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The Constitutional Chamber of the Supreme Tribunal of Justice declared the constitutional nature of Decree No. 3.844 of 05/10/2019, published in Official Gazette No. 6.456 Extraordinary of 05/10/2019. Said Decree declared the State of Emergency (including Economic Emergency) in all of the national territory. (Official Gazette of 06/13/2019. Decision No. 0128).

### Energy and Petroleum

The Ministry of the Popular Power for Petroleum resolved to incorporate 1,571,170 MBN of new proven reserves of oil and condensate nationwide, from the Orinoco Oil Basin Hugo Chávez Frías and from the Eastern, Western, and South-Center Traditional Area and to update and formalize the amount of 303,805,745 MBN as total proven reserves of oil and condensate existing in the country up to 12/31/2018 (Official Gazette of 06/05/2019. Resolution No. 043).

The Ministry of the Popular Power for Petroleum resolved to incorporate 565,410 MMSCF of new proven reserves of gaseous hydrocarbons nationwide, from the Orinoco Oil Basin Hugo Chávez Frías and from the Eastern, Western, and South-Center Traditional Area and to update and formalize the amount of 200,325,484 MMSCF as remaining proven reserves of gaseous hydrocarbons existing in the country at the end of 12/31/2018. (Official Gazette of 06/05/2019. Resolution No. 044).

### Banking and Finance

The Venezuelan Central Bank (VCB) established the interest rates applicable to the obligations derived from employment relationships (30.62% and 27.31%), to transactions with credit cards (40.00% and 17.00%), and to credit transactions intended for the tourism sector (15%). (Official Gazette of 06/11/2019. Official Notice. Entry into force: Upon publication in the Official Gazette).

### Tax

The Constitutional Law that Creates the Tax on Large Patrimonies, issued by the Constituent National Assembly, was published in Official Gazette No. 41.667 of 07/03/2019. The tax will be imposed on the net worth of special taxpayers with a patrimony equal to or higher than 36 million Tax Units (T.U.) for natural persons and 100 million T.U. for legal persons. The natural and legal persons will be under the obligation to pay the tax for the portion of the patrimony exceeding the aforesaid amounts. In our web page you will find a summary of said Law.

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 April 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 April 2019 is 35.43% which rate is to be increased 1.2 times for the calculation of

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late payment interest accrued during April 2019. (Official Gazette of 06/17/2019. Administrative Ruling No. SNAT/2019/00122).

The Board of Directors of the National Fund of Science, Technology, and Innovation (*Fondo Nacional de Ciencia, Tecnología e Innovación* - "FONACIT") extended until 08/31/2019 the period of time for the contributors to science, technology, and innovation and their applications – with fiscal years from 01/01/2018 to 12/31/2018 – to assess and pay the relevant contribution to FONACIT. (Official Gazette of 06/27/2019. Administrative Ruling No. 015-030. Entry into force: 06/27/2019).

## Labor

Presidential Decree No. 3.892 was published in Official Gazette No. 41.661 of 06/25/2019. Said Decree contains the Regulations to the Law of Labor Protection of Cultural Workers. In our web page you will find a summary of said Regulations.

## Telecommunications

The National Telecommunications Commission (*Comisión Nacional de Telecomunicaciones* - CONATEL) published the model of the equipment and apparatus that obtained CONATEL's approval and has been modified with respect to its original brands and the list of brands and models of equipment and apparatuses approved by CONATEL during year 2018. (Official Gazette of 06/06/2019. Administrative Ruling No. 120).

## Miscellaneous

Through a Presidential Decree the *Corporación Venezolana de Minería, S.A.* (CVM) was transferred the right to exercise the primary activities of exploration and exploitation of gold and other strategic minerals prescribed in article 1 of the Organic Law that Reserves to the State the Activities of Exploration and Exploitation of Gold and other Strategic Minerals, in the geographical areas determined by the Ministry of the Popular Power of Mining Ecological Development. Likewise, the ownership of, or other rights to, the personal or real property of the private domain of the Republic existing in the delimited area and required for such activities were transferred. (Official Gazette of 06/07/2019. Decree No. 3870. Entry into force: Upon publication in the Official Gazette).

Through a Presidential Decree, the *Corporación Venezolana de Minería, S.A.* (CVM) was transferred the right to exercise the primary activities of exploration and exploitation of coal prescribed in article 1 of the Organic Law that Reserves to the State the Activities of Exploration and Exploitation of Gold and other Strategic Minerals in the geographical areas determined by Ministry of the Popular Power of Mining Ecological Development. Likewise, the ownership of, or other rights to, the personal or real property of the private domain of the Republic existing in the delimited area and required for such activities were transferred. (Official Gazette of 06/07/2019. Decree No. 3871. Entry into force: Upon publication in the Official Gazette).

Through a Presidential Decree the areas located within the National Strategic Development Zone "Arco Minero del Orinoco" in the State of Bolivar described in said Decree were declared as areas for mining eco-socialist use. (Official Gazette of 06/07/2019. Decree No. 3.872. Entry into force: Upon publication in the Official Gazette).

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The Ministry of the Popular Power for Mining Ecological Development determined the geographic areas in which the *Corporación Venezolana de Minería, S.A.* (CVM) will carry out the activities prescribed in article 1 of the Organic Law that Reserves to the State the Activities of Exploration and Exploitation of Gold and other Strategic Minerals, in relation to coal mineral development. (Official Gazette of 06/07/2019. Resolution No. 0020. Entry into force: Upon publication in the Official Gazette).

The Ministry of the Popular Power for Mining Ecological Development determined the geographical area in which the *Corporación Venezolana de Minería S.A.* (CVM) will carry out the activities prescribed in article 1 of the Decree with the Status, Value, and Force of Organic Law that Reserves to the State the Activities of Exploration and Exploitation of Gold and other Strategic Minerals and the activities prescribed in article 1 of the Law of Mines for the other minerals located within the delimited area. (Official Gazette of 06/07/2019. Resolution No. 0023. 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* (CANTV) and, *Telecomunicaciones Movilnet, C.A.* The juridical effects of the acts issued by virtue of Decree No. 3.854, published in Official Gazette of 05/23/2019, in compliance with the parameters of the rules in force, will survive. (Official Gazette of 06/10/2019. Decree No. 3.874. It repeals Decree No. 3.854 published in Official Gazette of 05/23/2019. Entry into force: Upon publication in the Official Gazette).

The National Institute of Ground Transportation (*Instituto Nacional de Transporte Terrestre - INTT*) extended for four (4) months Administrative Ruling No. 028/2018, published in Official Gazette of 08/28/2018 (already extended as per Administrative Ruling published in Official Gazette of 02/15/2019), which established on a temporary basis the special procedure for carrying out the registration with the Registry of the Ground Transportation National System, solely in the cases in which the owners of the motor vehicles do not meet all the requirements prescribed in the Law of Transportation and its Regulations in order to evidence in an authentic manner the ownership of the vehicle before the INTT. Said extension will be valid from 06/29/2019 up to and including 10/29/2019. (Official Gazette of 06/28/2019. Administrative Ruling No. 004-2019. Entry into force: Upon publication in the Official Gazette).

Caracas, July 26, 2019.

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.