the provisions of the Ruling or as per opportune economic and social criteria, allowing the regulated entity/individual to express its arguments. The prices determined and fixed by the SUNDDE may not be increased without the SUNDDE's prior authorization.

6. **Article 5:** It was modified as follows: In the calculation and determination of any of the categories of prices regulated by the Ruling, the maximum profit margin permitted for each regulated entity/individual will abide by the provision of article 37 of the LOPJ, with the following limits:
- The maximum profit margin permitted for the importers of goods is up to twenty percent (20%).
 - The maximum profit margin permitted for service providers and national producers is thirty percent (30%).
7. **Article 6:** The second paragraph of Article 6 was deleted. Said article is now drafted as follows: the Maximum Intermediation Margin permitted for all the distribution or commercialization chain of a good or service, regardless of the number of intermediaries intervening in the same, is up to sixty percent (60%).
8. **Article 7:** The second paragraph of Article 7 was modified. Said article is now drafted as follows: The impact of the maximum profit margins of the distributor and the retailer on the maximum intermediation margin must be adjusted to the usage in the commercialization of the good or service concerned.
- In no case may the maximum intermediation margin of the distributor, per unit of product, exceed the maximum intermediation margin of the retailer.
9. **Article 8:** The expression PMVP was substituted by the expression Fair Price ("*Precio Justo*").

10. **Article 10:** Article 10 was modified in order to include traders, in addition to producers and importers, as entities/individuals that may voluntarily establish profit and intermediation margins lower than those established in the Ruling.



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