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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 Ministry of the Popular Power for Energy and Petroleum incorporated 39,949,346 MBN new proven reserves of crude as of December 31, 2009 from the areas of Barcelona, Maracaibo, Maturín, Barinas, Cumaná, and the Orinoco Oil Basin. In view of the foregoing, the total crude proven reserves as of December 31, 2009 are 211,173,193 MBN. (Official Gazette of March 17, 2010).

The National Assembly approved the incorporation of a Mixed Company by CVP/PDVSA (60%) and Consorcio Nacional Petrolero S.R.L. (TNK-BP, Rosneft, Lukoil, Gazprom Neft and Surgutneftegaz) (40%) and established the conditions that will apply to the incorporation of the Mixed Company and the development of the Junín 6 block in the Orinoco Oil Basin. (Official Gazette of March 9, 2010, amended in the Official Gazette of March 24, 2010 due to an error in the size of the area). Afterwards, according to decree published in Official Gazette of March 25, 2010, the creation of this Mixed Company was authorized as a State-owned company and it was assigned to the Ministry of the Popular Power for Energy and Petroleum.

The Ministry of the Popular Power for Energy and Petroleum delimited the Boyaca 8 block located in the Orinoco Oil Basin for PDVSA Petróleo, S.A., for purposes of exploration for and production of extra-heavy crude. (Official Gazette of March 16, 2010).

The National Assembly approved the modification of the First Condition of the National Assembly Agreement pursuant to which the incorporation of a Mixed Company by CVP/PDVSA and the Empresa Estatal Única “Unión de Empresas Productoras Bielorusneft” was approved, published in the Official Gazette of December 6, 2007, in order to authorize said Mixed Company to explore for and produce non-associated natural gas pursuant to article 2 of the Organic Gaseous Hydrocarbons Law. The other conditions established in the mentioned Agreement and its amendment published in the Official Gazette of May 14, 2009 remained.

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The license that authorizes the Mixed Company Petrolera Bielovenezolana, S.A. to explore for and produce non-associated natural gas in the Zamaca West area, for a period of 25 years, was published in the Official Gazette of March 16, 2010.

As per joint resolution of the Ministries of Economy and Finance and Electric Energy (Official Gazette of March 1, 2010), it was established that the Ministry of Economy and Finance will pay the power consumption of the Public Administration entities at a national, state and municipal level directly to Corpoelec and its affiliates. This resolution centralizes the payment of energy consumption and establishes payment schedules for public institutions that have payments due.

Exchange Control

Exchange Agreement No. 16 entered into between the National Executive and the Venezuelan Central Bank was published in Official Gazette of 03-09-2010. Said Agreement establishes the exchange rate of Bs. 2.60 per dollar of the United States of America for the transactions of sale of foreign currency to international agencies and institutions in which the Bolivarian Republic of Venezuela participates by virtue of international agreements ratified by it and in force at the time of the request, always provided that such foreign currency is acquired with local contributions and intended for socioeconomic development financing programs carried out by said agencies or institutions, including foreign currency intended for financing granted under agreements executed between any of their member countries for the promotion of intra-regional trade and the development of their productive sectors, in the ambit of the Latin American and Caribbean integration.

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For the transactions of purchase of foreign currency from said international agencies and institutions and for the accounts that they have with the Venezuelan Central Bank subject to clauses of maintenance of the local currency value, the applicable exchange rate will be Bs. 4.2893 per dollar of the United States of America

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Banking

Through a Ruling published in Special Official Gazette of 03-10-2010, FOGADE amended the Rules for the Liquidation of Banks, Savings and Loan Associations, Other Financial Institutions, and Non-financial Related Entities that were enacted in December 2009, basically with the purpose of conferring on FOGADE's President powers that were conferred on the Board of Directors under the former Rules.

The Superintendence of Banks issued the Rules on Administration and Monitoring of Risks related to the Crimes of Capital Legalization (Money Laundering) and Terrorism Financing, which are applicable to the Institutions governed by the Superintendence of Banks and other Financial Institutions, in order to establish the rules and procedures to be adopted and implemented by those who are bound to prevent the aforesaid crimes.

Labor

Pursuant to Presidential Decree N°. 7338, published in the Official Gazette of March 24, 2010, March 29, 30 and 31 of 2010 were declared holidays. The Presidential Decree excluded from its application the activities that cannot be interrupted indicated in article 213 of the Organic Labor Law - due to reasons of public interest, technical reasons or eventual circumstances - and listed in articles 92 (public interest), 93 (technical reasons), and 94 (eventual circumstances) of the Regulations to the Organic Labor Law.

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Consumer Protection

As per joint resolution of the Ministries of the Popular Power for Commerce, Agriculture and Lands and Food, the Maximum Sales Price to the Public of the following products were adjusted: whole or chopped chicken in all presentations; chicken breast with bone or boneless, with or without skin in all presentations; chicken legs with bone or boneless, with or without skin in all presentations; of refined sugar, integral sugar, with aspartame or refined with honey; of washed sugar, brown or blond sugar and

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flavoured with sugar cane; and of white table rice Types I, II and II. The same resolution adjusted the Maximum Sales Price paid to the primary producer of the following products: chicken at the producers' plants, the sack of sugar at the plant's door, and the sack of sugar at the wholesaler's or distributor's door. Also, this resolution excludes the following products from the established price control regime: Regular Mayonnaise, Margarine, Tomato Sauce and Hen. This resolution was published in the Official Gazette of March 8, 2010 and entered into effect on that same date.

According to joint resolution of the Ministries of the Popular Power for Planning and Finance, for Food and for Agriculture published in the Official Gazette of March 5, 2010, a number of goods were declared as basic consumer or mass consumption goods, basically, beef, reproducing cattle, beef sold whole and without bones, wheat for planting, onions, garlic, tomato, lettuce, milk formulae for babies, protein concentrates, among others. This declaration was made for purposes of applying the benefit referred to in article 91 of the Organic Customs Law, for which the Non-Production Certificate or the Insufficient Production Certificate must be required from the Ministry of the Popular Power for Food, to then formalize the request before the SENIAT. It is important to mention that the Resolution establishes that for the granting of the above-mentioned certificates, the Ministry of the Popular Power for Food will have to consider the existence of sufficient production of the goods in the member states of the Andean Community. This Resolution will be in force for one year as of its publication in the Official Gazette, but said period may be extended.

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Miscellaneous

The Regulations to the Organic Law of the Government Federal Council were published in the Official Gazette of March 9, 2010. Their purpose is to regulate the organization and operation of the Government Federal Council, its entities and coordination of policies.

The Ministry of the Popular Power for Communes and Social Participation issued a resolution to establish the norms that will regulate the process of adaptation of the Communal Councils duly formed and registered under the legal system prior to the enactment of the Organic Law of the Communal Councils. (Official Gazette of March 2, 2010).

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The National Institute of Land Transportation (INTT) issued Administrative Ruling No. 000034, published in Official Gazette of 3-16-2010, which contains the requirements, rules, and procedures for the Technical, Mechanical, and Physical Review of Vehicles (RTMF).

Caracas, April 23, 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.

Travieso Evans Arria Rengel & Paz

Teléfono: (+58 212) 918.3333 / Fax: (+58 212) 918.3334

E-mail: legal@traviesoevans.com / Web: www.traviesoevans.com