

Energy

The Ministry of the Popular Power for Electric Energy adjusted the limits of energy consumption for the users (residents) in the country as from October 1, 2011. New consumption limits were established for each State, as well as discount percentages and surcharges applicable to the invoices for electricity consumption. The Resolution was published in the Official Gazette of September 16, 2011.

The President of the Republic issued the Decree with the Status, Value and Force of Organic Law that Reserves to the State the Activities of Exploration and Exploitation of Gold, as well as their connected and ancillary activities. The Decree-Law reserves to the State the activities of (i) exploration and exploitation of mines and gold deposits (the "Primary activities"), and (ii) storage, possession, beneficiation, transportation, circulation, and internal and external commercialization of gold, to the extent that they help exercise the Primary Activities (the "Connected and Ancillary Activities"). The reserved activities may only be developed by the Republic and by Mixed Companies in which the State has an interest exceeding fifty-five percent (55%) of the capital stock. The concessionaires authorized for the exercise of small mining or the beneficiaries of contracts for gold exploration and exploitation must migrate to a Mixed Company arrangement. The Decree-Law was published in the Official Gazette of September 16, 2011.

The Agreement between the Ministry of the Popular Power for Basic Industries and Mining and the Venezuelan Central Bank ("VCB") was

published in the Official Gazette of September 21, 2011. Through said Agreement, the parties agreed that the VCB will be the entity responsible for the acquisition of the gold obtained from the mining activity performed in the national territory. The VCB will acquire the gold and its alloys, in bullions, melted, coined, manufactured or in any other form, except for the jewelry of personal use, as determined by its Board of Directors in a resolution issued to that end and will define the terms of the transformation, conversion and/or commercialization of the gold acquired by it.

Banking and Finances

Through official notice published in the Official Gazette of September 6, 2011, the Venezuelan Central Bank established the maximum interest rate for social purposes and the special interest rate for social purposes applicable to mortgage credits for acquisition, construction, self-construction, improvement, and expansion of principal family-dwelling units.

Through Official Notice published in the Official Gazette of September 8, 2011, the Venezuelan Central Bank established the interest rates for the calculation of the indemnity for seniority (17.37% and 15.94%); the interest rate for the acquisition of vehicles under the "balloon payment" method (17.37%); the interest rates for transactions with credit cards (29% and 17%); and the interest rates for credit transactions intended for the tourism sector (12%).

The Ministry of the Popular Power for Housing and Habitat issued Resolution N° 124, which establishes the Rules, Requirements, and

Documentation for Granting of Credits for Acquisition of Principal Family-Dwelling Units, in accordance with the financing conditions set forth in Resolution N° 103 of July 19, 2011. The purpose of the Resolution is to simplify the exercise of families' right to access a housing unit by establishing guidelines for the financial operators, simplifying the requirements and documents that are necessary to access the system, and using the mechanisms prescribed in the National Constitution and the applicable laws. This Resolution repeals Resolution N° 203 dated November 5, 2009, as well as any other sublegal provision conflicting with this Resolution. The Resolution was published in Official Gazette of September 22, 2011.

Control Exchange

The Foreign Currency Administration Commission (CADIVI), issued Administrative Ruling N° 108, which contains the Requirements and Formalities for the Authorization for Acquisition of Foreign Currency intended for Importation. The purpose of this Ruling is to establish the mechanisms for obtaining the Authorization for Acquisition of Foreign Currency intended for the Importation of goods and it will be applicable to all importers that comply with the relevant formalities after the date of its publication in the Official Gazette. This Ruling (i) suppresses the obligation to file, together with the request for registration with the RUSAD, the first request for Authorization for Acquisition of Foreign Currency (*Autorización de Adquisición de Divisas* "AAD"); (ii) establishes that the information provided by the user has to coincide with the pro forma invoice to be filed; otherwise, CADIVI may deny the Authorization for Provision of Foreign Currency (*Autorización de Liquidación de Divisas* "ALD"); (iii) provides for the possibility of

extending the period of validity of the AAD when CADIVI deems it essential and justified; (iv) establishes a period of sixty (60) calendar days following the expiration of the AAD in order to file the documentation for the ALD request, in the cases of importation of goods under regular and special regimes; if the user fails to do so, CADIVI may deny the ALD request or require the relevant refund, and (v) establishes certain additional requirements for the ALD request in the cases of importation payable on demand. This Ruling expressly repeals Ruling N° 104 published in the Official Gazette of June 30, 2010. The Ruling was published in Official Gazette of September 23, 2011.

Taxation

The National Integrated Service of Customs and Tax Administration (SENIAT) issued Ruling No. SNAT/2011/0061, informing that the weighted average interest rate for loans of the six (6) principal commercial and universal banks of the country with the highest volume of deposits, excluding portfolios with prime rates, set by the Venezuelan Central Bank for August 2011 is 19.14%. Therefore, said rate is to be increased 1.2 times for the calculation of late payment interest accrued during August 2011. The Ruling was published in the Official Gazette of September 21, 2011.

Insurance and Reinsurance

The following Resolutions, issued by the Superintendency of the Insurance Activity, were published in the Official Gazette of September 21, 2011: (i) Resolution N° FSAA-002992, whereby the Rules that will Govern Insurance Companies for the purposes of the Access to, Commercialization, and

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Subscription of Affordable Health, Personal Accident, and Funeral Insurance Policies were issued. The insurance companies will be bound to promote and commercialize the affordable policies (*pólizas solidarias*); (ii) Resolution N° FSAA-002993, whereby the Rules that Establish the Minimum Number of Insurance Policies Assigned to the Insurance Companies for the Commercialization of the Affordable Health, Personal Accident, and Funeral Insurance, were established; the purpose of this Resolution is to establish the minimum number of affordable policies that the insurance companies are bound to subscribe and maintain during year 2012 and (iii) Resolution N° FSAA-002994, whereby the Rules that Establish the Sole Registry of Affordable Insurance (*Registro Único de Seguros Solidarios* - "R.U.S.S") are issued. The insurance companies are bound to implement and maintain the R.U.S.S by reason of the affordable health, personal accident, and funeral insurance. The R.U.S.S will be intended to compile the information related to the issue, renewal, minimum subscriptions, claims, provision of services and any other information referred to the affordable insurance. All of these provisions will become effective upon the elapsing of one hundred and eighty (180) days following the date of its publication in the Official Gazette.

Telecommunications

The National Telecommunications Commission ("CONATEL") issued Administrative Ruling N° 1.869, through which it issued the Technical Standard for Registration and Blocking of Mobile Telephony Terminal Equipment Reported as Presumably Robbed, Stolen, or Lost. The Ruling orders the creation of the registry of capture of international mobile equipment identifier ("IMEI"), as well as the creation, administration, and exchange of the list of terminal equipment of mobile telephony presumably robbed, stolen, or lost and the necessary mechanisms for blocking and unblocking such equipment. The mobile telephony service operators will be allowed a period of (i) 90 calendar days as from the publication of the Ruling in the Official Gazette to implement the automated IMEI capture system, and (ii) 30 calendar days as from the publication of the Ruling in the Official Gazette to implement the mechanisms to receive the reports of the equipment presumably robbed, stolen, or lost. The Administrative Ruling was published in Official Gazette of September 16, 2011.

Caracas, October 13, 2011.



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.