

May 6, 2022

Taxand News

DECREE EXEMPTING THE PAYMENT OF ISLR TAX ON TAXABLE INCOME OBTAINED FROM THE LIQUIDATION OF CAPITAL OR INTEREST OR RETURNS ON INVESTMENTS MADE IN SECURITIES OR SIMILAR INSTRUMENTS

Presidential Decree No. 4,685 was published in Official Gazette No. 42,371 of May 6, 2022, through which the payment of Income Tax (ISLR, as per its acronym in Spanish) is exempted for certain types of taxable income.

The highlights of the decree are as follows:

- ❖ Individuals and legal entities residing or domiciled in Venezuela that obtain enrichments from the liquidation of capital or interest or returns from investments made in securities or other instruments of similar nature, issued and guaranteed by the Central Bank of Venezuela (BCV), will be exonerated from the payment of ISLR.
- ❖ For the determination of the exempted taxable income, the rules established in the Decree with Rank, Value and Force of Law on Income Tax, as the case may be, will be applied in relation to income, costs and deductions of taxable income.
 - The common costs and deductions applicable to the income whose income is taxable or exonerated, territorial or extraterritorial, will be distributed proportionally.
- ❖ The term of duration of the exoneration benefit shall be of one (01) year as from the date of its entry into force. This will be applied to the fiscal year in progress, as from the date of entry into force of the decree in question.
- ❖ The decree became effective upon its publication in the Official Gazette (May 6, 2022).

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

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

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