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TEHAR

Caracas

Edificio Atlantic, Piso 6,
Avenida Andrés Bello,
Los Palos Grandes.

Maracaibo

Unicentro Virginia, Piso 2,
Local
2-12. Avenida 3C con
esquina calle 67, Sector La
Lago.

Valencia

Torre Movilnet, Piso 7,
Oficina
No. 3. Avenida Paseo
Cabriales.

Puerto la Cruz

Torre Banco Venezolano
de Crédito (BVC), Piso 6,
Oficina 6-J, Avenida
Intercomunal,
Sector Las Garzas.

Maturín

Centro Comercial
Petroriente (CCP), Nivel
Oficinas 1,
Oficina 01-N, Ala Norte
Pasillo Amarillo,
Avenida Alirio Ugarte
Pelayo.

Energy

Two Resolutions of the Ministry of the Popular Power for Energy and Petroleum were published in the Official Gazette of April 13. Through Resolution N° 069 a geographical area called La Ceiba Noroeste (Trujillo State) was delimited for PDVSA Petróleo, S.A., for the purposes of performing hydrocarbon primary activities. Through Resolution N° 070 a geographical area called Área Sur de Tía Juana Lago (Zulia State) was delimited for PDVSA Petróleo, S.A., for purposes of performing non-associated gaseous hydrocarbon primary activities.

The Charter and By-laws of the Mixed Company Petrobicentenario, S.A., organized by PDVSA and ENI LASMO PLC, were published in the same Official Gazette. The purpose of said Mixed Company is the design and construction of a refinery in the Petroleum and Petrochemical Industrial Complex General Jose Antonio Anzoátegui.

The Decree with the Status, Value, and Force of Law that Creates the Special Contribution for Extraordinary Prices and Exorbitant Prices in the Hydrocarbon International Market was published in Official Gazette No. 6.022, Extraordinary, of April 18, 2011. According to the Decree, the purpose of this special contribution is to finance the “Grandes Misiones” (Great Missions) created by the National Executive and to use it in infrastructure, road construction, health, education, communications, agriculture, and food projects. Likewise, it is established that the beneficiary of these special contributions will be the *Fondo de Desarrollo Nacional* (National Development Fund - FONDEN).

Extraordinary prices are defined as those that exist when the monthly average of the basket of Venezuelan liquid hydrocarbons in international markets is higher than the price established in the Annual Law on Budget of the relevant fiscal year but equal to or lower than 70 US\$ /b. Exorbitant prices are defined as those that exist when the monthly average of the basket of Venezuelan liquid hydrocarbons in international markets is higher than 70 US\$/b. For determining this special contribution, the following rates will be applied:

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| Price(s) | Rate Percentage |
|--|---|
| Equal to or lower than 70 US\$ /b – Extraordinary Prices | 20% on the difference between both prices |
| Higher than 70 US\$/b, but lower than 90 US\$/b – Exorbitant Prices | 80% of the total amount of the difference between both prices |
| Higher than or equal to 90 US\$/b, but lower than 100 US\$/b – Exorbitant Prices | 90% of the total amount of the difference between both prices |
| Equal to or higher than 100 US\$/b – Exorbitant Prices | 95% of the total amount of the difference between both prices |

These special contributions will be paid in foreign currency on a monthly basis by those who export liquid, natural or upgraded hydrocarbons and by-products for purposes of their disposition.

The Decree repeals the Law of Special Contributions on Extraordinary Prices of the International Hydrocarbon Market published in the Official Gazette of April 15, 2008, as well as the provisions of the Law of the Venezuelan Central Bank that regulate PDVSA's contribution to FONDEN.

Banking

The Superintendence of Institutions of the Banking Sector issued the Rules Relating to the Special Regime of Requirements of Information and Creation of Provisions for Covering Risks of the Agricultural Portfolio, which were published in the Official Gazette of April 1, 2011. Also, a resolution was published in the same Official Gazette whereby the Risk Management Conditions for the Credits Subject to Restructuring, according to the Decree with the Status, Value, and Force of Law of Attention to the Agricultural Sector, were issued.

Through a Resolution published in the Official Gazette of April 1, the Ministry of the Popular Power for Agriculture and Lands established that the Certificate of Agricultural and Livestock Producer issued by the State Unit of said Ministry will not be required for the processes of analysis and approval of credits for the agricultural sector.

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Through Official Notice published in the Official Gazette of April 7, the Venezuelan Central Bank established the interest rates for the calculation of the indemnity for seniority; the interest rate for the acquisition of vehicles under the “balloon payment” method; the interest rates for transactions with credit cards; and the interest rates for credit transactions intended for the tourism sector.

SENIAT’s Administrative Ruling N° SNAT/2011/0022 was published in Official Gazette dated April 11, 2011. Said Ruling establishes that the average interest rate for loans of the 6 principal commercial and universal banks of the country with the highest volume of deposits fixed by the Venezuelan Central

Bank, for the month of March 2011, is of 19.88 %, which is to be increased 1.2 times for the calculation of late payment interest.

Through Resolution No. 098-11 published in Official Gazette of April 15, the Superintendence of Bank Institutions modified the Accounting Manual for the National System of Reciprocal Guarantees for the Small and Medium-Sized Industry, with the purpose of standardizing the accounting records of small and medium-sized companies.

Tax

Through a Ruling published in the Official Gazette of April 5, the SENIAT unified the powers of verification, auditing, and assessment of the Internal Tax Sectors and Units assigned to the Regional Managements of Internal Taxes of the SENIAT. The Internal Tax Sectors and Units will exercise their powers under the supervision and coordination of the Regional Managements of Internal Taxes and will be in charge of verifying, auditing, assessing, and controlling the taxpayers domiciled within the territorial ambit of their competence and of signing the administrative acts that commence the verification and auditing proceedings prescribed in the Organic Tax Code.

A Presidential Decree that exempts from the payment of Value Added Tax the transactions of final importation of personal property intended for the construction of dwelling units, acquired under the Agreement of Cooperation in the Housing Area entered into by Venezuela and Uruguay, was published in Official Gazette of April 26, 2011.

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Labor

The Decree with the Status, Value and Force of Law of Partial Amendment to the Law of Nourishment for Workers was published in the Official Gazette of April 26, 2011. The most significant changes are the one made to article 2, referred to the scope of application of the Law, given that said Law is now applicable to all the employers of the public and private sectors regardless of the number of workers employed by them, and the inclusion of a new article 6. Said article 6 establishes that the benefit of nourishment will not be suspended if the

workers do not work the required number of working hours for causes attributable to the employer or for any situation of risk, emergency or catastrophe derived from acts of nature that directly affects the worker but not the employer, or for vacations, disability resulting from sickness or accident that does not exceed twelve months, pre and post maternity leave, and permit or license of paternity. Said Law of Nourishment for Workers was later amended by Decree published in Official Gazette of May 4, 2011, in order to establish in its article 4 that the benefit of nourishment may be paid in cash in the following cases:

1. When compliance with the benefit of nourishment by the means prescribed in the Law is difficult for employers with fewer than twenty (20) workers.
2. When having access to the establishments enabled to exchange the coupons or meal tickets or using the electronic card is difficult for the workers, regardless of the number of workers employed by their employer.
3. In the case of the situations prescribed in the Sole Paragraph of article 6 of the Law, namely: When the granting of the nourishment benefit was implemented by the means established in numbers 1 (employer's own cafeteria operated by the employer or contracted with third parties), 2 (contracting of service of meals prepared by specialized companies), 5 (installation by several companies of common cafeterias, near the work places) and 6 (use of cafeteria services administered by the entity with competence over nourishment matters) of article 4 of the Law, said benefit must be paid through meal coupons, tickets, or electronic cards, or money in cash or its equivalent, delivered or provided to the worker, for the period of duration of the situation that prevents the worker from providing the service, or for the period of duration of his/her pre and post maternity leave, permit or license of paternity, or disability for illness or accident not exceeding twelve (12) months.

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Presidential Decree No. 8.167 was published in Official Gazette of April 26, 2011. Through said Decree the minimum salary was increased by 25%. The first portion of said increase, that is 15%, became

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effective as from May 1, 2011. The second portion, that is the remaining 10%, will become effective on September 1, 2011. Thus, after said dates, the minimum salary will be as follows:

- As from May 1, 2011:

- a) A monthly amount of Bs. 1,407.47 for urban workers of the private and public sector.
- b) A monthly amount of Bs. 1,046.54 for adolescents and apprentices.

- As from September 1, 2011:

- a) A monthly amount of Bs. 1,548.21 for urban workers of the private and public sectors.
- b) A monthly amount of Bs. 1,151.19 for adolescents and apprentices.

The Presidential Decrees establishing the Systems of Remuneration of the Employees and Workers of the National Public Administration were published in the Official Gazette of April 26, 2011.

Decree N° 8.202 was published in Official Gazette No. 6.024, Extraordinary, dated May 6, 2011. Through said Decree, the President of the Republic issued the Decree with the Status, Value and Force of Organic Law of Partial Amendment to the Organic Labor Law effective on the same date. Said partial amendment consists in the removal of Chapter III of Title V of the Law, entitled “Janitors’ Work” and containing articles 282, 283, 284, 285, 286, 287, 288, 289, and 290. Also, a Final Provision was included in the Law, which reads as follows:

“Sole Provision: Residential workers, formerly called “Janitors” (*conserjes*), shall be governed by the Organic Labor Law to the extent applicable to them, by reason of the compatibility between its provisions and the nature of the services that they provide. But said category of workers shall be applied in preference the provisions of the Special Law to be issued to this end”.

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Securities Market

The Resolution of the Ministry of the Popular Power for Planning and Finances that contains the Rules for the Administrative Liquidation of Authorized Securities Operators, Agricultural Exchange Agencies, Collective Investment Entities, and their Management Companies was published in Official Gazette of April 25, 2011. Said Rules establish the mechanisms for the liquidation, the capacity as liquidator of the National Securities Superintendent and his/her functions as such, procedure for the liquidation, inventory of assets and liabilities, qualification of the obligations,

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regime applicable to the disposition of property, payment of termination benefits to the personnel, and preparation of the liquidation balance sheet.

The Partial Amendment to the General Regulations to the Bicentenary Public Stock Exchange was published in Official Gazette of April 25.

Miscellaneous

Through Presidential Decree published in Official Gazette of April 5, the creation of a State-owned Company under the form of a corporation was authorized. The purpose of said company will be to produce, manufacture and commercialize glass containers and their by-products and it will be called Venezolana del Vidrio, C.A. Its capital will be fully subscribed for and paid in by the Republic acting through the Ministry of the Popular Power for Science, Technology, and Intermediate Goods Industries.

The Decree with the Status, Value and Force of Law on the Regime of Ownership of the Housing Units in the *Gran Misión Vivienda Venezuela* was published in the Official Gazette of April 6. The purpose of this Decree is to develop the regime of the property, rights and obligations related to the Organic Law of Emergency of Pieces of Land and Housing Units.

Administrative Ruling N° DE-11-011, issued by the National Commission for Casinos, Bingo Halls, and Slot Machines, was published in Official Gazette of April 12. Said Ruling establishes the regulations for prevention, control, and monitoring of the crime of capital legalization and terrorism financing in Casinos, Bingo Halls and Slot Machines.

Through Presidential Decree No. 8.157, published in Official Gazette of April 13, the National Executive declared the cacao produced in the country to be an essential good and a fundamental pillar of the agrifood security and sovereignty of the Bolivarian Republic of Venezuela. Therefore, priority is given to the production of cacao, chocolate, its products and by-products in all of the country and the Ministry of Agriculture and Lands was ordered to supervise the activities of the State in the cacao sector, including the production, processing, and distribution of the same and its by-products, in accordance with the Cacao Socialist Plan.

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Through a Joint Resolution issued by the Ministries of the Popular Power for Planning and Finances, for Commerce, for Agriculture and Lands, for Nourishment, and for Science, Technology and Intermediate Goods Industries, published in Official Gazette of April 14, the Maximum Price of Sale to the Public of

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corn oil, mixing oil, sunflower oil, canned whole milk, and whole milk in packets was fixed for all of the national territory.

Through Joint Resolution published in Official Gazette of April 14, the Ministries of the Popular Power for Housing and Habitat and for Commerce extended for other 6 months the measure that froze the monthly rentals and that has been in force since May 2004, for all real property used for housing.

By reason of Venezuela's denunciation of the Cartagena Agreement and its withdrawal from the Andean Community of Nations (CAN), four Presidential Decrees were published in the Official Gazette of April 18 with the purpose of regulating the transition in the application of the Schedule of Customs Duties with respect to the importation of goods from the other CAN members, namely, Colombia, Perú, Bolivia, and Ecuador. With respect to the goods from Colombia and Perú, it was established that after April 23, 2011 and for a period of 90 calendar days, the importation of goods from said countries will be governed by article 8 of the Schedule of Customs Duties, which establishes a tax exemption, always provided that the goods originate in said territories. This period of time may be extended once, provided that the international agreement between Venezuela and the aforesaid countries to regulate the matters prescribed in said article 8 has not entered into force. As to the importation from Bolivia and Ecuador, it was established that after April 23, 2011 and up to the date of entry into force of the Commercial Agreements executed within the frame of the ALBA, the importation of the goods from said countries will be governed by article 8 of the Schedule of Customs Duties.

Caracas, May 12, 2011.

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NOTE: THIS NEWSLETTER SHOULD NOT BE CONSTRUED AS LEGAL ADVICE ON ANY SPECIFIC MATTER, AND ITS CONTENTS ARE INTENDED AS A MANAGEMENT ALERT AS TO CURRENT DEVELOPMENTS IN VENEZUELA. ANY SPECIFIC LEGAL QUESTIONS REGARDING THE POSSIBLE APPLICATION OF NEW OR PROPOSED LEGISLATION TO PARTICULAR SITUATIONS SHOULD BE ADDRESSED TO TRAVIESO EVANS ARRIA RENGEL & PAZ.