

CORONAVIRUS LEGISLATION AND REGULATIONS

VENEZUELA

The following notes provide a general overview of the regulations issued in the Bolivarian Republic of Venezuela ("Venezuela") to address and prevent the COVID-19 outbreak as of September 16, 2020. Please note that these notes do not provide legal opinions nor are they intended to provide legal assistance in specific situations. In case you require further information or assistance, please do not hesitate to contact Ponte Andrade & Casanova through the contact information at the end. Additionally, due to the extraordinary situation, the legislation is in continuous evolution and may quickly change.

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1. STATE OF ALERT

1.1 *Legal Basis*

The Venezuelan President issued Decree N° 4160, published in Special Official Gazette N° 6519 of March 13, 2020, which establishes the State of Alert in Venezuela due to the Coronavirus outbreak. The State of Alert was extended on April 13, 2020 by Decree N° 4186, Official Gazette N° 6528 of April 12, 2020. This Decree provided for an extension for 30 additional days of the State of Alert established by Decree N° 4160. This extension is counted from the day following the publication of Decree N° 4186 and, therefore, expires on May 12, 2020. Thus, all the effects and legal consequences of the State of Alert are maintained (e.g., suspension of administrative procedures).

Through Decree N° 4198, published in Special Official Gazette N° 6535 of May 12, 2020, a new State of Alert was declared throughout the national territory for a period of thirty (30) continuous days, which may be extended for an equal period (that is, from May 12, 2020 to June 12, 2020, both dates included), in order to mitigate and eradicate the risks related to Coronavirus (COVID-19) (article 1 and final provision eight). It should be noted that this Decree does not extend the original State of Alert established on March 13, 2020 by Decree N° 4160 (Special Official Gazette N° 6519 of March 13, 2020), but rather establishes a new State of Alert, without modifications in content, measures and effects of the original State of Alert.

The same was done through Decree N° 4247, published in Special Official Gazette N° 6554 of July 10, 2020, which established a new State of Alert until August 10, 2020. This State of Alert was extended through Decree N° 4.260, published in Official Gazette N° 6560 on August 8, 2020 until September 10, 2020.

On June 8, 2020, the President established a new flexible quarantine regime. This scheme – fittingly called “7+7” – consists of alternating quarantine weeks and flexible weeks. That is seven days of a flexible quarantine regime followed by seven days of a radical quarantine regime. During the “flexible” days of quarantine, some government entities, businesses and other entities are allowed to open to the public, always complying with the sanitary measures of social distancing set forth to reduce the risks related to COVID-19. The “7+7” regime is still in force. However, the level of flexibility or radicalization depends on the geographical area. In this sense, there are states that are in “radical quarantine” while others are in a more “flexible quarantine”.

1.2 *Suspension of economic activities and transit*

Among the measures adopted is the possibility of suspending, by order of the President, activities and transit in specific geographical zones or areas. This measure already applies to the entire national territory.

The Decree excludes activities carried out by "essential" economic sectors, such as the health, food, and establishments or companies producing electrical energy, telephone services, fuel, the transfer and custody of securities, the port system, water and gas, telecommunications, and, in general, the provision of public services at home.

1.3 Suspension of employment activities

In those areas where activities are suspended, the employment relations are also suspended, except for those that can be fulfilled by alternative means (e.g., remote work). In Venezuela, when work relations are suspended, the employee is not obliged to provide services for the employer, who is, therefore, not required to pay the employee's salary.

1.4 Restrictions on commercial and private flights

The Venezuelan Institute of Civil Aviation has issued the following Notices to Airmen (NOTAM):

- March 13, 2020. Thirty-day suspension of every incoming flights from Colombia and Europe.
- March 14, 2020. Suspension of every incoming flights from Panama and Dominican Republic.
- March 17, 2020. Suspension of every private and commercial aviation activities, both incoming to and within the Venezuelan territory, except for the landing, departure and overflight of cargo and mail aircraft.
- April 12, 2020. Extension until May 12, 2020 of the suspension of private and commercial aviation activities, both incoming to and within the Venezuelan territory, except for the landing, departure and overflight of cargo and mail aircraft, humanitarian flights, civilian repatriation and United Nations (UN) authorized flights.
- May 12, 2020. Extension until June 12, 2020 of the suspension of private and commercial aviation activities, both incoming to and within the Venezuelan territory, except for the landing, departure and overflight of cargo and mail aircraft, humanitarian flights, civilian repatriation and United Nations (UN) authorized flights.
- June 12, 2020. Extension until July 12, 2020 of the suspension of private and commercial aviation activities, both incoming to and within the Venezuelan territory, except for the landing, departure and overflight of cargo and mail aircraft, humanitarian flights, civilian repatriation and United Nations (UN) authorized flights.
- July 12, 2020. Extension until August 12, 2020 of the suspension of the private and commercial aviation activities, both incoming to and within the Venezuelan territory, except for the landing, departure and overflight of cargo and mail aircraft, humanitarian flights, civil repatriation and United Nations (UN) authorized flights.
- August 12, 2020. Extension until September 12, 2020 of the suspension of the private and commercial aviation activities, both incoming to and within the Venezuelan territory, except for the landing, departure and overflight of cargo and

mail aircraft humanitarian flights, civil repatriation and United Nations (UN) authorized flights.

- September 12, 2020. Extension until October 12, 2020 of the suspension of the private and commercial aviation activities, both incoming to and within the Venezuelan territory, except for the landing, departure and overflight of cargo and mail aircraft humanitarian flights, civil repatriation and United Nations (UN) authorized flights.

1.5 Quarantine and "Social Distancing"

According to Decree 4160 and Decree 4198, patients suspected of being infected with Coronavirus (COVID-19) and those that tested positive shall remain in quarantine and isolation until a test proves that the person does not represent a risk for the propagation of the virus, even when presenting slight symptoms. Also, persons exposed to patients suspected or confirmed to be infected by Coronavirus shall remain in isolation for two weeks. These include:

- Having been in direct contact with the infected or presumed to be contaminated due to professional, technical, or labor activities associated with medical or health care.
- Visiting patients who are sick or suspected of being sick.
- Having stayed in the same environment with infected patients or under suspicion of being sick.
- Having traveled in any type of ship, aircraft, or vehicle with an infected or suspected patient.
- Having lived in the same building with a patient with COVID-19 within 14 days of the appearance of their first symptoms.
- Having been in direct contact with the people indicated above.
- Those who are notified by the Ministry of People's Power of Health as a possible carrier of COVID-19.

On March 16, 2020, the President ordered total quarantine and "social distancing" throughout the territory of Venezuela. This quarantine order implies the suspension of economic activities, except for the "essential" activities mentioned above.

1.6 Compulsory use of protective masks

The use of masks that cover the mouth and nose is mandatory in the following places:

- In all types of public land, air or sea transport, including metro, bus, metrocable, cable train and railway systems.
- In air, land and sea terminals.

- In public spaces that, due to the nature of the activities carried out there, must be attended by a considerable number of people, as long as the activity is not suspended.
- In clinics, hospitals, dispensaries, outpatient clinics, doctor's offices, laboratories and other establishments that provide public or private health services, as well as in spaces adjacent to these.
- In supermarkets and other public places not expressly included.

1.7 Suspension of academic activities

Academic activities in private and public schools and universities are suspended throughout the country as from March 16, 2020, to protect the health of children and adolescents, as well as all teaching, academic and administrative staff in public and private educational establishments.

1.8 Prohibition of crowds; open businesses and industries

All kinds of public shows, exhibitions, concerts, conferences, exhibitions, sporting events, and, in general, any type of event involving many people is suspended throughout the country.

The establishments dedicated to the activities indicated in the heading of this article will remain closed. These include, among others, cafes, restaurants, bars, taverns, ice-cream parlors, theaters, cinemas, auditoriums, conference halls, concert halls, exhibition halls, party halls, banqueting halls, casinos, children's parks, amusement parks, water parks, fairs, zoos, courts, stadiums and other facilities for sporting events.

Cultural, sports and entertainment activities intended for the entertainment and recreation of the population will not be subject to the suspension indicated in the heading of this article, as long as they do not involve crowds. The establishments where these types of activities are performed may remain partially open, but under no circumstances may they make their spaces available for presentations to the public.

Foods and beverages businesses may remain open, providing services exclusively under the modality of delivery, home service, or takeaway orders. However, they may not offer consumer services within the establishment, nor may they hold shows of any kind.

The Decree excludes activities carried out by "essential" economic sectors, such as the health, food, and establishments or companies producing electrical energy, telephone services, fuel, the transfer and custody of securities, the port system, water and gas, telecommunications, and, in general, the provision of public services at home.

1.9 Sanitary Measures of Social Responsibility

On June 1, 2020, the Ministry of Health issued Resolution N° 090 (Official Gazette N° 4,1891 of June 1, 2020) that establishes several sanitary measures of social responsibility to reduce the effects of the COVID-19 outbreak.

The measures include sanitary rules and recommendations to help mitigate the spread of COVID-19 (e.g., compulsory use of masks, hand washing, and personal hygiene). Likewise, the Resolution regulates the sanitary conditions that commercial, transport, and health establishments must comply with. Finally, it sets out the steps and procedures to be followed in case of getting the disease.

2. EMPLOYMENT

2.1 Legal basis

- Decree N° 4160, published in Official Gazette N° 6519 of March 13, 2020 and its extensions
- Decree N° 4198, published in Official Gazette N° 6535 of May 12, 2020
- Decree N° 4167, published in Official Gazette N° 6520 of March 23, 2020

2.2 Suspension of Employment Activities

In those areas where activities are suspended, the employment relations are also suspended, except for those that can be fulfilled by alternative means (e.g., remote work). In Venezuela, when work relations are suspended, the employee is not obliged to provide services for the employer, who is, therefore, not required to pay the employee's salary.

2.3 Ratification of ban to employment termination

Decree N° 4167, published in Special Official Gazette N° 6520 of March 23, 2020, ratifies the prohibition to employment termination until December 31, 2020. This means that no worker (except management employees) may be dismissed without just cause previously qualified by the labor administrative authorities.

2.4 Subsidy for Private-Sector Employers

On March 23, 2020, the President announced on radio and television a six-month payroll subsidy for private-sector employers. This measure has not yet been published in Official Gazette.

3. TAXATION AND CUSTOMS

3.1 Legal basis

- Decree N° 4166, published in Official Gazette N° 41841 of March 17, 2020
- Decree N° 4171, published in Official Gazette N° 6523 of April 2, 2020

- Resolution N° 079 (Ministry of Health), published Official Gazette N° 41854 of April 3, 2020

3.2 Exoneration of VAT and other taxes on imports and sales of equipment and medicines used against COVID-19

The imports of protective masks, mask covers, and other related products by public administration offices are exonerated of Value Added Tax (VAT), Import Tax, and Customs Regime Determination Fee, among others.

Sales of these goods in the national territory are also exonerated of VAT.

Based on this Decree, the Ministry of Health issued Resolution N° 079 (Official Gazette N° 41854 of April 3, 2020), which includes in this tax exoneration all medicines for human use intended to combat COVID-19, as well as those needed to treat pre-existing diseases and complications that may arise.

3.3 Exoneration of income tax on incomes received by individuals whose salary does not exceed three minimum wages

This Decree exonerates of income tax the annual territorial income obtained by individuals residing in Venezuela during the 2019 fiscal year, whose normal salary or income does not exceed an amount equivalent to three (3) minimum salaries. This is the minimum wage calculated at the end of 2019 fiscal year.

3.4 Local authorities: extension of period to file tax returns and pay taxes

Some local authorities granted an extension for the filing of Economic Activities tax returns and payments. As of April 18, 2020, the following local authorities have granted the extension:

- Girardot Municipality of Aragua State.
- Guacara, Puerto Cabello, San Diego and Valencia Municipalities of Carabobo State.
- Chacao and Zamora Municipalities of Miranda State.
- Libertador Municipality of the Capital District.
- Iribarren Municipality of Lara State.
- Lagunillas Municipality of Zulia State.

4. TENANCY AND LEASE

4.1 Legal basis

- Decree N° 4169, published in Official Gazette N° 6522 of March 23, 2020
- Resolution N° 023 (Ministry of Housing and Habitat) on March 24, 2020

- Decree N° 4279, published in Official Gazette N° 41956 of September 2, 2020

4.2 Measures

This Decree provides for a six-month suspension (until September 1, 2020) of the collection of payments of rents on commercial and main residence properties.

Under Decree N° 4169, the Ministry of Housing and Habitat issued Resolution N° 023 on March 24, 2020, which further develops the Decree's provisions regarding the main residence rents.

This Decree suspends for 6 months (until March 6, 2021) the collection of payments of rents on commercial properties and the main residence.

5. LEGAL PROCEEDINGS

5.1 Legal basis

- Decree N° 4160, published in Special Official Gazette N° 6519 of March 13, 2020
- Decree N° 4198, published in Special Official Gazette N° 6535 of May 12, 2020
- Resolution N° 001-2020 (Supreme Court of Justice) of March 20, 2020
- Resolution N° 002-2020 (Supreme Court of Justice) of April 13, 2020
- Resolution N° 003-2020 (Supreme Court of Justice) of May 13, 2020
- Resolution N° 004-2020 (Supreme Court of Justice) of June 17, 2020
- Resolution N° 005-2020 (Supreme Court of Justice) of July 12, 2020
- Resolution N° 006-2020 (Supreme Court of Justice) of August 12, 2020

5.2 Court Procedures

On March 20, 2020, the Plenary Chamber of the Supreme Court of Justice issued Resolution N° 001-2020, which suspends all court cases until April 13, 2020.

On April 13, 2020, the Plenary Chamber of the Supreme Court of Justice issued Resolution N° 002-2020, which extended until May 13, 2020, the suspension of all legal cases and procedural periods established by Resolution N° 001-2020.

On May 13, 2020, the Plenary Chamber of the Supreme Court of Justice issued Resolution N° 003-2020, which extended until June 12, 2020, the suspension of all legal cases and procedural periods established by Resolution N° 002-2020.

On June 17, 2020, the Plenary Chamber of the Supreme Court of Justice issued Resolution N° 004-2020, which extended until July 12, 2020, the suspension of all legal cases and procedural periods established by Resolution N° 003-2020.

On July 12, 2020, the Plenary Chamber of the Supreme Court of Justice issued Resolution N° 005-2020, which extended until August 12, 2020 the suspension of all legal cases and procedural periods established in Resolution 004-2020.

On August 12, 2020, the Plenary Chamber of the Supreme Court of Justice issued Resolution N° 006-2020, which extended until September 12, 2020 the suspension of all legal cases and procedural periods established in Resolution N° 005-2020.

Urgent matters, as well as constitutional complaints and proceedings related to the protection of constitutional rights and some criminal law proceedings, are not included in this suspension.

5.3 Administrative Procedures

Based on the Decree of State of Alert, national and local public entities and organisms have suspended legal proceedings during the State of Alert.

5.4 Arbitration Procedures

The Arbitration Center of the Caracas Chamber of Commerce issued several communications and notices regarding the Coronavirus outbreak.

- Any request for information will be addressed through email.

On the other hand, the Business Center for Conciliation and Arbitration (CEDCA) adopted measures to avoid the suspension of arbitration procedures. In this sense:

- Communication dated March 17, 2020: establishes measures such as closing premises until new notice and rendering attention to the public through electronic means. This communication is available [here](#).
- Communication dated March 30, 2020: establishes a guideline to file new arbitration claims and continue existing arbitration procedures, through electronic means. The guideline is available in Spanish [here](#).

6. FINANCIAL INSTITUTIONS

6.1 Banking: Debt Collection

- Decree N° 4168, published in Official Gazette N° 6521 of March 23, 2020. This Decree orders the Ministry of Economy and Finance to enact a special regime for the collection of loans by public and private financial institutions, which intends to alleviate the debtors' financial situation to face the COVID-19 outbreak.

6.2 Insurance

The Insurance Authorities (SUDEASEG) issued Communication N° SAA-9-1318-2020 (March 14, 2020), which exhorts regulated entities to assist and guarantee health protection, amidst the Coronavirus outbreak.

SUDEASEG also issued Communication SAA-9-13-19-2020 (March 15, 2020), which suspends employment activities and customer service across the country. Suspended legal proceedings against regulated entities and suspended the terms and deadlines of legal proceedings.

6.3 Stock Market and Securities

The Stock Market and Securities Authorities (SUNAVAL) ordered regulated entities to guarantee the presence of a minimum required personnel to continue operations, amidst the Coronavirus outbreak.

7. TELECOMMUNICATIONS AND PUBLIC SERVICES

7.1 Measures

On March 23, 2020, the President announced on radio and television a six-month ban on telecommunications and public services service cut-off for non-payment. This measure has not yet been published in Official Gazette.

Due to the State of Alert decreed by the Venezuelan government, Ponte Andrade & Casanova has activated the mechanisms of remote work and digital communication to keep our service platform fully active. If our services are required, you can contact us through the following contact information:

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