

Legal update

Venezuela orders immediate suspension of all economic, commercial and financial activities with certain Panamanian individuals and legal entities

April 2018
Public Law

On April 5, 2018, the Ministries of People's Power of Internal Affairs, Justice and Peace and of Economy and Finance, jointly published in the Special Official Gazette No. 6,369 the Resolution No. 076/2018 ordering the immediate suspension of all economic, commercial and financial activity with the national subjects of the Republic of Panama listed in Annex A of this joint resolution, as a protective measure for the financial, economic and commercial system of the Bolivarian Republic of Venezuela (Resolution No. 076).

Suspension term

The suspension will have a term of 90 days, extendable for similar periods. Likewise, the suspension could be generally ended or only with respect to certain subjects.

Definition of “national subjects of the Republic of Panama” or “national Panamanian subjects”

- a) Individuals with Panamanian citizenship
- b) Individuals with residence for tax purposes in Panama, even when having a foreign nationality
- c) Legal entities and entities without their own legal personality, formed under the legislation of Panama, including their branches or any other kind of permanent establishment, even when operating outside Panamanian territory
- d) Legal entities and entities without their own legal personality, formed abroad but operating through branches or any other kind of permanent establishment located in Panamanian territory.

Subsequent controls

It is provided that the Superintendence of Institutions of the Banking Sector (SUDEBAN) and the Superior Body of the National Finance System (OSFIN) will immediately adopt the indispensable measures to guarantee the establishment of the adequate controls to implement Resolution No. 076.

Compliance responsibility

The bodies and entities referred to in the Organic Law Against the Organized Delinquency and the Financing of Terrorism as bodies and entities of control will be responsible for securing compliance with Resolution No. 076.

Crimes

The crimes related to Resolution No. 076 will be substantiated in accordance with the corresponding proceedings by the body or entity with control over the obligated subject, in accordance with the Organic Law Against the Organized Delinquency and the Financing of Terrorism, the Law of the Institutions of the Banking Sector, and, if applicable, the penalties provided in those norms will be applied.

Annex “A” – suspended Panamanian national subjects

See: <http://www.elmundo.com.ve/noticias/actualidad/politica/lista-estos-son-las-personas-y-empresas-panamenas-con-las-que-venezuela-suspendio-relaciones/>

Effective date

Resolution No. 076 became effective on April 5, 2018.

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