

## DECREE OF STATE OF EMERGENCY (INCLUDING ECONOMIC EMERGENCY)

Decree No. 2.667 was published in Official Gazette No. 41.074 of January 13, 2017 (the “Decree”). Through said Decree, the President of the Republic declared the State of Emergency (including Economic Emergency) in all of the national territory.

Find below the most significant points of the Decree:

1. The President of the Republic issued the Decree in the exercise of his constitutional power to declare states of emergency and declare the restriction of constitutional rights (*garantías constitucionales*).
2. The purpose of the Decree is that the National Executive adopts the urgent, exceptional and necessary measures in order to assure to the people the full enjoyment of their rights, preserve internal order, assure opportune access to goods, services, food, medicines, and other products that are essential for life.
3. As a consequence of the declaration of the state of emergency, the guarantees for the exercise of the rights prescribed in the Constitution of the Bolivarian Republic of Venezuela - except for those indicated in article 337 of the Constitution and those prescribed in article 7 of the Organic Law of States of Emergency - may be restricted, in the cases of application of the exceptional measures indicated below:
  - i. To establish the necessary exceptional and temporary regulations in order to guarantee the incentive to the agri-food, production, and distribution engines of products considered as strategic products for the satisfaction of the needs of the inhabitants of the Republic.
  - ii. To authorize expenditure chargeable to the National Treasury and other financing sources not established in the Annual Budget, in order to optimize the attention to the exceptional situation. In said case, the agencies and entities receiving the resources will adjust the relevant revenue budgets.
  - iii. To authorize on an exceptional and temporary basis transactions of commercialization and distribution of goods and services in the border zones, under special monetary, exchange, fiscal, and integral security regimes.
  - iv. To approve and execute contracts of public interest and their amendments for the obtainment of financial resources, technical advice, or utilization of strategic resources for the economic development of the country, without being subject to authorizations or approvals of other Public Authorities.
  - v. To form organizational structures and issue exceptional temporary regulations for the expeditious completion of the procedures that guarantee the opportune, efficient, and equitable production and distribution of food, raw material, products and supplies of the

- agro-productive, industrial, agri-food, pharmaceutical, personal hygiene and home cleaning sectors.
- vi. To issue and authorize financing transactions, as well as rescheduling of the projects authorized in the Decree with the Status, Value, and Force of Law of Indebtedness for Economic Financial Year 2017, without being subject to authorizations or approvals of other Public Authorities.
  - vii. To approve the budget formulation of the Venezuelan Central Bank (“VCB”) when the entity in charge of such approval is legally or judicially disqualified for approving it.
  - viii. To empower the Tax Administration to readjust the Tax Unit (TU), on the basis of the relevant technical analyses, regardless of any formality involving other Public Authorities, when said authorities are legally or judicially disqualified for doing it.
  - ix. To establish special mechanisms of supervision, control, and monitoring, procurement, obtainment, and supply of raw material, production of essential products, fixing of prices, commercialization and distribution of the strategic products necessary for agro-production, nourishment, health, and personal hygiene.
  - x. To activate, foster, and optimize the operation of a System of Determination of Costs, Return, and Fair Prices, fighting exorbitant profits to the detriment of access to the essential goods and services, associated with the strategic products determined by the National Executive.
  - xi. To issue an exceptional, temporary regulatory frame allowing, through public and private banking, the financing of projects of the agroindustrial sector for the development of a new productive scheme, under the lines of action issued by the *Gran Misión Abastecimiento Soberano*.
  - xii. To implement integral policies that guarantee the evaluation, monitoring, control, protection, and safeguard of the products, goods, and services of the national agroindustrial system, as well as the system of production, storage, distribution, and commercialization of food, medicines, personal hygiene and home cleaning products.
  - xiii. To generate mechanisms of cooperation among public entities, private entities, and entities of the Popular Power in order to broaden the channels of opportune distribution of food and medicines, prioritizing the attention to children, adolescents and the elderly, and incorporating the levels of authority of the local and regional government.
  - xiv. To issue regulatory rules that allow the immediate implementation of productive measures of urban agriculture at the public and private spaces located in urban centers that are free, idle, underused or abandoned, in order for them to be utilized for cultivation and production of food.
  - xv. To establish priority products for the purchases by the State or categories of the same and the direct allocation of foreign currency for their acquisition, for purposes of the satisfaction of the most urgent needs of the population and the reactivation of the national productive apparatus.
  - xvi. To approve the re-allocation of resources available at Special Funds for the financing of activities to be urgently performed in the frame of the economic recovery and the assurance of the population’s fundamental rights.

- xvii. To plan, coordinate, and execute national and international urgent procurement of essential goods or supplies in order to assure the normal development of the National Electric System.
  - xviii. To decide the exceptional and temporary suspension of the execution of penalties of a political nature against the highest authorities of the National Government and other high-level officers if said penalties may obstruct the continuity of the implementation of economic measures for the urgent reactivation of the national economy, the supply of goods and essential services for the Venezuelan people, or violate the Nation's security.
  - xix. To issue the relevant guidelines in the area of national or international procurement of goods or supplies that are essential to guarantee health, nourishment and sustenance of essential public services, such as in-home, health, education, and citizen security services in all of the national territory, in the frame of commercial or cooperation agreements that favor the Republic, through the exceptional application of expedite mechanisms for selection of contractors and the subsequent contracting of the same, which also guarantee the rationality and transparency of such contracting.
4. The Decree provides that the President of the Republic may issue such other measures of social, economic, political, and juridical nature as he deems convenient under the circumstances, with the purpose of solving the extraordinary and exceptional situation that constitutes the subject matter of the Decree.
  5. The Ministry with competence over banking and finance may implement the coordination with the Venezuelan Central Bank in order to establish the maximum limits of inflow or outflow of Venezuelan legal currency in cash, as well as restrictions on specific commercial or financial operations and transactions, with the purpose of promoting the use of electronic means duly authorized in the country.
  6. The Judiciary and the Prosecutor's Office are in charge of carrying out the activities inherent in their jurisdiction, in order to guarantee the strict application of the Constitution and the Law, for purposes of strengthening fight against crime and increasing expeditious procedures; they will also exercise the powers corresponding to them in the performance of the Decree.
  7. The Decree will be forwarded to the Constitutional Chamber of the Supreme Tribunal of Justice, within a period of eight (8) days following its publication in the Official Gazette, in order for it to pronounce judgment on the constitutional nature of the same.
  8. The Decree will be in force for sixty (60) days after its publication in the Official Gazette. Said period may be extended for sixty (60) days.

The Decree will become effective upon its publication in the Official Gazette.

In order to access the Decree, please click [here](#).