

Energy and Mines

The President of the Republic issued Decree No. 8.832, which approved the creation of a mixed company between the Corporación Venezolana del Petróleo, S.A., (“CVP”) and Gazprombank Latin America Ventures B.V., for the development of primary activities in the area of hydrocarbons. Said Decree was published in the Official Gazette of March 6 and became effective on said date.

Later, the Ministry of the Popular Power for Petroleum and Mining issued Resolution No. 015, whereby it resolved to delimit the geographical area of the aforesaid mixed company to be formed between CVP and Gazprombank Latin America Ventures B.V., in order for it to perform primary activities in the area of hydrocarbons. The area to be delimited is formed by the field called Bachaquero Tierra-Lagunillas Tierra, with an area of 697.96 square kilometers, located in the Municipalities of Lagunillas, Valmore Rodríguez, and Baralt of the State of Zulia. The Resolution was published in the Official Gazette of March 7.

Banking and Finance

Through Official Notice published in the Official Gazette of March 8, the Venezuelan Central Bank established the interest rates for the calculation of the indemnity for seniority (15.65% and 15.18%); the interest rate for the acquisition of vehicles under the “balloon payment” method (15.65%); the interest rates for transactions with credit cards (29% and 17%); and the interest rates for credit

transactions intended for the tourism sector (11%).

The Law of Partial Amendment to the Decree with the Status, Value and Force of Organic Law of Financial Administration of the Public Sector was published in the Official Gazette of March 28. It contains amendments in connection with the public borrowing capacity. It also establishes guidelines for the autonomous entities engaged in financial activities, as well as for the State corporations, in regard to the performance of public credit transactions. These amendments became effective upon publication in the Official Gazette.

Resolution No. 050, issued by the Ministry of the Popular Power for Housing and Habitat, fixes at fifteen percent (15%) the minimum percentage of the annual gross credit portfolio, corresponding to December 31, 2011, that the banking institutions bound to grant credits for construction, acquisition improvements, enlargement, and self-construction of principal family-dwelling units, in the frame of the *Gran Misión Vivienda Venezuela*, must allocate from their own resources to that end. The banking institutions must sent to the National Bank of Housing and Habitat (*Banco Nacional de Vivienda y Hábitat* - “BANAVIH”) a monthly report on the performance of the mandatory portfolio within the first five (5) business days of each month. This Resolution repeals Resolution No. 104 published in the Official Gazette of July 19, 2011.

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Resolution No. 046, issued by the Ministry of the Popular Power for Internal Affairs and Justice, was published in the Official Gazette of March 8. Said Resolution establishes the rules that govern the procedure for making the registration of insurance companies operating in the field of fire insurance and the declaration and payment of the contribution established in the Decree-Law on Fire Departments and Administration of Civil Emergencies. The purpose of the rules is to establish the requirements to be met by the insurance companies operating in the field of fire insurance in order for their registration with the registry kept by the National Fund of Fire Departments and Administration of Civil Emergencies (*Fondo Nacional de Bomberos y Bomberas y Administración de Emergencias de Carácter Civil* - "FONBE"). The insurance companies of the fire insurance field must (i) declare and pay to the FONBE a contribution of one percent (1%) of the amount of the premiums of the insurance policies charged in the field of fire insurance that are referred to in the Decree with the Force of Law of Fire Departments and Administration of Civil Emergencies, as well as the interest accrued, within a period of five (5) business days following the receipt of the premiums by the insurance companies; and (ii) file a sworn statement, within the first fifteen (15) days of each month, describing the contributions made to the FONBE during the preceding month. The insurance companies of the field of fire insurance must file with the FONBE the documents indicated in this rule and inform, with the character of a sworn statement, the contributions made within a period of thirty (30) business days after the date of publication of the Resolution in the Official Gazette, date on which it became effective.

The President of the Republic issued Decree No. 8.847. Said Decree establishes an exemption from the payment of Value Added Tax (VAT), as well as from the payment of customs duties, tariffs and other taxes prescribed in the Organic Customs Law, applicable to the importation of personal property, consumable supplies for medical-surgical purposes, for vehicles and equipment of any form whatsoever, for construction of hospitals or consumable supplies manufacturing facilities, made by reason of the agreements to be performed in the frame of the international agreements and contracts executed by the Bolivarian Republic of Venezuela and the People's Republic of China, the Republic of Colombia, the Republic of Portugal, the Republic of Turkey, the Republic of Germany, and other countries, for a period of five (5) years as from publication of the Decree in the Official Gazette. The Decree became effective on March 13, 2012, date on which it was published in the Official Gazette.

The National Integrated Service of Customs and Tax Administration (SENIAT) issued Ruling No. SNAT/2012/0015, informing 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 Venezuelan Central Bank for February 2012 is 18.44%, which rate is to be increased 1.2 times for the calculation of late payment interest accrued during February 2012. Said Ruling was published in the Official Gazette of March 19.

Telecommunications

The National Telecommunications Commission ("CONATEL") issued Administrative Ruling No. 059, which

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orders the publication in the Official Gazette of the list of brands and models of telecommunications equipment and apparatuses approved by CONATEL during year 2011. The Ruling was published in the Official Gazette of March 7.

Consumer Protection

Ruling No. 059, issued by the National Superintendence of Costs and Prices was published in the Official Gazette of March 29. Said Ruling establishes the Maximum Sales Price of the products listed below for their sale by producers and/or importers (“PMVPI”), wholesalers-distributors (“PMVDMA”), retailers-distributors (“PMVDMI”), when applicable, and to the public or end consumer: (a) pasteurized fruit juices, (b) compotes, (c) mineral water, (d) hair rinse, (e) bath soap bar and liquid bath soap, (f) hair shampoo, (g) tooth paste, (h) fabric softeners and rinses, (i) liquid, stick, gel or aerosol deodorant, (j) baby diapers sizes (p), (m), (g), (xg), and (xxg), (k) sanitary pads, (l) toilet paper, (m) disposable razors, (n) dishwashing products (liquid, gel, or cream), (o) chlorine, (p) detergents, (q) wax floor, (r) cleaners (disinfectants), and (s) laundry soap bar. Article 18 of the Ruling establishes that the acts that fixed prices for the products listed above prior to this Ruling are annulled.

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The National Anti-drug Office (*Oficina Nacional Antidrogas* - “ONA”) issued Ruling No. 001. Said Ruling contains the rules that govern the process of transfer of property frozen or attached, confiscated and seized by the National Service of Administration and Transfer of Frozen or Attached, Confiscated

and Seized Property (*Servicio Nacional de Administración y Enajenación de Bienes Asegurados o Incautados, Confiscados y Decomisados* - “SNB”). The purpose of the rules is to govern the processes of transfer of the property by the SNB, as well as the acts of the interested parties, beneficiaries, bidders and awarded parties participating in the transfer processes therein established. The Ruling was published in the Official Gazette of March 6 and became effective on said date.

Also, Ruling No. 002 issued by the SNB was published in the Official Gazette of said date. Said Ruling contains the rules that regulate the use and transfer of the foreign currency confiscated and seized, as a result of or in relation to the crimes prescribed in the Organic Law on Drugs.

The Ministries of the Popular Power for Commerce, for Industries, and for Internal Affairs and Justice issued a Joint Resolution through which they corrected, due to an error in the form, the technical regulations that establish the procedures and methodology for assignment, configuration, and suspension of the Vehicular Identification Number (“NIV”). Said resolution was published in the Official Gazette of March 15.

The Supreme Tribunal of Justice published a decision of the Constitutional Chamber in the Official Gazette of March 20. Said decision is binding on all Courts of the Republic and on the other Chambers of the Tribunal. It establishes that in the cases of criminal proceedings against private parties that may result in the joint and several liability of the State, the judicial officers are under the obligation to notify the Attorney General of the Republic of the judicial actions taken in the course of the proceedings, with the

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purpose of warning him/her of the subsequent joint and several liability for the commission of a crime, without this involving the use of the legal procedural prerogatives conferred on the Republic in the processes of its interest.

The Ministry of the Popular Power for Industries issued Resolution No. 058, whereby the creation and administration of the Integral Management System for Industries and Commerce was established (*Sistema Integral de Gestión para las Industrias y el Comercio* - "SIGESIC"). Said system will set forth the requirements and mechanisms to be met for the registration of all public or private, natural or legal persons performing any type of economic activity in the national territory that implies the adding of value, transfer of property, provision of services with or without profitable purposes. Said Resolution became effective on March 20, date of its publication in the Official Gazette.

Presidential Decree No. 8.882, published in the Official Gazette of March 27, issues the temporary measures for the promotion, development, encouragement, and inclusion of the national industry that produces goods, provides services, and executes works, located in the country, through the establishment of margins of percentage preference that benefit the small and medium-sized industry and the socio-productive organizations domiciled in the country. The incentives prescribed in this Decree are referred to methods of payment, assignment of materials, technology, and labor. These measures will be applied to the contracts entered into with the small and medium-sized industry under the Public Contracting Law. Said Decree will be effective for three (3) years after its publication in the Official Gazette.

Caracas, April 30, 2012.

*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.