



UNITED NATIONS

E/NL.2003/46-47

20 October 2003

ENGLISH AND SPANISH ONLY

ORIGINAL: SPANISH

LAWS AND REGULATIONS

PROMULGATED TO GIVE EFFECT TO THE PROVISIONS OF THE INTERNATIONAL TREATIES ON NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES

In accordance with the relevant articles of the international treaties on narcotic drugs and psychotropic substances, the Secretary-General has the honour to communicate the following legislative texts.

VENEZUELA

Communicated by the Government of Venezuela

NOTE BY THE SECRETARIAT

- (a) Some editing of texts may be done by the Secretariat in the interest of clarity. In this connection, words in square brackets [] have been added or changed by the Secretariat.
- (b) Only passages directly relevant to the control of narcotic drugs or psychotropic substances have been reproduced in this document. Non-relevant parts of laws and regulations have been deleted by the Secretariat; such deletions are indicated by [...].

CONTENTS

Page

E/NL.2003/46	Regulations of the National Anti-Money-Laundering Network	2
E/NL.2003/47	National Commission on Casinos, Bingo Halls and Slot-Machines: Administrative Decision No. 5	6

REGULATIONS OF THE NATIONAL ANTI- MONEY-LAUNDERING NETWORK

PREAMBLE

Unlawful money-laundering operations are being carried out on an ever increasing scale and their perpetrators, whom nationality, sovereignty and national development fail to restrain, employ advanced technologies to achieve their aim, which is simply to legitimize the proceeds of various offences, including, naturally, money derived from the illicit sale or marketing of drugs. It is necessary for Venezuela, by means of statutory instruments such as the present rules, to intensify the fight against money-laundering involving the drug trade. Institution members have thus to be models of ethical and moral conduct so that it may be possible to require of society, organizations and institutions governed by these Regulations the full enforcement of the provisions laid down, with the implementation of decisions that bind other nations in this respect and the provision of support, where appropriate, on this issue with a view to achieving its objective.

By reason of the foregoing and bearing in mind that this crime has to be combated, the National Commission against Illicit Drug Use (CONACUID), in accordance with article 213 of the Narcotic Drugs and Psychotropic Substances Organizational Act¹ (LOSEP) and in pursuance of public policies, has established the National Anti-Money-Laundering Network, which is composed of organs of the National Executive involved in this issue and is designed as a mechanism for consultation and information-sharing with a view to the formulation and implementation of preventive measures to counter money-laundering at the national level and within any sector.

DEFINITIONS

Members: Members of the National Anti-Money–Laundering Network shall be delegates of the official institutions specified in article 213 of the Narcotic Drugs and Psychotropic Substances Organizational Act (LOSEP) and any other institution called upon by the National Commission against Illicit Drug Use (CONACUID).

The admission of a new member shall be approved by the National Anti-Money-Laundering Network and certified by the Secretariat through written notification sent to the institution concerned.

Membership shall confer the right to vote.

Observers: Observers shall be all public or private national or foreign institutions which are invited in that capacity to attend meetings of the National Anti-Money-Laundering Network and which shall not have the right to vote in deliberations at such meetings.

¹ Note by the Secretariat: E/NL.1995/2.

CHAPTER I

GENERAL PROVISIONS

Article 1: The function of the National Anti-Money-Laundering Network shall be to serve as a national forum for consultation and information-sharing among the different official bodies representing the State. Its purpose shall be to establish guidelines and strategies that will result in public policies applicable throughout the national territory with the aim of preventing money-laundering offences.

Article 2: Its role shall be to share and exchange experiences, ideas and opinions of the sectors involved in such efforts with a view to establishing effective joint action plans in order to achieve positive results in the area under examination.

Article 3: The National Anti-Money-Laundering Network shall operate at the seat of the National Commission against Illicit Drug Use (CONACUID).

Article 4: The National Anti-Money-Laundering Network shall be composed of all public institutions and bodies specified in article 213 of the Narcotic Drugs and Psychotropic Substances Organizational Act (LOSEP) and any other competent bodies which have been accepted as members.

CHAPTER II

STRUCTURE AND RESPONSIBILITIES

Article 5: The National Anti-Money-Laundering Network shall comprise a director general and an executive secretary, who shall be appointed for one year and be eligible for re-election.

Article 6: The posts of director general and executive secretary shall be discharged by an official of the National Commission against Illicit Drug Use (CONACUID), who shall be appointed by the President of the Commission and be a member of its Anti-Money-Laundering Directorate.

Article 7: The Director General shall have the following responsibilities:

1. To direct meetings and debates of the National Anti-Money-Laundering Network and submit agenda items to members for consideration;
2. To draw up jointly with the Executive Secretary the agenda to be discussed at each meeting;
3. To propose for examination at meetings any items suggested by members of the National Anti-Money-Laundering Network through the Executive Secretariat;
4. To promote cooperation and sharing of information among its members;
5. To monitor observance and implementation of any decisions adopted by the National Anti-Money-Laundering Network;
6. To prepare the annual report on activities.

Article 8: The Executive Secretary shall have the following responsibilities:

1. To perform purely administrative duties of the National Anti-Money-Laundering Network under the direction of the Director General;
2. To issue notices of ordinary, extraordinary and plenary meetings to all members of the National Anti-Money-Laundering Network;
3. To read out the agenda at each meeting;
4. To transcribe, check and read out the minutes of each meeting;
5. To record and file all decisions adopted by the members of the National Anti-Money-Laundering Network;
6. To coordinate the implementation of measures agreed at meetings;
7. To prepare any reports assigned to him by the National Anti-Money-Laundering Network;
8. To sign applications for admission or withdrawal of members of the National Anti-Money-Laundering Network;
9. To keep an updated register of particulars of all members of the National Anti-Money-Laundering Network;
10. Any other responsibilities entrusted to him for the effective functioning of the National Anti-Money-Laundering Network.

Article 10: Any matter submitted to the National Anti-Money-Laundering Network for consideration at ordinary meetings shall be adopted by the favourable vote of a simple majority of its members. At plenary meetings, proof shall be required of the attendance of seventy-five per cent (75%) of the total membership. The matter shall be deemed adopted with the favourable vote of one half of the members plus one, the same requirement applying to extraordinary meetings if the importance of the matter so warrants and if so stated in the notice of meeting.

Article 11: At plenary meetings, each institution shall be represented by a high-ranking official, who shall be appointed by the highest authority of the body which he represents and who shall be granted sufficient powers of representation for decision-taking purposes regarding the matter forming the subject of the notice of meeting.

CHAPTER III

FUNCTIONING OF THE NETWORK

Article 12: The mechanism for the functioning of the National Anti-Money-Laundering Network with its members shall operate by means of ordinary, extraordinary and plenary meetings.

Article 13: Ordinary meetings shall be held once a month and the notice of meeting shall be issued by the Executive Secretariat.

Article 14: Extraordinary meetings shall be meetings of an urgent nature held at the request of any of the members of the National Anti-Money-Laundering Network or if so deemed by the Director General.

Article 15. Plenary meetings shall be meetings held at least once a year at which the report on activities and the functioning of the National Anti-Money-Laundering Network shall be presented. Plenary meetings shall also be convened for matters which so warrant, given the importance of the item to be adopted. The institutions shall in all cases be represented by their highest authority or the person expressly delegated for such purpose. The notice of meeting shall state the plenary nature of the meeting in order to allow for compliance with article 11 of the present Regulations.

FINAL PROVISION

Final article: Upon the approval of the present Regulations, the regular session of the National Anti-Money-Laundering Network shall commence and the posts of director general and executive secretary shall be appointed.

OFFICIAL GAZETTE No. 37630 DATED 12 FEBRUARY 2003

ADMINISTRATIVE DECISION No. 5

CARACAS, 23 DECEMBER 2002

**THE NATIONAL COMMISSION ON CASINOS, BINGO HALLS AND
SLOT-MACHINES**

WHEREAS:

In accordance with the provisions of article 3 of the Law on the Control of Casinos, Bingo Halls and Slot-Machines, this Commission is the body responsible for regulating activities under that Law;

In accordance with the provisions of article 214 of the Narcotic Drugs and Psychotropic Substances Organizational Act,¹ gaming enterprises are required to cooperate with the National Executive in the monitoring and control of sums of money or other property suspected of being directly or indirectly derived from offences established under that Act or from related activities;

In accordance with the provisions of article 213 of the Narcotic Drugs and Psychotropic Substances Organizational Act, this Commission is required to lay down, within its sphere of responsibilities, preventive measures for countering at the national level the laundering of money and financial proceeds suspected of being derived from the commission of offences established under that Act;

Article 4, paragraph 5, of the Regulations of the Law on the Control of Casinos, Bingo Halls and Slot-Machines empowers this Commission to lay down any rules that it considers necessary for the most effective application of that Law;

HEREBY RULES AS FOLLOWS:

Article 1: Shareholders of enterprises applying for licences to establish casinos or bingo halls shall be obliged to provide the following as essential requirements in addition to those laid down by the Law on the Control of Casinos, Bingo Halls and Slot-Machines and its Regulations:

1. A sworn declaration, duly authenticated before a notary public, stating the origin of the funds used to pay for the shares issued by the company and underwritten by them;
2. Income tax statements for the last three (3) fiscal periods.

¹ Note by the Secretariat: E/NL.1995/2

The foregoing shall also be essential requirements for authorizing the transfer of shares of licensee companies and whenever such companies increase their share capital.

Article 2: Licensee companies and individuals or corporate entities manufacturing, importing, selling or providing maintenance services for authorized gaming articles or implements, machines or equipment shall, in connection with the prevention, control and detection of money-laundering offences, be required to:

1. Establish internal mechanisms, policies and procedures for preventing, controlling and detecting money-laundering as part of their overall prevention and control system on the principle of greater due diligence;
2. Designate a compliance officer who shall report directly to the most senior executive of the entity and its money-laundering prevention, control and detection unit;
3. Adopt a code of ethics, which shall be made known to and complied with by their entire personnel;
4. Effect a written institutional undertaking to prevent money-laundering;
5. Produce a handbook of policies, standards and procedures for the prevention and control of money-laundering;
6. Devise know-your-customer, know-your-employee, know-your-legal-framework and know-your-transaction policies;
7. Educate their personnel under a training programme on money-laundering prevention and control;
8. Implement two (2) annual external audits for evaluating their internal risk control system with regard to prevention, control and detection.

Article 3: The entities referred to in the preceding article shall submit reports on suspicious, unusual or unconventional activities to the National Commission on Casinos, Bingo Halls and Slot-Machines, which shall transmit such reports to the National Commission against Illicit Drug Use (CONACUID).