

## Tax Newsletter

### PARTIAL AMENDMENT OF THE DECREE WITH RANGE, VALUE AND FORCE OF LAW ON THE TAX ON LARGE FINANCIAL TRANSACTIONS

In Official Gazette No. 6,687 Extraordinary dated February 25, 2022, was published the partial amendment of the Decree with Rank, Value and Force of Law -now plainly "Law"- on the Tax on Large Financial Transactions, which adds taxpayers to the tax, modifies the tax rate, the declaration and payment, among other amendments.

The most important aspects of the reform are as follows:

- The tax shall be payable by individuals, legal entities and economic entities without legal personality, for payments made in currencies other than those of legal tender in the country, or in cryptocurrencies or cryptoassets other than those issued by the Republic, within the national banking, without the intermediation of a foreign bank.
- Individuals, legal entities and economic entities without legal personality will also be taxpayers for payments made to persons qualified as special taxpayers, in currencies other than the legal tender in the country, or in cryptocurrencies or cryptoassets other than those issued by the Republic, without the mediation of financial institutions.
- Exchange operations carried out by a duly authorized exchange operator will be exempt from the payment of the tax. The other exemptions originally contained in Article 8 of the Law continue to be in force with their respective conditions and specifications.
- The following exemptions apply exclusively for transactions made in legal tender or in cryptocurrencies or cryptoassets issued by the Republic:
  - The first endorsement made on checks, securities, escrow deposits paid in cash, and any other negotiable instruments.
  - Debits generated by the purchase, sale and transfer of custody in securities issued or guaranteed by the Republic or the Central Bank of Venezuela, as well as debits or withdrawals related to the liquidation of the capital or interest thereof and securities

traded in the agricultural stock exchange and the stock exchange.

- Transfers of funds made by the account holder between his or her accounts in banks or financial institutions incorporated and domiciled in the Republic. This exemption does not apply to accounts with more than one account holder.
  - Debits or withdrawals made from bank clearing house accounts, credit card clearing accounts, national correspondent accounts and bank clearing operating accounts.
  - The purchase and sale of cash in the single account held at the Venezuelan Central Bank by banks and other financial institutions.
- The general tax rate applicable to the corresponding taxable base will be established by the National Executive and will be between a minimum limit of 0% and a maximum of 2%, except for transactions carried out by the taxpayers mentioned in the first two paragraphs.
  - A tax rate will be applied to the transactions carried out by the taxpayers mentioned in the first paragraph, which will be established by the National Executive, and will be between a minimum limit of 2% and a maximum of 8%.
  - The tax rate for transactions carried out by the taxpayers mentioned in the second paragraph will be established by the National Executive and will be between a minimum limit of 2% and a maximum of 20%.
  - The amount of the tax liability to be paid will be the amount resulting from applying the respective tax rate to the taxable base.
  - Until the National Executive establishes a different rate, the rate is set at two percent (2%) for transactions carried out by the taxpayers originally indicated in the Law, and at three percent (3%) for transactions carried out by the taxpayers indicated here in the first two paragraphs.
  - This amendment will become effective 30 continuous days after February 25, 2022, the date of its publication in the Official Gazette.

Our team of professionals is qualified to assist you in the matters developed herein.

If you require assistance, please do not hesitate to contact us.



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