

## Banking and Finance

## Tax

## Exchange Control

## Miscellaneous

Through a Constituent Decree, the National Constituent Assembly (*Asamblea Nacional Constituyente*) established the period of time for its operation at least until 12/31/2020. (Official Gazette of 05/20/2019. Constituent Decree. Entry into force: Upon publication in the Official Gazette).

### Banking and Finance

The Venezuelan Central Bank (“VCB”) established the interest rates applicable to the obligations derived from employment relationships (28.31% and 26.15%), to transactions with credit cards (40.00% and 17.00%), and to credit transactions intended for the tourism sector (15%). (Official Gazette of 05/10/2019. Official Notice. Entry into force: Upon publication in the Official Gazette).

The Ministries of the Popular Power for Productive Agriculture and Lands, Economy and Finance, Fishing and Aquaculture, and Urban Agriculture issued a Resolution that establishes the bases, conditions, terms, and minimum obligatory percentages of the credit portfolio intended for the agrarian sector, during April 2019 – March 2020 productive cycle. (Official Gazette of 05/23/2019. Joint Resolution No. 010/2019, DM/No. 024/2019. DM/No. 008/2019, DM/No. 006/2019. It repeals Joint Resolution published in Official Gazette of 06/01/2018. Entry into force: Upon publication in the Official Gazette).

Through an Official Notice, the VCB informed the maximum limits of the flat commission that banking institutions may charge, as from the day following that of the publication of said Notice

in the Official Gazette, by reason of the credits granted in accordance with the Joint Resolution that establishes the bases, conditions, terms, and minimum obligatory percentages of the credit portfolio intended for the agrarian sector during April 2019 – March 2020 productive cycle, published in Official Gazette of 05/21/2019 and published again on 05/23/2019. (Official Gazette of 05/24/2019. Official Notice).

### Tax

Joint Resolution No. 003/2019 and No. 023/2019, issued by the Ministry of the Popular Power for Planning and the Ministry of the Popular Power for Economy and Finance, respectively, was published in Official Gazette No. 41.635 of 05/ 17/2019. Said Resolution fixed at Bs.S. 1,150.00 the Unit for Arithmetical Calculation of the Maximum and Minimum Threshold (*Unidad para el Cálculo Aritmético del Umbral Máximo y Mínimo* – “UCAU”). In our web page you will find a summary of said Resolution.

The National Integrated Service of Customs and Tax Administration (*Servicio Nacional Integrado de Administración Aduanera y Tributaria* - SENIAT) established the rate applicable to the calculation of late payment interest accrued during January, February, and March 2019. It was established 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 VCB for January, February, and March 2019 is 23.96%, 35.24%, and 35.68%, respectively, which rate is to be increased 1.2 times for the calculation of late payment interest accrued during January,

February, and March 2019. (Official Gazette of 05/17/2019 and 05/21/2019. Administrative Rulings Nos. SNAT/2019/00070, SNAT/2019/00072, and SNAT/2019/00077).

The SENIAT issued an Administrative Ruling through which it legalizes the issue and circulation of liquor warranty seals. (Official Gazette of 05/21/2019. Administrative Ruling SNAT/2019/00082. Entry into force: Upon publication in the Official Gazette).

### Exchange Control

**R**esolution No. 19-05-01, issued by the VCB, was published in Official Gazette No. 41.624 of 05/02/2019. Said Resolution established that the “bank institutions governed by the Decree with the Status, Value, and Force of Law of the Banking Sector [are] authorized to act as exchange operators in the exchange market system”, in line with Exchange Agreement No. 1, published in Official Gazette No. 6405 Extraordinary of 09/07/2018. According to article 1 of the Resolution, these institutions, through their forex trading sessions, may agree transactions between natural and legal persons of the private sector for purchase-sale of foreign currency held in the national or international financial system. In our web page you will find a summary of said Resolution.

Through an Official Notice, the VCB informed that the maximum limit that the banking institutions authorized to act as authorized exchange operators in the exchange market system may charge to their clients for the transactions made through their Forex Trading Sessions will be of up to one percent (1%) of the amount in bolivars of each transaction, in both

cases purchase and sale. (Official Gazette of 05/13/2019. Official Notice).

Resolution No. 19-05-02, issued by the VCB, was published in Official Gazette No. 41.633 of 05/15/2019. Said Resolution established that the banking institutions governed by the Law of Institutions of the Banking Sector, in the frame of the execution of the transactions of purchase and sale of foreign currency through the forex trading sessions, as prescribed in Resolution No. 19-05-01, published in Official Gazette of 05/02/2019, must comply with the Foreign Exchange Intermediation Index (*Índice de Intermediación Cambiaria* - “IIC”) to the end customer, in the terms defined by the VCB. In our web page you will find a summary of said Resolution.

The VCB established that it may automatically make transactions of sale of foreign currency with universal and microfinancial banks governed by the Law of Institutions of the Banking Sector and special laws, through the debit from the sole account held by the respective banking institutions with the VCB for the amount of bolivars equivalent to the exchange transaction made. (Official Gazette of 05/24/2019. Resolution No. 19-05-03. It repeals Resolution No. 19-01-04 published in Official Gazette of 01/28/2019. Entry into force: Upon publication in the Official Gazette).

### Miscellaneous

**A** Presidential Decree created the Presidential Standing Committee called “Committee for Planning, Procurement, Assignment, and Distribution of Raw Material for National Production of Food, including Packages, Consumables, and *Rotables*”.

(Official Gazette of 05/03/2019. Decree 3.838. Entry into force: Upon publication in the Official Gazette).

A Presidential Decree authorized the creation of a State-owned company to be called Corporación Socialista de las Telecomunicaciones y Servicios Postales C.A., assigned to the Ministry of the Popular Power for Science and Technology. The following companies are assigned to the Corporación Socialista de las Telecomunicaciones y Servicios Postales C.A., among others: Compañía Anónima Nacional Teléfonos de Venezuela, Telecomunicaciones Movilnet, C.A., Instituto Postal Telegráfico de Venezuela (IPOSTEL). (Official Gazette of

05/23/2019. Decree No. 3.854. Entry into force: Upon publication in the Official Gazette).

The Ministry of the Popular Power for Transportation established the Maximum Official Rate for Suburban and Interurban Routes nationwide to be charged by the providers of the public service of ground transportation of passengers. (Official Gazette No. 6.457 Extraordinary of 05/23/2019. Resolution No. 011. It repeals Resolution No. 079 published in Official Gazette No. 6.415 Extraordinary of 12/12/2018. Entry into force: Upon publication in the Official Gazette).

Caracas, June 21, 2019.

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NOTE: THIS NEWSLETTER SHOULD NOT BE CONSTRUED AS LEGAL ADVICE ON ANY SPECIFIC MATTER AND ITS CONTENT 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.