BOLIVARIAN REPUBLIC OF VENEZUELA
NATIONAL ASSEMBLY
VOICE OF THE VENEZUELAN PEOPLE

SOCIAL PROPERTY LAW
(LEGISLATIVE PROPOSAL)

CHAPTER I
BASIC PROVISIONS

Object
Article 1. The aim of this Law is to define, establish, promote, stimulate, develop, and regulate in the Bolivarian Republic of Venezuela, the existence of social property over the means of production that so be declared, registered, or constituted, for the handling, administration, beneficial solidarity and contribution to the integral development of the country, by the organized and articulated communities and social sectors.

Recognition
Article 2. Social property is classified in four types:

1. **Indirect Social Property**, made up of medium and highly complex means of production belonging to national citizenry, which for strategic reasons are administered by the State, being of non-transferable character, and consequently, not subject to being encumbered or transferred in guarantee or concession. By its nature, it forms part of the national interests, representing a collective property administered by the State, having among its aims, the promotion, stimulation, and development of Sustainable Social Property.

2. **Delegated Social Property**, made up of medium to lesser complex means of production which, subject to the design, supervision, and control of the National Executive Branch, are transferred to organized communities and social sectors, the activities of which will basically be aimed at production of works, goods, and services destined to satisfy the social and material needs of the population, according to national government plans in each production area and as provided for in this Law.

3. **Direct Social Property**, made up of means of production that are registered, constituted, and administered by a collective.

4. **Mixed Social Property**, subject to public and private administration.

Coexistence
Article 3. Social property coexists in Venezuelan society with the other legally recognized forms of property, such as public property, owned by State entities; collective property, belonging to social groups and persons, for its exploitation, use or common benefit, being of social or private origin; mixed property, owned by the public sector, the social sector, the collective sector, and the private sector, in different combinations; and private property, owned by natural and legal persons, recognized over user, consumption, leisure, and disposition goods as well as legitimately acquired means of production.

Purposes
Article 4. This Law has the following purposes:

1. To define, establish, and regulate the existence, support, and development of social property as the basis for promoting the national social productive model, and the collective building in solidarity of the socialist economy, the interests of the population having precedence over the reproduction of capital.

2. To institute the general guidelines for determining the means of production suitable to be declared social property domain, the procedures for transferring their handling and administration to the organized communities and social sectors, as well as the constitution and registry of direct or mixed social property companies.

3. To establish norms for the organization, participation, decision, and working conditions of workers in social property means of production.

4. To guarantee that the activity of the social property means of production is basically oriented on satisfying social and material needs of the population.

5. To determine the forms of distribution of economic surpluses from the activities of social property means of production.

6. To regulate the designing, coordinating, supervising, and controlling functions of the Socialist Economy Central Planning Council, and the functioning of the Socialist Economy Intergovernmental Fund (SEIF), for promoting, backing, and developing social property.

7. To establish coordinating mechanisms among the National, Regional, and Municipal Public Administrations, for promoting and backing the development of social property.

Public order, public utility, and social interest
Article 5. The provisions of this Law are of public order, allowing goods, materials, and infrastructures to be declared of public utility and social interest, suitable to be declared social property, to ensure, with socialist production, the satisfaction of the social and material needs of the population.

The National Executive Branch may decree, on determining the existence of goods the productive activity of which is not oriented to satisfying the real needs of the population or fails to correspond to national interests and the social productive model, the forceful acquisition with fair indemnity and timely payment, the entirety of a good or various goods, declaring them social property, to strengthen integral programs for the development of the country.

Area of application
Article 6. The provisions of this Law, as well as those established in its rules, are compulsory in their application to establish social property means of production, their organization, functioning, financing, administration, supervision, and control, constituted in the country with main and excluding domicile in the Bolivarian Republic of Venezuela, in the productive area, to advance the collective construction in solidarity

of the socialist economy, with the basic aim of satisfying the social and material needs of the population.

Principles and Values

Article 7. The National Executive Branch, with the authorization of the National Assembly, and through the Ministry of People's Power competent in economic matters, is to define those goods of social property domain which, according to national social economic development planning and the Socialist Economy National Development Plan (SENDP) guidelines as well as the organization, education, technical training of the communities and the social sectors, are suitable to be transferred for their handling and administration to the latter.

Definitions

Article 8. As to the effects of this Law, it is understood that:

1. **Social Property:** is the material possession of economic entities or with economic potential, destined or projected to satisfying human needs or the production of works, goods, and services, which by right and their own nature are of collective property and strategic interest, as well for full sovereignty as for integral national human development.

Social property is of general participative character, belonging to national citizenry, when its condition is of sustainability, or to a citizen or sector partiality, when its condition is of sustainability, or the social productive benefit to be derived.

Social property is subject to the collective national, communal, or sector social wellbeing, in an articulated manner, and with the aim of promoting political, economic, social, and intellectual development in citizens.

2. **Means of Production**: is made up of all elements which are part of the productive process, except for the labor force: machinery, land, buildings, equipment, raw materials, among others.

3. **Socialist Economy**: is the process that governs production, distribution, circulation, and consumption of works, goods, and services, with the interest in satisfying the social and material needs of the collectivity, taking precedence over the reproduction of capital.

4. **Socialist Production Units**: are the organized nuclei of workers, established in the territorial space of a specific community or means of production, with their members educated to contribute to integral human development, and technically trained to take over the handling and administration of a socialist company.

5. **Socialist Companies**: are communal, municipal, sector, or mixed companies that produce works, goods, and services, of medium or lesser intensity, handled and administered by Socialist Productive Units, with transfers made by the corresponding levels of Public Administration, according to the Socialist Economy National Development Plan (SENDP), and the production activities of which follow guidelines established in the national social and economic development plans, and whatever the National Executive Branch decides.

6. **Socialist Management Plan**: is the planning of efficient work and production in socialist companies, approved by their workers, formulated and executed with collective needs taking precedence over reproduction of capital; articulated in line with national social and economic development plans, the Socialist Economy National Development Plan (SENDP), and guidelines issued by the Socialist Economy Central Planning Council, in order to guarantee, by formulating, executing, and controlling budgets, efficiency in production, distribution, circulation, of products, rendering of services, of quality and at fair prices; and whereby the distribution of economic surpluses, generated by activities of socialist companies, is destined to improve working conditions in socialist companies, living standards for families of workers, and to contribute with the development of communities where socialist companies operate.

CHAPTER II
POLICIES AND GUIDELINES

National Competence
Article 9. The National Executive Branch, through the Ministry of People's Power with competence in economic matters, is to establish measures to:

1. Define as social property, with authorization from the National Assembly, and according to national social economic plans, those goods of private and public sector origin, deemed to be necessary for developing the socialist economy.

2. Promote the organization, education, technical training, and military instruction of workers to make up the Socialist Production Units.

3. Regulate the functioning of the Socialist Economy Intergovernmental Fund (SEIF).

4. Establish the percentage amounts from the economic surpluses of socialist companies which are to be destined to each of the funds established in this Law.

5. Propitiate the use of information networks on different available programs and financing mechanisms, guaranteeing better know-how in Socialist Production Units, by implementing the Socialist Economy Development Information System.

Financing Programs
Article 10. The National Executive Branch is to establish the necessary measures to establish policies, programs, and actions destined to regulate preferential financial assistance to socialist companies, to be executed by those financial institutions to which this attribute has been conferred to by law. Notwithstanding, by disposition of the National Executive Branch, other financial entities may be added should this be deemed pertinent.

These financial entities are to draw up and execute in a coordinated manner special preferential financing programs for socialist companies, with financing modes destined to identify investment, expansion, recovery, broadening, industrial makeover, working capital and fixed asset acquisition, invoice and purchase order financing; in special conditions and terms for preferential interest rates and maturities, subject to prior approval by the Ministry of People´s Power competent in economic matters.

Debt Restructuring
Article 11. The National Executive Branch, through the Ministries of People´s Power competent in economic matters, in case of specific economic and financial emergency situations which affect the payments capacity of socialist companies, is to propose and approve debt restructuring programs, submitted to its consideration, for the purpose of guaranteeing their recovery. Likewise, other equivalent forms of payment and different currency alternatives may be used.

Investment Incentives
Article 12. The National Executive Branch, delegating through the Ministry of People´s Power competent in economic matters, is to grant preferential tax treatment to the economic surpluses generated by activities of socialist companies which foresee the purchase of goods or rendering of services aimed at the productive improvement of said companies.

The President of the Republic, in accordance with his functions and attributes established in the Constitution of the Bolivarian Republic of Venezuela, and with the purpose of procuring the recovery, fostering, promotion, and development of the socialist economy, may totally or partially exempt national income tax payments generated by activities of socialist companies.

Improving production quality
Article 13. The National Executive Branch, through the Ministry of People´s Power competent in economic matters, is to promote the participation of socialist companies in improvement programs of their quality, productivity, and cooperation levels, with the purpose of propitiating their integral development, adapting their management and response capacity to continuous changes in satisfying the needs of communities.

Social productive exchange spaces
Article 14. The National Executive Branch, through the Ministry of People´s Power competent in economic matters, is to establish the measures needed to promote access by socialist companies to the various social productive, national, and international exchange processes, preferably with Latin American and Caribbean countries, within the scope of Bolivarian economic integration to maximize humanism and interests of peoples.

Productive chains and industrial conglomerates
Article 15. The Ministry of People´s Power with competence in economic matters, is to promote the adoption of productive networks, to allow large scale industries to participate in developing joint integral improvements development programs, to facilitate incorporation of socialist companies, within industrial cooperation and complementation schemes that favor their presence in areas of exchange by implementing:

1. Technical assistance programs that facilitate adopting efficient organization schemes.

2. Quality and productivity level improvement programs.

3. Measures to promote specialization in socialist companies, in their various productive processes.

4. Measures for promoting and consolidating mechanisms for product commercialization by socialist companies.

5. Measures for socialist companies to have priority and preferences in the contractor selection modes, of public contracting processes for acquiring goods and services, or execution of works contracted by Public Administration organs and entities.

6. Any other policy considered pertinent for improving productivity at socialist companies, in order to stimulate from the population base, environmental protection, sustained economic, social, development of the Nation, with the aim of improving living standards in communities.

Technological Infrastructure
Article 16. The Ministry of People´s Power with competence in science and technology matters is to promote science, technology, and productive innovation to strengthen and integrally develop the socialist economy, fostering the establishment of a supportive technological infrastructure, as well as technology transfers and other ideal mechanisms that allow their implementation in the development of socialist companies, and their production by some of them.

Chapter III
PLANNING THE ENDOGENOUS ECONOMY

Executing Organ
Article 17. The Ministry of People´s Power with competence in economic matters, through the Socialist Economy Intergovernmental Fund, is the executing organ for policies aimed at the existence, promotion, support, development, expansion, financing, integral technical assistance, and recovery of socialist companies, according to guidelines dictated by the National Executive Branch in line with national development plans, as well as directives approved by the Socialist Economy Central Planning Council.

Socialist Economy Central Planning Council
Article 18. The Socialist Economy Central Planning Council is to be made up of:
a) The ministers of People´s Power with competence in matters of:
1. Economy, which is to exercise the presidency of the Socialist Economy Planning Council.
2. Labor, which is to exercise the Executive Coordination of the Socialist Economy Planning Council.
3. Communes, which are to exercise the Coordination of the Socialist Production Commissaries Network.
4. Planning.
5. Defense.
6. Commerce.
7. Basic Industries.
8. Agriculture and Lands.
9. Public Services and Housing.
10. Energy and Petroleum.
11. Tourism.
12. Science and Technology.

b) Two deputies representing the National Assembly.
c) A spokesperson of the people´s power, nominated by the urban communal councils, appointed by the National Assembly.
d) A spokesperson of the people´s power, nominated by the rural communal councils, appointed by the National Assembly.
e) An indigenous spokesperson, nominated by the indigenous communities, appointed by the National Assembly.
f) A governor, appointed by a majority among governors.
g) A mayor, appointed by a majority among mayors.

Attributes
Article 19. The Socialist Economy Central Planning Council has the following attributes:

1. In line with national social economic development plans, to approve the Socialist Economy National Development Plan (SENDP), taking into account:

a) Short term, medium term, and long term targets to be achieved in each of the economic and social development priority areas of the country.

b) Reliable information on goods and services needs of the population, not being adequately met.

c) An inventory of goods and constitutive resources owned by the State or private property, with potential to become means of production, suitable to be declared social property.

d) The development potential of territorial zones and skills of the populations residing therein, to be found at a disadvantage in terms of average national social economic development, to propel them into achieving equal status.

e) The potential to create new productive chains.

f) Worker organization, education, and technical training levels, to transfer means of production, for constituting socialist companies.

2. Draw up education, military instruction, and technical training programs for workers that are to make up the Socialist Productive Units.

3. Create, establish norms, and coordinate volunteer Socialist Production Commissaries Networks, made up of staff educated and trained in the production areas to be supervised, adjunct to the Executive Coordination of the Socialist Economy Planning Council.

4. Analyze budget proposals submitted by all entities represented in the Social Economy Planning Council, prior to their being presented in the drawing up of the Annual Budget Law, in accordance with the Constitution of the Bolivarian Republic of Venezuela and currently valid legislation, formulate observations and recommendations to ensure that the national economic and social development budgets match the Socialist Economy National Development Plan (SENDP), approved for the pertinent Fiscal Year.

5. Propose to the National Executive Branch the adoption of regulating and resolving measures for the creation, functioning, development, supervision, control, expansion, or dissolution of socialist companies.

6. Permanently exercise control, follow up, supervision, and evaluation mechanisms, to authorize, regulate, and allocate financing capital for the Socialist Economy Intergovernmental Fund (SEIF), as well as ensuring that its acts are subject to strategic guidelines, policies, plans, and projects, in line with centralized planning.

7. Create education and technical training programs in coordination with the Socialist National Training and Education Institute (SNTEI) and the National Planning School.

8. Draw up programs addressed to socialist companies, to guarantee that in realizing their productive activities, these promote environmental defense, protection, and safeguarding in optimum conditions, stimulating them to adopt socially appropriate clean technologies that reduce negative environmental impact and pollution in their processes.

9. Design programs and actions focused on promoting, developing, and administering socialist companies, as well as infrastructure and basic services platforms, investment in innovation projects, with incoming funding from venture capital companies, to be guaranteed by the Ministry of People´s Power with competence in economic matters.

10. Dictate its functioning regulation.

11. Any others established in this Law, its regulations, and those dictated by the National Executive Branch.

Decisions

Article 20. The members of the Socialist Economy Central Planning Council are to be guided in their acts by principles of cooperation, solidarity, responsibility, and commitment with the integral social economic development of the country, by their contribution to constructing a society based on social conscience, social duty, and moral commitment, to construct the socialist economy, and in this sense are to procure that all their decisions be taken on a consensus basis. Notwithstanding, should this consensus failed to be achieved, then its decisions are to be taken by an absolute majority of its members.

Socialist Economy Intergovernmental Fund

Article 21. The Socialist Economy Intergovernmental Fund (SEIF), is a financing entity, adjunct to the Ministry of People´s Power with competence in economic matters, the main purpose of which is to promote and back the existence and development of social property for constructing the socialist economy, through financing, technical follow up, control, and evaluation of socialist companies.

Attributes

Article 22. The Socialist Economy Intergovernmental Fund (SEIF) has the following attributes:

1. To execute financing policies and strategies, technical follow up, supervision, and control in creating and developing socialist companies, in accordance with Socialist Economy National Development Plan (SENDP) guidelines and National Executive Branch resolutions.

2. To finance investment projects of socialist companies, as of the definite setup of the Socialist Production Units up to the distribution phase, exchange in solidarity, and final consumer of the socialist companies, with the approval process for resources and their transfer to be based on simplified procedures, but ensuring that the investments be efficiently productive.

3. To finance and channel with its own funds or those of third parties, through Public Administration organs and entities, and private institutions acting in this sphere, social or special programs, in accordance with the provisions of this Law, its regulations, and whatever the National Executive Branch decides.

Functions of the Fund
Article 23. The Socialist Economy Intergovernmental Fund (SEIF):

1. Executes and supervises the Socialist Economy National Development Plan (SENDP), and policies to promote and back socialist economy development, dictated by the National Executive Branch.

2. Identifies and services financial and technical, as well as integral follow up assistance, to improve productive efficiency at socialist companies.

3. Administers and manages the Socialist Economy Information System.

4. Draws up diagnostics, technical and feasibility studies, required by socialist companies to finance and sustain their development projects.

5. Provides integral financing for proposals presented by Socialist Production Units, communal councils, mayoralties, and governorships, to constitute or merge socialist companies, as well as creating productive networks, along with credit lines and any other type of financial instruments, subject to prior compliance with pertinent requisites to be established.

6. Provides financing for acquisition and erection of machinery and industrial equipment, for investment plans in technological innovation projects, enters trust funds or funds sourcing contracts, for providing credit to socialist companies, as well as promoting preferential financing programs for activities of this regulated sector, provided the aim of such credit transactions is to comply with targets set in the resources administration program of the Fund, in accordance with provisions in the Socialist Economy National Development Plan (SENDP).

7. Administers its own funds, those assigned by the National Executive Branch, as well as those obtained from national and international financial organisms.

8. Optimizes the performance and utilization of funds assigned to it.

9. Supervises and oversees the uses of disbursed financing, in order to ensure the intended application of funds by beneficiaries in line with their purpose. Said supervision and oversight are to be carried out by specialized staff.

10. Carries out on its own account, or through specialized consulting firms, studies destined to identify investment needs in its target areas, the results of which are to be officially notified to its adscription organ and the Socialist Economy Central Planning Council.

11. Technically assists financing applicants or beneficiaries, to which purpose it may identify, prepare, and supervise investment projects, in line with operating norms.

12. Enters agreements and other understandings with Public Administration organs and entities, and private institutions, for coordinating socialist economy policies, programs, and development projects.

13. Develops education and training programs in all socialist economy management areas, in coordination with the Socialist National Training and Education Institute (SNTEI) and the National Planning School.

14. Backs initiatives aimed at fostering, creating, and developing the socialist economy, in those sectors considered to be priorities in the Socialist Economy National Development Plan (SENDP).

15. Renders to its ministry of adscription, and to the Socialist Economy Central Planning Council, semester reports or as required, of its administrative and financial management.

16. Directly renders or through Public Administration organs and entities, technical assistance and integral follow up, for administration and risk management, to develop and adapt products and processes in the development of production and distribution networks, for mutual backing and cooperation among socialist companies.

17. Advises socialist companies on adequate measures to promote environmental defense, protection, and safeguarding in ideal conditions, in the carrying out of their productive activities, stimulates the adoption of socially appropriate clean technologies that reduce negative environmental impact and pollution in their processes.

18. Submits to the National Executive Branch, through the ministry of its adscription, and to the Socialist Economy National Development Council, at the close of each fiscal year, its annual financial statement, memory and account, of its activities during this period under review, and its monthly pro-forma statement.

19. Those other competences to be granted to it by law.

Equity and Income of the Fund
Article 24. The equity of the Socialist Economy Intergovernmental Fund is to be made up of:

1. Transfers to be assigned to it in the pertinent annual budget, as follows:

a) The National Executive Branch is to contribute 50 % of the total amount assigned to be transferred to the SEIF in the pertinent annual budget.

b) The Governorships and the Mayoralties are to contribute, on an equal and equitable basis, according to their respective budgets, the other 50 % to be transferred to the SEIF in the pertinent annual budget.

2. Extraordinary contributions to it agreed by the National Executive Branch, the Governorships, and the Mayoralties.

3. Special contributions, X % of extraordinary income, resulting from increases in the price per barrel of oil, in respect to the amount established in the pertinent annual budget, which are to be destined to the Fund, and which are to be debited in the proportion resulting from contributions in accordance with Special Economic Assignments Law, corresponding to the States.

4. Its own income generated by its operating management and other benefits obtained in compliance with its purpose.

5. Contributions obtained from national and international organizations, international cooperation agencies, and other multilateral organism funds.

6. Interest generated by its banking deposits.

7. Income obtained from placement and return on its funds.

8. Other goods, rights, shares, and obligations, of whatever nature, to be transferred to it, may have acquired or acquires, in carrying out its activities, or which are encumbered against its equity.

9. Other contributions, income, or donations, to be destined to its complying with its purpose and aims.

10. Any other income which is to be assigned to it by law.

Directive Council

Article 25. The Directive Council of the Socialist Economy Intergovernmental Fund (SEIF), is the highest authority of said entity, and is to be made up of nine Directors, appointed as follows:

a) Five directors from the ministry of people´s power with competence in economic matters, one of them to be the President of the Fund.

b) A deputy from the National Assembly.

c) A representative of the Governors.

d) A representative of the Mayors.

e) A spokesperson of the people´s power.

The Directive Council is to function in accordance with its Internal Regulations to be accordingly dictated by its ministry of adscription.

Prerogatives of the Directive Council
Article 26. The Directive Council of the Socialist Economy Intergovernmental Fund is to have the following prerogatives:

1. Authorize the President of the Fund to submit, for consideration and approval to the Socialist Economy National Planning Council, the Socialist National Financing Plan.

2. Authorize the President of the Fund to grant judicial and extra-judicial powers of attorney, to better defend its rights and interests.

3. Authorize the President of the Fund to enter leasing, encumbrance, purchase and sales, credit contracts, as well as other agreements and legal instruments of interest to the Fund, within the scope of its prerogatives, as well as acquiring goods or rendering services, for amounts in excess of 5.000 tax units (TU), and execution of works in excess of 20.000 tax units (TU).

4. Approve budget change proposals submitted for their review to its ministry of adscription.

5. Approve, as foreseen in the Socialist Economy National Development Plan (SENDP) and the Socialist National Financing Program, priorities for granting special financing, such as international financing, for installing and developing socialist companies.

6. Approve measures deemed necessary for promoting, backing up, technically following up, and developing socialist companies, in accordance with provisions in this Law.

7. Approve programs or projects, presented by the President, for training, advice, integral follow up, in technical, financial, production, and distribution areas in the terms foreseen herein, as well as regulations, manuals, and directives dictated for this purpose.

8. Evaluate the execution of approved programs or projects.

9. Approve the organizational structure of the Socialist Economy National Fund.

10. Authorize the President of the Socialist Economy National Fund to grant directly to social or special programs beneficiaries, and assume credit risk coverage up to 100 %.

11. Approve the annual memory and account of the Socialist Economy National Fund.

12. Others to be attributed in this Law, those dictated by the National Executive Branch, and those provided by the Socialist Economy Central Planning Council.

Attributes of the President
Article 27. The President of the Socialist Economy National Fund is to:

1. Exercise the highest direction, administration, and legal representation of the Fund, signing its decisions.

2. Preside and call up the Directive Council sessions.

3. Grant powers of attorney to judicially and extra-judicially represent the Fund, for the ideal defense of its rights and interests, subject to prior authorization by its Directive Council.

4. Execute and ensure compliance with general and particular effects acts to be dictated by the Directive Council.

5. Enter into leasing, encumbrance, purchase and sales, credit contracts, as well as other agreements and legal instruments of interest for the Fund, within the scope of its prerogatives and for acquiring goods or rendering services, for amounts up to 5.000 tax units (TU), and execution of works up to 20.000 tax units (TU).

6. Enter into financing contracts with socialist companies requiring financial and technical assistance, subject to prior compliance with technical norms, manuals, and other internal general financing conditions of the Socialist Economy National Fund, which are to be submitted for their approval to its Directive Council.

7. Issue bonds and any other mortgage guarantees, liens, or mercantile, for compliance with obligations derived from the various contracts to which the Socialist Economy National Fund is a party.

8. Exercise the highest authority in Socialist Economy National Fund personnel matters.

9. Execute and coordinate training, technical and financial advice programs or projects, with the aim of promoting and backing the socialist economic development.

10. Submit for review to the Directive Council, for its approval and subsequent presentation to the Socialist Economy Central Planning Council, the Socialist National Financing Program project, the annual budget project, the operating plan, and the annual financial statement of the Fund.

11. Guarantee compliance with the aims of the Socialist Economy National Fund.

12. Issue certification of documents available in the archives of the Fund, in accordance with general norms on this matter.

13. Expressly delegate attributes to staff members authorized by the Socialist Economy National Fund, for drawing up and signing specific administrative acts with particular effects, as well as acknowledging administrative appeals lodged against them and other functions specifically identified in pertinent delegation resolutions. In any case, acts dictated exercising the granted delegation, are to be considered as dictated by the President of the Fund.

14. Certify total reimbursement of amounts owed, on financing granted by the Socialist Economy National Fund, in order to release guarantees committed by credit beneficiaries.

15. Draw up and submit for its review to the Directive Council and the Socialist Economy Central Planning Council, the semester report on all Socialist Economy National Fund activities and transactions.

16. Submit for review and approval to the Socialist Economy National Fund Directive Council, direct financing grants to social and special programs beneficiaries, with credit risk coverage up to 100 %.

17. Adopt social stimulation measures addressed to financing beneficiaries of said entity, which exceed social responsibility conditions and production targets.

18. Issue definite constitution certificates of Socialist Production Units.

19. Others attributed by the Directive Council, regulations and operating norms.

Socialist Economy Information System
Article 28. The Socialist Economy Information System is set up, with the purpose of generating, maintaining, and facilitating access to a centralized data base, with up to date, reliable, and timely information on processes, exchange spaces, products, technology, and projects, as well as promoting all those policies, programs, and other activities aimed at developing and multiplying socialist companies.

CHAPTER IV
SOCIALIST ECONOMY CONSTRUCTION PLATFORM
First Section
Of Socialist Production Units

Constitution
Article 29. Socialist Production Units, as organized worker nuclei, aspiring to handle and administer socialist companies, are to be organized in community territorial spaces or in means of production, and their definite constitution is to be certified by the Socialist Economy National Fund, as soon as Unit members have been educated and trained to responsibly assume the conduction of social property means of production.

Democratic, participative, leading role organization
Article 30. The organization and relations among Socialist Economy Production Unit members is to be determined by:

1. Democratic, participative, leading role participation of and among all its participants, in all aspects pertaining to their grouping, and performance of their activities.

2. Cooperation, solidarity, social conscience, and social duty, it being understood that socialist organization and work have as their main purpose, satisfying social and material needs of the population, and as such, its realization is bound by commitment to economic and social development of the homeland.

3. Responsibility, honesty, and identification with the historic heritage of sacrifice and dignity of the Venezuelan people.

4. The conscience that their activities constitute basic contributions to the economic and social development process of the country, needed to build a society with the largest sum of happiness possible.

Duties

Article 31. Duties of workers in constituting and developing Socialist Production Unit activities include:

1. Organizing themselves and furthering all Socialist Production Unit acts through democratic, participative, and leading role mechanisms.

2. Educating and technically training themselves to handle and administer socialist companies, and training militarily for the defense of national sovereignty.

3. Taking up the commitment to productively work for the homeland, and consequently develop their activities by giving precedence to the collective interest rather than the reproduction of capital.

4. Complying and ensuring compliance with regulatory and ethical norms, pertaining to constituting Socialist Production Units, and Functioning of Socialist Companies, dictated by the National Executive Branch, through the ministry of people´s power with competence in economic matters, and issued by the Socialist Economy Central Planning Council.

5. Complying with preventive measures, conditions, and working environment.

6. Foreseeing adequate measures to promote the defense, protection, and safeguarding of the environment in ideal conditions, while carrying their productive activities, in order to minimize the environmental impact of their operating activities.

7. Submitting to the Socialist Economy Central Planning Council, and the Socialist Economy Intergovernmental Fund (SEIF), and other organisms to be determined by the National Executive Branch, all data and information required of them, in order to cooperate in the formulation of public policies aimed at strengthening and developing the socialist economy.

8. Making, in line with Socialist Management Plan provisions, agreed contributions to the community where the socialist company operates.

9. Actively participating in community organization, education, and development activities where the socialist company operates, and of the social sector to which its production area belongs.

10. Others to be required by law and regulations, in matters of socialist economy, that are to be dictated by the National Executive Branch.

Rights

Article 32. Rights of workers in Socialist Production Units include:

1. Electing Socialist Production Unit functioning organs.

2. Participating in a leading role and decisive manner in all decisions pertaining to the functioning, development, and incorporation of workers into the socialist company.

3. Participating in a leading role and decisive manner in formulating the Socialist Management Plan of the socialist company.

4. Receiving a remuneration which corresponds to time worked during the pertinent period, as well as responsibility levels in handling and administering the socialist company, in line with Socialist Management Plan provisions.

5. Receiving moral and material recognition for their contribution to maximizing production and meeting or exceeding targets set in the Socialist Management Plan.

6. Obtaining economic assistance, with interest-free credits or subsidies, from the socialist company Prevision Fund, in line with Socialist Management Plan provisions and said Fund financial availability.

7. Participating in the distribution of socialist company economic surpluses, in line with pertinent Socialist Management Plan provisions.

Second Section
Socialist Companies

Constitution
Article 33. Constituting socialist companies follows endogenous development, territorial equilibrium principles, and a management model which consolidates socialist production relations, with prior defining of population needs where these are to be constituted, based on which the kinds of goods to be produced or services to be rendered, as well as their beneficiaries, in line with social economic development plan provisions and the Socialist Economy National Development Plan (SENDP).

Functioning Organs
Article 34. To improve their functioning and meeting their targets, socialist companies are to have the following functioning organs:

1. Workers assemblies, as the highest decision making level in the company.

2. Administrative coordination, responsible for executing the provisions in this Law, pertaining to the functioning of socialist companies, pertinent Socialist Economy National Development Plan provisions, the agreed upon pertinent Socialist Management Plan, guidelines dictated by the National Executive Branch, and workers assemblies resolutions.

3. Coordinating internal controls, with members being different to those coordinating the administration.

4. An executive coordinator elected among members from administrative coordination, responsible as spokesperson and legal representative of the company.

The number of members of organs established in numerals 2 and 3, as well as the period for exercising their functions and other functions specific to all figures instituted in this paragraph, are to be established in the pertinent regulation to be dictated by the National Executive Branch.

Working Conditions
Article 35. The functioning and working conditions in socialist companies are to be determined by:

1. Working relationships and on the job based on equality, with non-differentiation of economic benefits independent of hierarchical level on the job, as well as distributing that part of economic surpluses corresponding to workers, in proportion to work contributed.

2. Democratic and consensual processes for selecting, educating, and incorporating workers into socialist companies.

3. Productivity increase and product quality policies, using moral and material incentives.

4. Socialist Management Plans, to guarantee productivity efficiency, distribution and placement of quality products and services, at fair prices, to satisfy population needs.

Third Section:
Economic Surpluses in the Socialist Economy

Economic Surpluses
Article 36. Economic surpluses, generated by activities of socialist companies, are to be distributed in order to keep improving their working conditions, raise living standards of worker families, to develop communities where socialist companies operate, and to the Social Welfare and Development Fund.

The economic surplus distribution formula is to be set in each company Socialist Management Plan, in accordance with provisions in this Law, and guidelines issued by the Socialist Economy Intergovernmental Fund (SEIF), with said distribution to provide for the percentage amounts destined to each of the funds:

1. Reserves.

2. Communal financing, to back projects approved and proposed by communal council or the communal council commonwealth in the area where the company operates.

3. Backing for the Endogenous Economy, to back the Development of other socialist companies, preferably articulated or to be articulated to the productive chain of the company.

4. Capitalization for financial and micro-financial services.

5. Worker management, with the aim of guaranteeing worker families, besides benefits obtained from fair and equitable remuneration, the ability to improve their living standards.

Fourth Section
Socialist Production Commissaries Network

Creation
Article 37. The volunteer service Socialist Production Commissaries Network is created, made up of citizens with education and know-how in the production area to be inspected, adjunct to the Socialist Economy Central Planning Council Executive Coordination.

Task
Article 38. The Socialist Production Commissaries have the task of inspecting productivity, distribution, quality, and price levels of socialist company products, in line with Socialist Economy Central Planning Council Executive Coordination guidelines.

Selection
Article 39. The Socialist Production Commissaries are to be selected from the Communal Council Social Controller members and from the organized social sectors of the communities wherein the socialist company operates.

CHAPTER V
LEADING ROLE OF PEOPLE´S POWER

Accountability
Article 40. Socialist companies are accountable to the citizen assemblies of the community wherein these operate, as follows:

1. At the start of each annual production exercise, as to the pertinent Socialist Management Plan, and as to the economic backing agreed to in the same, for developing the communities wherein the socialist companies operate, as well as their disbursement forms.

2. Quarterly, as to the activity progression of these companies and their production levels for each reporting period measured against targets set in the Socialist Management Plan.

3. Timely, on any changes in management, functioning, and productivity of the socialist company, and the need to hire new workers for activities at the socialist company.

Hiring workers
Article 41. To hire new workers at socialist companies, the communal councils where these operate, subject to prior approval by citizen assemblies, are to nominate candidates to carry out the required work, who are to be evaluated by Administrative Coordination, to decide on their immediate hiring while going through their education and training process, or were this to be necessary, that they go through with this process before being hired.

When, for motives concerning candidates, these fail to comply with the education and training process, this is to be notified to the communal council with a request for new candidates, unless this is a requirement for technically qualified personnel unavailable in the community or unforeseen situations in company productivity, in which case the Administrative Committee is to directly hire the required personnel, submitting a pertinent reasoned report to the communal council, to the commissary, and to the Socialist Economy Intergovernmental Fund.

CHAPTER VI
OF RECONVERTING AND LIQUIDATING SOCIALIST COMPANIES

Article…

CHAPTER VII
OF SANCTIONS

Article…

REVOKING PROVISION

SOLE: All norms colliding with provisions in this Law are revoked.

TRANSITORY PROVISIONS

FIRST: The National Assembly, in a 90 day period after this Law enters into force, is to approve modifications to the following norms: the Civil Code, the Commercial Code, the Tender Bid Law, the Organic Public Administration Law, the Decree with Legal Effect for Fostering and Developing the Popular Economy, the Public Policy Planning Local Councils Law, and the Communal Councils Law, with the aim of adjusting to the provisions of this Law.

SECOND: The National Executive Branch is to dictate the regulations pertaining to this Law in a 90 day period as of the entering into force of this Law.

FINAL PROVISION

SOLE: This Law enters into force as of the date of its publication in the Official Gazette of the Bolivarian Republic of Venezuela.