



TRAVIESO EVANS

MANAGERIAL ALERT

CONSTITUTIONAL LAW AGAINST
BLOCKING FOR NATIONAL DEVELOPMENT
AND GUARANTEE OF HUMAN RIGHTS

CONSTITUTIONAL LAW AGAINST BLOCKING FOR NATIONAL DEVELOPMENT AND GUARANTEE OF HUMAN RIGHTS

The Constitutional Law against Blocking for National Development and Guarantee of Human Rights, issued by the National Constituent Assembly, was published in Official Gazette No. 6.583 Extraordinary of October 12, 2020 (the “Constitutional Law”).

Object of the Constitutional Law

To establish a special and temporary regulatory framework that provides the Venezuelan National Government, with legal tools for counteracting, mitigating, and reducing the effects derived from the imposition, on the Republic of Venezuela and its population, of unilateral coercive and other restrictive or punitive measures (measures defined in the Constitutional Law) issued by another State or group of States, or from acts or omissions of said States, by international organizations or other public or private foreign entities.

Scope of Application

The provisions of the Constitutional Law are of public order and general interest and they will be applied by all branches of the National Government, in its national, state, and municipal ambit, as well as by public and private, natural and legal persons in all of the national territory.

Purpose of the Constitutional Law

1. To assure the full enjoyment of the human rights of Venezuelan population in the face of the unilateral coercive and other restrictive or punitive measures adopted against the country or its nationals.
2. To favor a harmonious development of national economy aimed at creating job opportunities, high national added value, raising the living standards of population, and strengthening the country’s economic and technological sovereignty.
3. To assure the full performance of the right of Venezuelan people to self-determination, including their untransferable right to full sovereignty over all their wealth and natural resources.

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Subsequent Control

All public acts issued by application of the Constitutional Law are subject to the subsequent control of the Comptroller General's Office of the Republic.

International Center of Productive Investment

The Constitutional Law prescribes that the International Center of Productive Investment will be created, as an entity in charge of recording, studying, and monitoring the unilateral coercive and other restrictive or punitive measures, evaluating, approving, and promoting the productive projects derived from the application of the Constitutional Law and managing the Nation Branding, as a strategy oriented to the promotion of investments and foreign trade.

Said International Center was created through a Constituent Decree published in the same Official Gazette in which the Constitutional Law was published.

Measures for Economic and Productive Balance

Following are the most significant points:

- The measures within the national economic order to which the Constitutional Law refers must be taken considering the particularities involved in the operation of Venezuelan economy in the national and international ambit, as well as its commercial and financial relationships and relationships with foreign investors, under the direct and indirect influence of the unilateral coercive and other restrictive or punitive measures that affect the normal development of the Venezuelan State.
- When necessary, according to the provisions of the Constitutional Law, the National Executive will fail to apply, in specific cases, the legal or sublegal provisions the application of which is impossible or counterproductive because of the effects of a specific unilateral coercive or another restrictive or punitive measure, with the prior favorable technical report issued by the ministries with jurisdiction over the relevant matter, which report must be conclusive that said failure to apply the provisions is essential.
- The National Executive may create and implement financial mechanisms allowing the gradual restoration of the value of labor termination benefits, accumulated benefits, and savings of workers.

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- The National Executive may create or authorize new financing mechanisms or sources in any of its forms in order to attend to social plans, programs or projects or any other activity in the area of food, health, social security, provision of basic services, and other essential economic goods. The period of effectiveness of these mechanisms will be subject to the period of effectiveness of the Constitutional Law.
- An authorization is given to enter into all legal acts or transactions that are necessary, without prejudice to the provisions of the Constitution of the Bolivarian Republic of Venezuela, in order to prevent or revert acts or threats of freezing, dispossession or loss of control of assets, liabilities and patrimonial interests of the Republic or its entities, by reason of the application of the unilateral coercive and other restrictive or punitive measures.
- The National Executive may proceed to organize and reorganize the decentralized entities for entrepreneurial purposes, in the country and outside the same. The organization or reorganization must primarily assure the protection of the Republic's and its entities' patrimony.
- The National Executive may modify the mechanisms for organization, management, administration, operation, and State participation of certain public or mixed companies, both in the national territory and abroad, without prejudice to the provisions of the Constitution of the Bolivarian Republic of Venezuela.
- Liability administration operations and asset administration operations may be created and implemented, by means of the operations available in national and international markets, without prejudice to the provisions of the Constitution of the Bolivarian Republic of Venezuela, in order to protect the interests of the Republic, increase the flow of foreign currency to economy, increase the profitability of assets, fulfill the economic, social, and cultural rights of Venezuelan population, and recover its quality of life.
- The National Executive will design and implement exceptional mechanisms for contracting, purchasing, and paying goods and services, preferably of national production.
- The National Executive may authorize and implement measures that encourage and favor the national and international private sector participation, management, and partial or integral operation in the development of national economy.
- The assets under the administration or management of the Venezuelan State, as a consequence of any administrative or judicial restrictive measure on any of the ownership elements, which are required for their urgent incorporation into a productive process, may be subject matter of alliances with entities of the private sector, including small and medium-sized enterprises, or with the organized Popular Power.

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- The Republic and its entities may agree and execute, with their partners and investors, agreements including investment protection and dispute resolution clauses, with the purpose of gaining trust and stability, upon the prior agreement of the Ministry of the Popular Power with jurisdiction over economy and finance and the Attorney General's Office of the Republic.
- A temporary regime for classification of documents with confidential and secret content is created, with the purpose of protecting the decisions made by the Venezuelan National Government, in the frame of the State protection against the unilateral coercive and other restrictive or punitive measures.
- The highest authorities of the agencies and entities of the central and decentralized National Public Administration, for reasons of national interest and convenience, may determine that any file, document, information, fact or circumstance of which they are taking cognizance in the performance of their functions is classified, confidential or with restricted disclosure, by application of the Constitutional Law.
- Access to documentation categorized as confidential or classified is prohibited and no uncertified or certified copies of the same will be issued.
- The procedures, acts, and records made by reason of the implementation of any of the measures established in the Constitutional Law, which involve the failure to apply legal or sublegal provisions, are declared to be secret and classified for up to 90 days following the cessation of the unilateral coercive and other restrictive or punitive measures that gave rise to the situation.

The Constitutional Law prescribes that its provisions will be applied in preference to the legal and sublegal provisions, including organic laws, special laws governing the matter, and the Decree of State of Emergency (including Economic Emergency), its extension, and the new ones to be issued.

The Constitutional Law became effective upon publication of the same in the Official Gazette.

In order to access the Constitutional Law, please click [here](#).

Should you have any question or comment or require further information, please contact the partner in charge of your account via email.

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