

Venepandi's Circular - 023 – Changes in Venezuelan port administration

With the designation of a new military president for Venezuelan port administration, we consider important that all concerning parties understand the potential implications related to the government's recent actions.

Since 2008, when Venezuelan Supreme Court (Official Gazette No. 39.140 of 17-03-09) decided that the national executive should manage exclusively all Venezuelan ports, some of the most relevant ports such as Maracaibo, Puerto Cabello, La Guaira, Guanta, Puerto Sucre, Guamache, etc. were recentralized and passed to the executive's administration. That date, the government decided to create the company Bolipuertos SA (as a public company under Official Gazette No. 38.146 of 25-03-09) which manages all the mentioned ports above. This recentralization wasn't total (despite of the supreme courts decision) given that a few port (such as PDVSA's, Orinico river's and Punto Fijo, Terminals) are still under other parties administration.

On July 13th, the president assigned General Efraín Velazco Lugo as president of Bolipuertos. This designation doesn't mean a seizure since, as explained, port administration in Venezuela is considered a public service and the state already had the title to manage the ports specifically through the creation of Bolipuertos.

Furthermore, it's important to remark that the former president was also military (almost all public institutions and entities are under military control currently).

Under local rules, the military (specifically the National Guard) manages the security, access, customs administration and antidrug offices of every port in Venezuela for which we don't believe that these recent decisions may bring relevant changes/affectation to any vessel calling at Venezuela.

On the other hand, the government has made these recent announcements as part of the measures taken to fight the economic crisis due alleged illegal situations (without specifying which) taking place inside the ports. Given recent matters of vessels arrests and seizures, all concerning parties should take the proper precautions when calling at Venezuelan ports.

As usual, we recommend to keep an eye on local regulations, avoid unnecessary discussions with the military guarding the port, notify the national guard if any

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suspicious situation take place either on board or alongside the vessel and request our assistance in case any issues arises.

Please let us know should you have any further specific question about any local topic. Additionally, please remember to credit our company in case you chose to share this information.

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