



Legal and Institutional Developments in Venezuela

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In recent weeks, several institutional and regulatory developments have taken place in Venezuela that may be of interest to international companies and investors who follow the evolution of the country's legal and economic environment. Among the most relevant are:

- enactment of the Organic Law of Mines
- enactment of the Organic Law for the Expediting and Optimization of Administrative Procedures
- announcement of the establishment of a National Council for Productive Economy to evaluate tax reforms
- appointment of the new attorney general and ombudsman
- issuance of new regulations on the minimum share capital applicable to banking institutions and exchange houses

In the legislative sphere, the National Assembly enacted the Organic Law of Mines, legislation that, according to authorities, aims to update the legal framework applicable to the development of mining activity and promote new investments in the sector. As of yet, the text of the law has not yet been formally published. Therefore, it will be necessary to wait for the corresponding *Official Gazette* to be published to learn in detail the scope of its provisions and specific changes it would introduce to the legal framework applicable to this activity.

On another note, the National Assembly also passed the Organic Law for the Expediting and Optimization of Administrative Procedures. According to information released by authorities, this legislation aims to simplify administrative procedures, reduce regulatory burdens and allow for the elimination of processes considered unnecessary in public administration. However, as of the date of this alert, the published text of the law has not yet been released. Therefore, it will also be necessary to wait for the corresponding *Official Gazette* to be published to fully evaluate the modifications it will introduce to the functioning of the Public Administration and its potential impact on economic activity.

In economic and tax matters, the Acting President of the Republic announced the establishment of a National Council for Productive Economy whose purpose would be to receive proposals aimed at reforming the Venezuelan tax system. According to reports, this body would be composed of representatives from the public and private sectors and other economic actors, with the objectives of evaluating measures designed to simplify the tax system, strengthening national production and promoting a more competitive economic environment. Currently, this initiative is in the consultation and proposal formulation stage.



In the institutional sphere, the National Assembly appointed Larry Devoe as attorney general of the Republic and Eglée González Lobato as ombudsman, positions that are part of what is known as Citizen Power Branch under the Venezuelan Constitution. These appointments are part of a process of renewing authorities in various bodies.

Finally, in the financial sector, the Superintendency of Banking Sector Institutions issued new regulations regarding the minimum share capital required for the establishment, operation and functioning of banking institutions and exchange houses. Among other aspects, the regulations stipulate that the minimum share capital of private universal banks must be subscribed and paid up in an amount equivalent to between 1 million and 1.2 million times the official exchange rate of the highest-value currency published by the Central Bank of Venezuela (BCV), depending on the location of their headquarters.

Taken together, these developments reflect a process of regulatory and institutional adjustments in various areas of the Venezuelan legal system that could affect the operating environment for companies and general conditions for the development of economic activities in the country.

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