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CONTRIBUTING FIRMS: BRONS & SALAS: WWW.BRONS.COM.AR, BARRETTO, FERREIRA, KUJAWKI, BRANCHER E GONÇALVES: WWW.BKBG.COM.BR, FELSBURG E ASSOCIADOS: WWW.FELSBURG.COM.BR, ZUBER & TAILLIEU LLP: WWW.ZUBERLAW.COM, AARON SUERO & PEDERSINI: WWW.DLAWYERS.COM, DESOLA PATE & BROWN: WWW.DESOLAPATE.COM.

AMENDMENT TO THE CRIMINAL CODE

Law No. 26,388, published on June 25, 2008 (the "Law"), amended the Criminal Code. Among other subjects, the Law introduced the notion of electronic crimes to the Argentinean Criminal Code. The main purpose of the Law is to update the Criminal Code in order to protect certain civil rights affected by new technologies.

The principal aspects covered by the Law are:

(i) The new and more comprehensive definition of the term "document" that from now on includes "*(...) every representation of acts or facts, without regard of the technical media (magnetic, electronic or otherwise) used for their storage, file or transmission.*" This new definition has an impact on several conducts already punished by the Criminal Code, such as: disclosure by a public officer of a classified public document; extortion to obtain, send, deposit, sign or destroy a document; fraud committed through a document; destruction of a document to be used as evidence before a competent authority; falsification of documents; etc.

(ii) The new and more comprehensive definition of the term "signature" that from now on includes electronic signature. Again, this new definition has an impact on several conducts already punished by the Criminal Code, such as fraud committed by affixing false signatures.

(iii) The protection of information included in electronic mails by treating the violation of electronic mails in the same way as the violation of regular mail.

(iv) The protection of personal data by punishing the disclosure of secret information and the violation of personal information stored in data bases; etc.

(v) The introduction of electronic fraud as a new kind of crime by punishing fraud committed by deceiving another person, using any electronic technique to affect the normal operation of an electronic system or the transfer of data.

(vi) The introduction of electronic damage as a new kind of damage by punishing the modification or destruction of data, documents and software, and the sale, distribution or introduction of any software designed to cause damage.

Contributor: Carlos Stefani, Brons & Salas, Buenos Aires. For further information, please send an e-mail to cstefani@brons.com.ar

A STEP BACK IN TAX-RISE ON SOYBEAN EXPORTS

Executive Order N° 1176/2008, published on July 21, 2008, reduced tax on soybean exports (the "Tax") back to the percentage prevailing in 2007.

On March 10, 2008, by instruction of President Cristina Fernández, the Tax was raised to nearly 50% through a ministerial resolution. The affected farmers organized themselves rapidly against the Tax, launching a campaign that included political debate, strikes and roadblocks.

From the legal point of view, the Tax was mainly criticized for being confiscatory and unconstitutional (because it was not implemented by law).

After several months of political struggle (and in some cases social struggle), the Congress was requested to ratify the Tax. Against all odds and despite the overwhelming majority that President Fernández holds in both houses, the Tax was barely approved by the lower house. Then, the Tax was submitted for approval by the Senate. After a 36-36 tie of votes, the decision was left to Ms. Fernández' Vice President (Julio Cobos), who voted against the Tax. Some days after, the Executive Order referred to herein was passed.

Contributor: Carlos Stefani, Brons & Salas, Buenos Aires. For further information, please send an e-mail to cstefani@brons.com.ar

INCENTIVES FOR THE ARGENTINE CAR PART INDUSTRY

Law 26,393, published on July 10, 2008, created the following incentives for the car part industry:

(i) the System to Strengthen the Argentine Car Part Industry: such system grants a benefit consisting in the payment of a cash reimbursement on the purchase price of locally-manufactured car parts acquired by manufacturers of: (a) Automobiles and utility vehicles of up to one thousand five hundred kilograms (1500 KG) carload; (b) Trucks, chassis with or without cabin and buses; and (c) shafts with differential gear. Such car parts must be used for manufacture of new platforms of the products identified in (a) and (b) and for production of the automobile items defined in (c) above.

(ii) the System for Consolidation of National Production of Engines and Gear Boxes: such system grants a benefit consisting in the payment of a cash reimbursement on the purchase price of locally-manufactured car parts used in the production of engines and gear boxes for automobiles, light utility vehicles, buses, trucks, truck tractors for semi-trailers, chassis with engine, including chassis with engine and cabin, agrimotors, combine harvesters, self-propelled agricultural machinery and self-propelled road machinery under the following conditions: (a) Engines, be they new models or in the process of being manufactured as of the effective date of the Law; (b) Gear boxes, if they are new models or imply the expansion of the existing production capacity, and intended both for local manufacture of finished automotive products and the sale of engines and gear boxes in the domestic and export markets.

In both systems, the term to request admission into either system is 5 (five) years counted as from the effective date of its regulatory provisions.

The benefit does not apply automatically. The prospective beneficiary must file a request for adhesion before the enforcement authority created by the regulatory provisions of the Law, where such beneficiary shall account for the positive impact of the benefit on the development of local suppliers and provide information on any factors that such authority may deem relevant.

Contributor: Guillermo Malm Green, Brons & Salas, Buenos Aires. For further information, please send an e-mail to gmalmgreen@brons.com.ar

◇ Brazil

MEASURES AGAINST TAX EVASION. ELECTRONIC INVOICING

ICMS Protocol N° 68 (the "Protocol") was published on July 14, 2008. In order to prevent tax evasion, the State Tax Authorities have enacted the Protocol amending the ICMS Protocol no. 10/07, establishing the mandatory use of electronic invoices (E-invoices). The purpose of the Protocol is to expand the economic sectors which are required to issue E-invoices instead of the traditional paper format.

Before the Protocol was enacted, tobaccos' and fuels' producers were the only ones required to issue E-invoices.

The sectors that are required to issue E-invoices have been increasing over the year. Upon enacting the Protocol until the end of 2008, other sectors as manufacturers of automobile, drugs and beverages will be required to issue E-invoices.

Contributors: Ricardo Barretto Ferreira da Silva, Barretto Ferreira, Kujawski, Brancher e Gonçalves (BKBG), São Paulo. For further information, please send an e-mail to barretto@bkbg.com.br

FINE ON ANTI-TRUST CASE

On July 18, 2008, the Federal Court of the Federal District confirmed the fine imposed by the Administrative Economic Defense Council ("CADE") in the amount of R\$1,796,640.46, to a mining company because of its participation in what was called Crushed Rock Cartel Case - "Cartel de Britas".

The fine was imposed by the CADE, and confirmed by the Federal Court, upon the proofs rendered in the administrative case held against a group of organizations that operates in the crushed rock market of the São Paulo Metropolitan Region.

The decision was taken by the Judge of the 17th Court of the Federal District, considering that the combination of organizations had been duly proved by the CADE. In addition, there is no nullity in the administrative case.

Contributors: Ricardo Barretto Ferreira da Silva, Barretto Ferreira, Kujawski, Brancher e Gonçalves (BKBG), São Paulo. For further information, please send an e-mail to barretto@bkbg.com.br

NEW REGIME FOR CALL CENTERS OF REGULATED ENTERPRISES

Brazil's Decree no. 6523 on customer care service, promulgated on July 31, 2008 by President Lula in implementation of Brazil's Consumer Code (Law no. 8078 of September 11, 1990), imposes new requirements on much of Brazil's call center industry, one of its fastest-growing sectors. The Decree applies to providers of federally-regulated services. Such services include electricity, health insurance, internet access, landline and cellular telephony, natural gas, pay TV, transportation, and water supply. The Decree mandates observation of basic consumer rights to receive "adequate and clear" information concerning services contracted, and imposes protections against abuse. It regulates telephonic provision of customer care services with reference to information, billing, requests, suspension and cancellation. The Decree takes effect on December 1, 2008.

Call attendants are to be supported with real-time computer access to customer accounts, and for each call the customer is to receive, including by e-mail if the customer chooses so, a unique identification number.

Recordings of calls are to be accessible to the customer for at least 90 days. For at least 2 years following resolution of a customer inquiry, a computer registry of customer care is to be dispatchable by post or e-mail at the customer's choice within 72 hours of request, and available to the relevant regulator.

Information requested by a customer is to be provided immediately. Claims are to be resolved within 5 working days of when they are made, and the customer must be informed of the resolution, by post or e-mail at the customer's choice. The response must be "clear and objective" and address all points of the claim. If a claim concerns service not requested or an inappropriate charge, the charge is to be immediately suspended, unless the service provider identifies the instrument by which the service was contracted or proves that the amount is actually due.

Among the new requirements are: (i) call centers must operate 24/7 except as provided in specific regulations, (ii) contact numbers must be toll-free and provided in "clear and objective form" at the time of contracting and during the service, as well as on the service provider's internet page, (iii) none of the customer care service requirements may result in any customer charge, (iv) the first interactive menu must enable the customer to achieve direct answer by an attendant, as well as to request or cancel contracts and services, and may not be conditioned on furnishing personal information, (v) attendants must speak clearly and have appropriate expertise; (vi) calls may be forwarded only once, and calls transferred must be handled within 60 seconds, (vii) customer requests to cancel service must be immediately processed, (viii) during hold times, advertising messages may not be played without prior consent, and (ix) accommodation must be provided for persons with impaired hearing or speaking ability, which may be accomplished through a special number. Enterprises and groups of enterprises that offer services jointly, even if through multiple telephone numbers, must allow requests relative to any of the services offered to be addressed comprehensively through any of the numbers.

Notwithstanding the undeniable laudability of the Decree's goal of transforming the routine "struggle" of Brazilian consumers and call center attendants into a simpler, faster and easier process, some call center operators protest that the Decree imposes excessive burdens. In response to fear that the Decree might have imposed a 60-second time limit within which to answer a call, the Decree as issued limits itself to providing that future specific regulation may establish the maximum allowable time to achieve direct contact with an attendant.

Because of the Decree, call centers expect to undertake additional hiring and investment in equipment and software. Penalties for non-compliance include significant fines, administrative orders and, ultimately, termination of the right to operate.

Contributors: Juliana Martines, Felsberg e Associados Law Firm, São Paulo, Brazil; and Patrick Del Duca, Zuber & Taillieu, LLP, Los Angeles, CA. For more information, please send an email to juliana-martines@felsberg.com.br and pdelduca@ztllp.com

PROTECTION OF CONSUMER'S RIGHTS

◇ DOMINICAN REPUBLIC ("D.R.")

On June 2, 2008, the D.R. Commerce and Industry Secretariat entered into effect the Regulation No. 236-08, for the application of the D.R. Law 358-05, to protect consumers' rights. In brief, this regulation provides the legal frame to the Pro-Consumer Council and the National Institute for Protection of Consumers' Rights to regulate the information on advertising, labels, nutritional facts, ingredients, warnings, warranties, prices, taxes, measurements, arbitration and inspections of products and services provided in the Dominican territory. The Pro-Consumer Council will be presided by the D.R. Commerce Secretary, seconded by the D.R. Environment Secretary.

Contributor: Juan Manuel Suero, J.D., LL.D., LL.M., Aaron Suero & Pedersini, Santo Domingo, Dominican Republic. For more information please send an e-mail to: jsuero@dlawyers.com

NATIONAL ENERGY COMMITTEE

On June 2, 2008, the D.R. Commerce and Industry Secretariat entered into effect the Regulation No. 202-08, for the application of the D.R. Law 57-07, to incentive the development of domestic renewable energy sources. In brief, this regulation provides the legal frame and rules to the National Energy Committee to secure affordable and reliable supply of energy, reduce dependency on foreign oil, to promote investment on new technology for renewable energy sources and regulate carbon footprints according to the Kyoto Protocol. This regulation promotes programs to develop new sources for alternative energy, electric power, bio-energy and bio-fuel (bio-ethanol, bio-diesel, biogas), non-conventional energy (solar, wind, geothermal), tidal energy, fusion energy and nuclear energy.

Contributor: Juan Manuel Suero, J.D., LL.D., LL.M., Aaron Suero & Pedersini, Santo Domingo, Dominican Republic. For more information please send an e-mail to: jsuero@dlawyers.com

FOOD SECURITY COUNCIL

After a spike of over 55% in the cost of food since June 2007, on June 26, 2008, the D.R. President issued the Executive Order No. 243-08, that creates the D.R. Food Security Council. In brief, this Council will execute the necessary public programs to increase food production for domestic consumption and to create a food reserve. The D.R. President will preside this Council, seconded by the D.R. Agriculture Secretary.

Contributor: Juan Manuel Suero, J.D., LL.D., LL.M., Aaron Suero & Pedersini, Santo Domingo, Dominican Republic. For more information please send an e-mail to: jsuero@dlawyers.com

AMENDMENT TO THE FTA CAFTA-DR

On June 2, 2008, the D.R. Congress issued Resolution 204-08, ratifying the amendment to the Free Trade Agreement CAFTA-DR on pocket fabric and related textiles signed on August 14, 2007. Under the pocketing amendment, the CAFTA-DR parties changed the rule of origin for pocket fabric. The U.S. agreed to other changes requested by the other CAFTA-DR parties, including liberalized rules of origin for certain apparel products. The amendments will be effective as of August 15, 2008. These amendments will allow apparel goods of the Dominican Republic containing Mexican inputs will also be eligible under the cumulating provisions when they enter into force.

Contributor: Juan Manuel Suero, J.D., LL.D., LL.M., Aaron Suero & Pedersini, Santo Domingo, Dominican Republic. For more information please send an e-mail to: jsuero@dlawyers.com

BONDS AND GIFT CERTIFICATES

On June 24, 2008, the D.R. Tax Department issued Rule 03-08, pursuant to article 35 of the D.R. Tax Code. This rule declares that bonds and gift certificates are also subject to the sixteen per cent (16%) transfer tax, except for those transactions exempted of this tax pursuant to the D.R. Tax Code.

Contributor: Juan Manuel Suero, J.D., LL.D., LL.M., Aaron Suero & Pedersini, Santo Domingo, Dominican Republic. For more information please send an e-mail to: jsuero@dlawyers.com

INDUSTRIAL INNOVATION AND MODERNIZATION

On July 23, 2008, the D.R. Tax Department issued Rule 04-08, pursuant to articles 32, 34 and 35 of the D.R. Tax Code. In brief, this rule exempts qualified and registered industries pursuant to D.R. Law 392-07, from holding income taxes for a period of five (5) years, to foreign individuals or corporations providing consulting, professional or technical services related to the development of products, resources and production process, research, development of technology, personnel development, innovation and protection of the environment. This rule also provides an accelerated depreciation formula to qualified industries on machinery, equipment or technology acquired after the industry's registration pursuant D.R. Law 392-07; and a full deduction of the investment on machinery, equipment or technology if it does not exceed the industry's net taxable income.

Contributor: Juan Manuel Suero, J.D., LL.D., LL.M., Aaron Suero & Pedersini, Santo Domingo, Dominican Republic. For more information please send an e-mail to: jsuero@dlawyers.com

This issue: Caracas, VENEZUELA

◇ STRANGER LAWYER DETINATION

By: John R. Pate and Thomas J. Pate

De Sola Pate & Brown

Caracas, the capital city of Venezuela, was officially founded 441 years ago, in 1567. Located in one of the more privileged geographic and climatological locations on earth, Caracas has long been referred to as the "city of eternal spring". Only a mile as the crow flies (but some ten

miles by road) from the southern shores of the Caribbean Sea, Caracas sits in a lush tropical mountain valley surrounded by mountains. With the floor of the valley at about 3,000 feet, but with neighborhoods and villages spreading up the hillsides, and with the nearby peak of the Avila mountain rising to some 5,500 feet, the city enjoys year-round spring-like temperatures amid luxurious tropical vegetation.

By virtue of its geographic confines, today Caracas is an often congested, bustling city of some three million inhabitants in the central valley. The old, colonial center of the city, and still the site of most government buildings, is located near the western end of the valley where the old Spanish trail connected the valley of Caracas with the colonial and still principal port of La Guaira, and near the main airport of the country that serves the city of Caracas, at Maiquetia. The central part of the city, which stretches along the narrow valley floor, is characterized by increasingly tall and relatively modern buildings, reflecting the general prosperity of Venezuela since it became a major exporter of petroleum in the 1930's.

The most striking feature of Caracas is without doubt the Avila National Park, formed by the mountain range that is the northern border of the city. The Avila National Park begins in the western part of the city and runs for various miles toward the east beyond the eastern end of the valley. The mountain range is omnipresent and once a visitor learns the peaks and contours of the mountain, it is impossible to get too lost as with a quick glance at the mountain one immediately knows (more or less) one's location. The mountain is replete with hiking trails, waterfalls and marvelous views of the city below or, for those ambitious enough to reach the crest, the towns along the coast and the splendor of the Caribbean. Indeed, the Avila is one of the principal recreational areas of Caracas. For those with less time or energy, however, there is a modern cable car that takes visitors up to the Hotel Humboldt, built in the 1950's, from where one can see both down into the city and the sea. Among the other delights of the Avila is the small village of Galipán where some of the city's most delectable restaurants are located, all with a magnificent view of the Caribbean down below, but be prepared: you can only arrive there after a somewhat harrowing and bumpy ride in a four-wheel drive vehicle.

Although Venezuela was visited by Columbus on his second voyage to the Americas, the fact is that Venezuela only began to take form as a growing and increasingly modern country after the discovery of oil in the early decades of the 20th century. As a result, there are relatively few colonial and historic sites. Of particular interest to the historical visitor, though, is the birth place of the "Liberator" Simon Bolívar. Close by is the Plaza Bolívar with the Casa Amarilla on one side, which was constructed in the 17th century as both the seat of government and jail. Today, the Casa Amarilla is the principal site of the foreign ministry. Around the corner is the Palacio Legislativo, with its ceremonial hall of historic portraits and large central courtyard dominated by royal palms. Behind the congress are the main cathedral of Caracas, the historic site of the Central University, and the original site of the Supreme Court. A few blocks away is the presidential palace, Miraflores, with its annexes, and in front, on a steep hill, are the church of San Francisco, dating back to 1575, and the military museum, which was historically the Ministry of Defense. Rounding out this brief historical tour is the National Pantheon harboring the remains of Simon Bolívar and other national heroes, beside which is the modern and massive Supreme Court building, and the nearby 18th century Quinta Anauco, one of the few preserved colonial *hacienda* houses (and museum).

Caracas is also a city with many conveniences and delights for the visitor. The city boasts a variety of first class hotels, which are usually active with all sorts of public and private events. Caracas has traditionally been an interesting city for innovative restaurants with a wide variety of international *nouvelle cuisine*, although it must be admitted that the traditional national plates do not compare favorably with those of other countries of the region. Prosperity has brought to the city a number of modern shopping malls, which for a variety of reasons have become the principal social centers for the young and young at heart, with multiple bars, discotheques and private clubs. And then there are the social and golf clubs in and around the city, which although private, offer a taste of the seigniorial lifestyle of the city's traditional society and better heeled.

Two of the more interesting spots to visit, though, are just outside of the city proper. The nearest is the town of El Hatillo, founded toward the end of the 18th century mainly by immigrants from the Canary Islands. Today it is a charming colonial-appearing town, well preserved with its plaza, church (a favorite for society weddings), adobe houses and narrow, winding streets. Of course, it now caters both to tourists and to those from “downtown” boasting a number of colorful restaurants, flamenco bars, and shops where local artisans offer their wares.

The other somewhat exotic site near Caracas is Colonia Tovar, a near replica of a German Bavarian village from the middle of the 19th century. Located to the west of Caracas at an elevation of 6,000 feet, it was founded by Bavarian colonists brought to Venezuela in 1843 by Manuel Felipe Tovar, who hoped that these German farmers could stimulate agricultural development. Today it is a favorite retreat of Caraqueños, where one can enjoy some of the best fruits and vegetables, as well as a variety of traditional German dishes in a tranquil old-world, Bavarian setting.

As those who follow Latin American or, especially, Venezuelan affairs will know, however, not all aspects of life in Caracas are quite so idyllic. Over the last decade Venezuela has been experiencing a degree of political and social turmoil, which has changed the society, not generally for the better. In particular, crime has become a major factor, with Caracas now ranking as the most dangerous capital in the Americas. Also, by virtue of the trend in the international oil market, and manipulation of the local exchange rate, in recent months Caracas has once again become an expensive city for the visitor. Hopefully, though, our attorney visitors will be both counseled and received by local colleagues, who can surely show the visiting lawyer an interesting and enjoyable time.