



Measures Implemented by the Executive Branch in Order to Mitigate the Effects of COVID-19

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By virtue of the coronavirus (COVID-19) spread in the country, the National Executive Branch on March 13, 2020, through Decree No. 4,169, published in the Extraordinary *Official Gazette* No. 6,519, an Alarm Status to address the coronavirus health emergency, as a mechanism to implement necessary actions to prevent and fight against the spread of said virus.

In the framework of the Alarm Status, the Executive Branch has dictated a set of economic protection measures in order to alleviate the situation created by the COVID-19 spread.

Banking and Credit Measures

Through Decree No. 4,168, dated March 23, 2020, published in the Extraordinary *Official Gazette* No. 6,521, the following measures were adopted:

1. The Banking Institution Superintendency (SUDEBAN) was ordered to implement a special regime for the payment of all types of credits granted by national public and private banks, which will provide the respective debtors a relief from their financial situation and obligations, in order to deal with the extraordinary impact and world crisis caused by the COVID-19 outbreak. The aforementioned regime will be deployed according to the following bases:
 - a) This regime will apply to all types of credit granted by banking institutions, outstanding and fully or partially liquidated on March 13, 2020.
 - b) Principal and interest payments, restructuring terms and any other clause established in the respective credit agreements, will be extended.
 - c) Payment suspensions may be established, which will imply that payment enforceability and compliance with any other payment-related condition will also be suspended, for periods of up to 180 days.
 - d) General special conditions may be established for certain credit categories.
 - e) No default interest can be established, nor the immediate total or partial payment of the credit at the end of this suspension.
 - f) The capital calculation measure will be maintained for credits based on commercial credit value units (UVCC) or based on productive credit value units (UVCP), but will be canceled according to the new conditions.
 - g) The competent bodies and entities shall proceed to articulate and implement exceptional rules applicable to the conditions of outstanding and fully or partially liquidated credits on the publication date of this Decree, when necessary, depending on the substantive competences that may correspond to such credit.



2. Banking institutions are ordered to prioritize credit allocation to strategic sectors whose activity is critical to attend preventive and palliative measures related to the Alarm Status decreed by the Executive Branch.
3. Public and private banking, under the supervision of SUDEBAN, will prioritize the agrifood sectors, including agribusiness and food production and distribution chains, pharmaceutical and industrial hygiene products.

Labor Measures

The National Executive Branch on March 23, 2020, published Decree No. 4,167 in the Extraordinary *Official Gazette* No. 6,520, establishing labor immobility in favor of employees in the public and private sector established by the Venezuelan Labor Law (LOTTT) with the Value and Force of Law of a Statutory Decree, which will remain in force until Dec. 31, 2020, as of its publication in the Official Gazette, in order to safeguard citizens' right to work as a fundamental process that promotes prosperity, and the well-being of its people.

In view of the foregoing, the following was established:

1. Employees protected by the Immobility Decree may not be dismissed, demoted or transferred without just cause previously qualified by the Labor Inspector of the jurisdiction, in accordance with the provisions of Article 422 of the LOTTT.
2. In the event that the employee protected by the Immobility Decree is dismissed or demoted without just cause, or transferred without his or her consent, he or she may report such dismissal, demotion or transfer within the following 30 days before the corresponding Labor Inspector of the jurisdiction, and request the reenlistment and the payment of any lost wages, as well as any other lost benefits; or the restitution of the violated legal situation, according to the procedure established in Article 425 of the LOTTT.
3. The Labor Inspectors will process, prioritizing any matter upon request, the procedures derived from the labor immobility established in the Immobility Decree, and will proceed with the greatest efficiency and effectiveness to safeguard and protect labor rights.
4. In accordance with the provisions of Article 5 of the Immobility Decree, in accordance with Article 87 of the LOTTT, employees shall enjoy the following protections:
 - a) employees hired indefinitely as of the first month of his or her service to an employer
 - b) employees hired for a specific time, while the agreement term has not expired
 - c) employees hired for certain work, so long as the work they were expressly hired for is not finished
 - d) employees who hold management positions and seasonal or occasional employees are exempt from the application of the Immobility Decree



The stability of government officials will be governed by the protection rules set forth in the Statutory Public Office Law.

5. Any employer who dismisses, transfers or demotes an employee protected by the Immobility Decree, without having previously requested such qualification before the Labor Inspectors, will be sanctioned in accordance with Article 531, as established by the LOTT with the Value and Force of Law of a Statutory Decree. (Article 6).

Tax Measures for Natural Persons

Likewise, through Decree No. 4,171, dated April 2, 2020, published in the Extraordinary *Official Gazette* of the Bolivarian Republic of Venezuela No. 6,523, Income Tax Payments are exempt, at the net income of the territorial source obtained by individuals residing in the country, during the fiscal period 2019, whose normal salary or income from the exercise of their business activity, at the end of said period, does not exceed the amount equivalent to three minimum salaries applicable as of Dec. 31, 2019. The benefit threshold is equivalent to approximately US\$10 at the official exchange rate.

Natural persons residing in the country who, on the effective date of the aforementioned Decree, have made total or partial payment of the Income Tax rate, of the net income of the territorial source obtained in the fiscal year of 2019, will be creditors of tax credits up to the concurrence of the amount paid, which may be applied to subsequent years.

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