Contenido:

The Venezuelan Tax Administration modified the rules on printing presses and tax machines for preparing invoices and other documents

As of November 6, 2018, the National Integrated Service of Customs and Tax Administration (the "Tax Administration") modified the "Administrative Guidelines Establishing the Norms on Printers and Tax Machines for the Elaboration of Invoices and Other Documents."[1] The fiscal machines ("Fiscal Machines") comprise: fiscal register machines, fiscal sales points and fiscal printers.

The abovementioned Guidelines regulate the authorizations to be granted by the Tax Administration to individuals incorporated as cooperative societies and commercial companies domiciled in Venezuela to act as printers of invoices and other fiscal documents and to sell Fiscal Machines, and the requirements and technical standards that authorized printers and Fiscal Machines must comply with. The new Guidelines maintained the rules of the previous Guidelines, except for certain formal corrections and including these additional requirements for Fiscal Machines:

(a) The control program, which must be incorporated from the factory. The control program shall not allow the storage of negative values, nor the reduction or modification of sales accumulators or benefits of services and taxes, stored in the fiscal memory of the Machine or any other record that the Machine may need.

(b) A data capture and transmission device that complies with the specifications established by the Tax Administration in its fiscal portal (www.seniat.gob.ve).

(c) A communication port that complies with the specifications established by the Tax Administration in its fiscal portal.

People that own Fiscal Machines that do not comply with the new specifications must replace them before December 31, 2018, unless by this date the Fiscal Machines are no longer in use or the fiscal memory runs out. As of December 31, 2018, however, the Tax Administration had not established the specifications ordered by the Guidelines, so it is reasonable to submit that the replacement of the non-compliant Fiscal Machines can only occur once the Tax Administration sets them.

[1] Administrative Guidelines No. SNAT/2018/0141, Official Gazette No. 41,518 of November 6, 2018, which repealed Administrative Guidelines No. SNAT/2011/0071, Official Gazette No. 39,795 of November 8, 2011.

The Venezuelan Government increased the large financial transaction tax rate from 1% to 2% since November 19, 2018

In Venezuela, the tax on large financial transaction is contemplated in the Decree with Rank, Value and Force of law of the Large Financial Transaction Law ("LFT Law").[2] Legal entities and economic entities without legal personality qualified as special taxpayers ("Special Taxpayer") are subject to the payment of the tax, on debits to their accounts in Venezuelan bank or financial institutions or on the settlement of debts made without mediation of Venezuelan banks or financial institutions (offsetting, novation or write-off of debts). Besides, legal entities and economic entities with a legal personality related to a Special Taxpayer, or even if not related to Special Taxpayers, make payments on behalf of them, with or without mediation of banks or financial institutions, are also subject to the payment of tax in the same terms.

The rate of the tax when first introduced on 2015 was of 0.75% on each debit or taxable operation. On August 2018 the rate increased to 1%. Recently Presidential Decree No. 2,169[3] increased again the rate to 2%, valid since November 19, 2018.

In the cases of debits made in accounts with banks or other financial institutions, the tax must be declared and paid daily, with the 1% rate until November 18 of 2018, and the 2% rate starting on November 20, 2018, and the bank or financial institution withholds the tax. With settlement of debts outside the financial system, the taxpayer must report and pay the tax according to the "Special Taxpayers Calendar for the Value-Added Tax Withholding Payments ".[4] There is a possibility that the tax caused before November 19, 2018 (during the validity of the 1% rate) must be declared and payed after that date, according to the Calendar. In those cases, the National Integrated Service of Customs and Tax Administration must allow the taxpayer to report and pay the tax applying the 1% rate.

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[2] Decree No. 2,169 through the Decree with Rank, Value and Force of law of the Large Financial Transaction Law, Official Gazette No. 6.210 Ext. of December 30, 2015

[3] Presidential Decree No. 3,664, Official Gazette No. 41,520, November 8, 2018.

[4] The Administrative Providences Nos. SNAT/2017/0053 and SNAT/2017/0054, issued by the Revenue Service, established the "Calendar of special taxpayers and withholding agents corresponding to the year 2018" and the "Calendar of taxpayers not qualified as special for gambling activities corresponding to the year 2018", respectively (Official Gazette No. 41,288 of November 28, 2017, reprinted by material error; and Official Gazette No. 41,287 of November 27, 2017).

Tax benefits in the new Special Economic Zones of the Palavecino and Iribarrren Municipalities in the state of Lara in Venezuela.

Presidential Decree No. 3,426, in effect since May 15, 2018, created a Special Economic Zone in the Palavecino Municipality and another in the Iribarren Municipality, both in the state of Lara (the "Zones").[5] The first Zone is in the rural settlement of La Galería, Las Tres Topias sector, Industrial Zone of Cabudare. The second Zone is in the Industrial Zones of the Iribarren Municipality.

Presidential Decree No. 3,652, in force since November 2, 2018 ("Decree No. 3,652"), established that the Zones will have as a special purpose the export of goods, employing industrial and agricultural potential.[6] Decree No. 3,652 established the following tax benefits in the Zones:

- The companies installed in the Zones can benefit from the investment and international trade agreements subscribed by Venezuela.
- The import of goods, equipment, tools and materials made by individuals or legal entities (whether private or government-owned) for the reactivation, modernization and construction of infrastructure in the Palavecino and Iribarren municipalities, will not be subject to customs duties or fee. The installation agreement must establish such duties and fees.
- Legal entities established in the Zones may enjoy a 100% income tax ("I/T") exoneration, as established in the agreement of the Board of Directors of the Zone.
- If the beneficiary of the exoneration in the first year of operation uses at least 70% of its production for export, it shall maintain the 100% exoneration benefit. Otherwise, it must pay 50% of the I/T rate. The benefit will be maintained during the first five years of operation.
- If the beneficiary of the exoneration, from the sixth year of operation, maintains an export level of 70% of its production, they will obtain a 75% reduction in the I/T fee. Otherwise, it will benefit from a 25% exoneration. The benefit will be maintained until the 10th year of operation. After the 11th year of operation, if the beneficiary of the exoneration maintains an export level of 70% of its production, it will obtain a 50% reduction in the I/T rate. Otherwise, it will only get a 25% I/T exoneration.

[5] Official Gazette No. 6,387 Ext. of July 3, 2018
[6] Presidential Decree No. 3,652, Official Gazette No. 41,516 of November 2, 2018.

- When the beneficiaries of the exoneration incorporate national components in their production processes, they will obtain I/T reductions according to the following table:

Percentage of incorporation of national components	20%	40%	60%	80%	100%
I/T Reduction	5%	10%	15%	20%	25%

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