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TEHAR

Caracas

Torre La Castellana, Piso 6, Avenida Principal, La Castellana.

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 2, Oficinas 02-N19 y 02-N20, Ala Norte del Green Mall, Avenida Alirio Ugarte Pelayo.

Energy

The Transfer Decree allowing the Mixed Company Petrolera Bielovenzolana (CVP and Belarus' State-owned company) to carry out primary activities in the areas of Ostra and Oritupano Norte was published in the Official Gazette of December 12, 2009.

The Ministry of the Popular Power for Electric Energy issued the following resolutions published in the Official Gazette of December 21, 2009, for purposes of reducing electricity use:

- (i) CORPOELEC and its affiliates (all electricity companies) shall require of their users that have a demand above 5MW (heavy industries) and 2 MW (light industries, malls, commercial establishments and residential centers) the preparation of electricity saving plans that provide for a reduction in at least 20% compared with the consumption for the same month of the preceding year. These plans must be presented within the 30 days following the publication of the resolution, that is, by January 21, 2010. The failure to comply with the obligations established in the resolution shall mean the additional charge of 20% on the invoice of the month corresponding to the first infraction and an additional 10% for any other infraction.
- (ii) The use of incandescent or halogen lamps and light bulbs was prohibited in advertising announcements which must be substituted with saving lamps and bulbs. Advertising announcements can only be lit between 6:00 pm and 12:00 midnight. Entities whose consumption is equal to or greater than 2 MW shall use exterior illumination only to the extent that is strictly necessary and shall have lighting and shutting down mechanisms and may not have internal advertising lighting during non-working hours.
- (iii) The hours of malls were regulated (between 11:00 am and 9:00 pm) and Casinos and Bingos (between 6:00 pm and 12:00 am). This resolution

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was later modified to be limited to regulate stores and to exclude restaurants, cinemas, health centers, etc. located within malls.

The bidding process to select partners for the Mariscal Sucre offshore natural gas Project was delayed until January 2010.

The Laws approving the Energy Cooperation Treaties executed by Venezuela and Cabo Verde and Equatorial Guinea were published in the Official Gazette of December 28, 2009.

Engineer Asdrúbal Cháavez was appointed Vice-Minister of Petrochemistry (Official Gazette of December 3, 2009).

Exchange Control

The Venezuelan Central Bank (BCV) and the National Executive executed Exchange Agreement No. 13, which establishes that the BCV may authorize legal persons of the public sector other than the Republic to maintain accounts in foreign currency with said institute (Official Gazette of December 3, 2009).

Banking

Through a Resolution, the Venezuelan Central Bank fixed a percentage not lower than 10% for the share that the commercial and universal banks use in their loan portfolio for the financing of manufacturing companies.

Through a Resolution, the Venezuelan Securities and Exchange Commission established that the indicator of the price variance for the purposes of the application of International Accounting Standard IAS 29 and the Declaration of Generally Accepted Accounting Principles will be the National Consumer Price Index (NCPI) monthly published by the Venezuelan Central Bank, instead of the Consumer Price Index for the Metropolitan Area of Caracas (CPI).

The Superintendence of Banks issued Resolution No. 047-09. Said Resolution establishes the conditions that facilitate mergers among Banks, Savings and Loans Associations, and other Financial Institutions and

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indicates that the institution resulting from the merger may amortize the surplus value generated in the merger process in a period of time between 15 and 20 years, and the acquisition of software, the advertising and marketing expenses, and the inventory of stationery and diverse articles of the merged entities in a period of 5 years. (Official Gazette of December 10, 2009)

FOGADE issued Ruling No. 030 that establishes the Rules for the Liquidation of Banks, Savings and Loans Associations, Other Financial Institutions and Non-Financial Related Institutions. Said Rules repeal the former Rules of 2008.

The National Assembly amended the General Law of Banks and Other Financial Institutions, specially with respect to the authorizations to be obtained from the Superintendence of Banks and the National Securities and Exchange Commission for the direct or indirect acquisition of financial institutions, the increase in the contributions of the financial institutions to FOGADE to 1,5% of 1/6 of the total deposits of the public at the end of each semester, and the increase in the guaranty of the deposits of the public in national currency up to Bs. 30,000 per depositor in the same financial group, applicable in the processes of administrative liquidation of Banco Canarias and Provienda (Official Gazette of December 23, 2009).

The Venezuelan Central Bank fixed the interest rates for indemnity for seniority, purchase of vehicles (balloon payment), credit card operations and credit operations for the tourism industry (Official Gazette of December 8, 2009).

Tax

The SENIAT published in the Official Gazette of December 04, 2009, Administrative Ruling N° SNAT/2009/0117, dated December 04, 2009, which establishes the calendar of special taxpayers and withholding agents for tax obligations to be fulfilled in fiscal year 2010.

The SENIAT published in the Official Gazette of December 16, 2009, Administrative Ruling N° SNAT/2009/0119, dated December 16, 2009, informing that the average interest rate for loans, set by the Venezuelan Central Bank, for November 2009 was 21.62%, in order to calculate late payment charges caused by tax debts, which are determined at 1.2 times said rate.

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The ONA published in the Official Gazette of December 29, 2009: (i) Administrative Ruling N° 007-2009 dated December 29, 2009 establishing the Rules and Procedures for the registration of the payers and the collection, control and audit of the contributions established in articles 96 and 97 of the Organic Law against Unlawful Traffic and Consumption of Narcotics and Psychotropic Substances. ; and (ii) Administrative Ruling N° 008-2009 dated December 29, 2009 establishing the Procedures for Declaration and Payment of the Contributions established in articles 96 and 97 of the Organic Law against Unlawful Traffic and Consumption of Narcotics and Psychotropic Substances , for fiscal years 2006, 2007 and 2008.

Telecommunications

The Directorate of Social Responsibility published the Technical Norm on National Audiovisual Production Services to require that channels whose production is qualified as national that are transmitted through pay television comply with the obligations of the Law of Social Responsibility on Radio and Television, as well as other obligations like the limitation on advertising. For purposes of the qualification as national or international production, each channel had to present its programming during the last 4 months and the qualification was published by CONATEL on its web page.

Consumer Protection

The Ministries of the Popular Power for Commerce, Agriculture and Lands, Health, and Food issued a resolution that establishes the proportion of production and the conditions of commercialization that the agribusiness and importing sectors must meet with respect to regulated products, including the new arrangements, presentation or commercial names. The regulated products subject to this resolution are cooking oil, rice, sugar, coffee, corn flour, milk, margarine, mayonnaise, pasta, cheese and ketchup (Official Gazette of December 22, 2009).

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The National Contracting Service extended the duration of the Certificates of Registration that expire within January 1, 2009 and March 1, 2010 until April 15, 2010. This extension does not cover the certificates that expired until June 2008 and benefitted from previous extensions. (Official Gazette of December 29, 2009). Additionally, the issue of printed certificates was substituted with the issue of electronic certificates and the entities that wish to register with the National Contracting Service were instructed to do it pursuant to the instructions available on its web page www.snc.gov.ve. (Official Gazette of December 30, 2009).

The Law of Communal Councils was published in the Official Gazette of December 28, 2009. The purpose of this law is to regulate the formation, organization and operation of communal councils and their relation with the entities of the Public Authorities for the preparation, execution and control of public policies and projects related to the development of the community.

The Superintendence of Insurance authorized the text of the land transport insurance policy, general and particular conditions and its annexes that may be used by the insurance companies duly authorized to operate in the country (Official Gazette of December 21, 2009).

The Ministry of the Popular Power for Economy and Finance fixed the special contribution that insurance companies must make for the operation of the technical services and other operations of the Superintendence of Insurance at 0.30% of the premiums received until December 31, 2010.

Several laws approving international treaties were published in the Official Gazette of December 3, 2009, among which are (i) Cooperation Treaty on Fishing Matters between Venezuela and Russia, (ii) Cooperation Treaty on Information Matters between Venezuela and Belarus, (iii) Framework Cooperation Treaty between Venezuela and Syria, and (iv) Treaty on the Establishment of a Bamboo and Rattan International Network.

The Law Prohibiting War Videogames and War Games was published in the Official Gazette of December 3, 2009.

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News of the Firm

We are pleased to announce that our Jennifer Jahnke has been promoted to Partner and our Ayleen GuedeZ has been promoted to Senior Associate of Travieso Evans Arria Rengel & Paz effective as of January 1, 2010.

Caracas, January 25, 2010.

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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.

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