



Venezuelan Government Suspends Payment of Residential and Commercial Property Leases

By Holland & Knight

President Nicolás Maduro on March 23, 2020, published in Decree No. 4,169 in the extraordinary *Official Gazette* No. 6,522, in the exercise of the powers conferred by the "Alarm Status to address the Coronavirus Sanitary Emergency (COVID-19)," ordered to suspend until Sept. 1, 2020, the payment of residential and commercial property leases.

According to the first article of the aforementioned decree, lessors will not be allowed to demand, until Sept. 1, 2020, the payment of rental fees nor outstanding fees due to date, as well as other pecuniary and monetary items set forth in leases in Venezuela.

In line with the foregoing, the third article of the decree established that parties involved in lease agreements may agree on special terms for these contractual relationships throughout the period that this measure will be enforced. From then on the parties are empowered to adapt the contractual conditions as long as this measure is in force, and set parameters for payment restructuring or refinancing. However, the rule clarifies that under no circumstances may tenants be obliged to pay the entirety of the accrued royalties immediately after the suspension period.

Last but not least, the norm issued by the Venezuelan government establishes and emphasizes that these economic relief measures will not apply to cases in that commercial activity is restarted before the initially scheduled date. In addition, it may not apply to commercial establishments that, because of the nature of their activity, are operating or providing an active service established in the exceptions issued by the executive branch.

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