

May 22 2020

Venezuela: State of Exception and Economic Emergency Decree

[Information about National Executive Decrees](#)

The National Executive published in Extraordinary Official Gazette No. 6.534, Decree No. 4.194 dated May 4, 2020, "State of Exception and Economic Emergency Decree" in accordance with articles 337, 338 and 339 of the Constitution of Venezuela, declaring a State of Exception and Economic Emergency throughout the national territory based on extraordinary circumstances of social, economic and political order, which seriously affect the national economy, the constitutional order, social peace, the security of the nation, public institutions and Venezuelan citizens.



The purpose of the State of Exception and Economic Emergency Decree is that the National Executive, adopts the appropriate, exceptional and extraordinary measures, to ensure the full enjoyment of the rights of the population, preserve internal order, timely access to essential goods and services and other essential products for life.

It is important to highlight that this is not the first Decree. There have been 27 Decrees and extensions or amendments according to the country's circumstances. According to art. 339 of the Constitution of Venezuela, the Decree must be submitted to the National Assembly and presented to the Constitutional Chamber of the Supreme Court of Justice (TSJ), so that it may rule on its constitutionality.

We list the State of Exception and Economic Emergency Decrees, issued by the Executive since 2016:

Decree Number	State of Exception and Economic Emergency	Exception Measures
Decree N° 2.184 (Official Gazette N° 6.214 Extraordinary, January 14, 2016)	Decree of State of Economic Emergency	11
Decree N° 2.270 (Official Gazette N° 6.219 Extraordinary, March 11, 2016)	Extension of the State of Economic Emergency Decree	
Decree N° 2.323 (Official Gazette N° 6.227 Extraordinary, May 13, 2016)	Decree of State of Exception and Economic Emergency	18
Decree N° 2.371 (Official Gazette N° 40.942, July 12, 2016)	Extension of the State of Emergency and Economic Emergency Decree	
Decree N° 2.452 (Official Gazette N° 6.256 Extraordinary, de fecha September 13, 2016)	Decree of State of Exception and Economic Emergency	18
Decree N° 2.548 (Official Gazette N° 6.272 Extraordinary, November 13, 2016)	Extension of the State of Emergency and Economic Emergency Decree	
Decree N° 2.667 (Official Gazette N° 41.074, January 13, 2017)	Decree of State of Exception and Economic Emergency	23
Decree N° 2.742 (Official Gazette N° 41.112, March 12, 2017)	Extension of the State of Exception and Economic Emergency Decree	
Decree N° 2.849 (Official Gazette N° 6.298 Extraordinary, May 13, 2017)	Decree of State of Exception and Economic Emergency	24
Decree N° 2.987 (Official Gazette N° 41.192, July 13, 2017)	Extension of the State of Exception and Economic Emergency Decree	
Decree N° 3.074 (Official Gazette N° 41.233, September 11, 2017 and reprinted due to flaws in the original text in Official Gazette No. 41.237, September 15, 2017)	Decree of State of Exception and Economic Emergency	25
Decree N° 3.157 (Official Gazette N° 41.276, November 10, 2017).	Extension of the State of Exception and Economic Emergency Decree	
Decree N° 3.239 (Official Gazette N° 6.356 Extraordinary, January 9, 2018)	Decree of State of Exception and Economic Emergency	25
Decree N° 3.308 (Official Gazette N° 41.357, March 9, 2018)	Extension of the State of Exception and Economic Emergency Decree	
Decree N° 3.413 (Official Gazette N° 41.394, March 10, 2018)	Decree of State of Exception and Economic Emergency	25

Decree N° 3.503 (Official Gazette N° 41.435, July 9, 2018)	Extension of the State of Exception and Economic Emergency Decree	
Decree N° 3.610 (Official Gazette N° 41.485, September 19, 2018)	Decree of State of Exception and Economic Emergency	36
Decree N°3.655 (Official Gazette N° 41.521, November 9, 2018)	Extension of the State of Exception and Economic Emergency Decree	
Decree N° 3.736 (Official Gazette N° 6.424 Extraordinary, January 11, 2019)	Decree of State of Exception and Economic Emergency	36
Decree N° 3.779 (Official Gazette N° 6.433 Extraordinary, March 12, 2019)	Extension of the State of Exception and Economic Emergency Decree	
Decree N° 3.844 (Official Gazette N° 6.456 Extraordinary, May 10, 2019)	Decree of State of Exception and Economic Emergency	35
Decree N° 3.906 (Official Gazette N° 6.464 Extraordinary, July 9, 2019)	Extension of the State of Exception and Economic Emergency Decree	
Decree N° 3.980 (Official Gazette N° 6.464 Extraordinary, September 7, 2019)	Decree of State of Exception and Economic Emergency	35
Decree N° 4.019 (Official Gazette N° 6.487 Extraordinary, November 6, 2019)	Extension of the State of Exception and Economic Emergency Decree	
Decree N° 4.090 (Official Gazette N° 6.501 Extraordinary, January 5, 2020)	Decree of State of Exception and Economic Emergency	35
Decree N° 4.145 (Official Gazette N° 6.515 Extraordinary, March 4, 2020)	Extension of the State of Exception and Economic Emergency Decree	
Decree N° 4.194 (Official Gazette N° 6.534 Extraordinary, May 4, 2020)	Decree of State of Exception and Economic Emergency	35

This Decree contains a list of 35 measures, which we have divided into the different sectors:

Social Programs: (I) The organization of centralization, control and monitoring processes that improve access to social programs and allocate the necessary financial resources; (II) The creation and implementation of subsidies and other benefits of a direct nature to the most vulnerable social sectors.

The exemption from taxes and fees: (I) Grant the Tax Administration to readjust the Tax Unit (UT); (II) Authorize the National Treasury Office to capture fiscal and parafiscal resources assigned to agencies that self-administer or retain self-control; (III) Establish systems of exemption from taxes and fees on the importation of capital goods and raw materials; (IV) The authorization of operations of commercialization and distribution of goods and services in the border areas, under special tax regime.

Sovereignty and National Defense: (I) Design and execute special plans against actions that threaten the peace of the Nation, personal security and the protection of public, and private facilities and goods; (II) Exceptional measures to protect Venezuelan citizens, as well as the Republic, against unilateral coercive measures executed by Public Powers of other States, or by authorities of multilateral organizations; (III) Special measures in response to the interference of other States against Venezuelan officials and citizens.

Cryptoactives: (I) Issue measures that allow the incorporation of cryptoactives into the national economic system; (II) Issue extraordinary measures that allow the national authority of crypto-assets to guarantee the stability and sustainability of the registry of digital operations, distributed and supported by cryptographic principles as well as its forms of incorporation in the exchange mechanisms in the Cryptoeconomic National System; (III) The implementation of actions that promote the use of crypto-assets in the National Territory as an exchange mechanism.

Financial System: (I) Using resources from the budget economies declared by the bodies and entities of the Republic at the end of the Financial Year; (II) Authorize outlays charged to the National Treasury, alternative payment scheme and other sources of financing that are not provided for in the Annual Budget; (III) Issue extraordinary measures that allow the national monetary authority to expedite and guarantee the timely import, distribution and availability of legal tender coins and banknotes; (IV) Implement financial mechanisms and alternative payment scheme to strengthen the payment capacity, savings and financial strength of the national monetary authority; (V) Implementation of special incentive measures for the productive, industrial, commercial and service sectors that promote private investment by national entrepreneurs, via self-finance; (VI) Dictate the rules that, exceptionally and without submission to any other Public Power, authorize public credit operations, their reprogramming and supplements, which will govern for the Financial Year 2020, as well as those that allow for the expansion of the maximum amounts of indebtedness that the Republic may contract during the 2020 Financial Year; (VII) Dictate the regulations that, exceptionally and without submission to any other Public Power, authorize the maximum limits of resources and expenses of the Bolivarian Republic of Venezuela, of functionally decentralized entities and of territorial political entities with special budget regimes, which will govern for the 2020 Financial Year; (VIII) Instruct the redirection of resources available in Special Funds, product of the management of public institutes, decentralized services and other organizations that administer or stop the control, for the financing of urgent activities.

Production and Distribution: (I) Establish necessary regulations to initiate in the Agro-food sector the production and distribution of specific strategic items; (II) Form organizational structures and dictate regulations to carry out procedures that guarantee the production and distribution of food, raw materials, products and supplies from the agro-productive, industrial, agro-food, pharmaceutical, personal hygiene and household cleaning sectors; (III) Formulating and implementing special mechanisms for supervision, control and monitoring, obtaining, procurement and supply of raw materials, production of essential items, pricing, transmission and distribution of strategic products necessary for agro-production, food, health, cleanliness and personal hygiene; (IV) Activation, empowerment and optimization of the operation of a System for Determining Costs, Performance, Fair Prices and Agreed Prices; (V) The establishment of a regulatory framework that will allow, through the banking and securities sector, the financing of projects in the agro-industrial sector; (VI) The implementation of comprehensive policies that guarantee the evaluation, monitoring, control, protection and safeguarding of products, goods and services of the national agro-industrial system, as well as the production, storage, distribution and packaging of food, drugs, personal hygiene products, household cleaning and the national electrical system; (VII) The formulation and implementation of mechanisms that make possible the cooperation of public, private and Popular Power events, in order to expand the channels of timely distribution of food and drugs; (VIII) The establishment of regulatory standards that can be immediately implemented in urban agriculture productive measures in public or private spaces, determined in urban centers, that are free, inactive, underused or abandoned; (IX) The determination of priority items for government purchases, or categories of protocols, and the direct allocation of foreign currency for their acquisition, in order to satisfy the most urgent needs of the population and the reactivation of the national productive system.

Exchange Regime: (I) The authorization of certification and distribution operations of goods and services in border areas, under special monetary exchange and comprehensive security regimes; (II) Form organizational structures that guarantee timely and balanced access to the exchange system; and dictate effective regulations that prevent destabilization and distortion campaigns in the economy.

Procurement of Goods: (I) Establishing the corresponding guidelines regarding national or international procurement of essential goods or supplies to guarantee the health, nutrition and maintenance of essential public services, within the framework of commercial or cooperation agreements that favor the Republic, through the exceptional application of expedited contractor selection mechanisms and their subsequent hiring; (II) Planning, coordinating and executing urgent national and international procurement of essential goods or supplies to guarantee the normal development of the national electric system, aqueducts and infrastructure related to public services; (III) Approve and subscribe, without submission to authorizations or approvals of other Public Powers, contracts of public interest and their amendments, to obtain financial resources, technical advisory services or use of strategic resources.

Validity: The Decree will be valid for 60 days, which can be extended for an additional 60 days, running from May 4, 2020.

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