



## Decree Establishes Import Tax and Value Added Tax Exemptions

By Tinoco Travieso Planchart & Nuñez

The Venezuela government on Dec. 29, 2020, published Decree No. 4,412 in the *Official Gazette*, which establishes exonerations from Import Taxes, Value Added Tax (VAT) and the Tax for the Determination of the Customs Regime for the goods and sectors indicated below:

1. Until April 30, 2021, the final imports of products, new or used, classified in the tariff codes set forth in Appendix I of the aforementioned decree, the imports related to the automotive sector, and the final imports carried out by the entities of the National Public Administration, destined to avoid the spread of COVID-19 cases are exempted.
2. Until Dec. 31, 2020, the VAT payment is exempted and the rate of 2 percent or zero percent *ad valorem* will be applied to the final imports of movable capital assets, computer and telecommunication goods, their parts, pieces and accessories, not produced or with insufficient production in the country, of first use, identified as Capital Assets (BK) or Computer and Telecommunications Assets (BIT) in compliance with Article 37 of the Customs Tariff.
3. The final imports carried out by the National Public Administration agencies of the goods classified in the tariff codes set forth in the decree, corresponding to electric and electronic material for telecommunication uses, are exonerated for a period of 90 days.

Finally, the Decree is in force with its publication in the *Official Gazette* of the Bolivarian Republic of Venezuela.

### **Constitutional Chamber of the Supreme Tribunal of Justice lifts temporary suspension of application of tax regulations issued by municipalities and states**

By means of the decree issued on Nov 20, 2020, by the Constitutional Chamber of the Supreme Tribunal of Justice, 14 municipalities were authorized to resume the collection of municipal taxes. The Constitutional Chamber had suspended the collection of municipal and state taxes while the aforementioned political-territorial entities reformed the tax law instruments to adapt tax harmonization regulations and tax rates were reduced.

In this sense, the Constitutional Chamber found that the regulatory instruments issued by the municipal tribunals of the municipalities of Maneiro (Nueva Esparta), Sucre, Chacao, Guaicaipuro and Zamora (Miranda), Vargas (La Guaira), Libertador (Capital District), Valencia and Los Guayos (Carabobo), Girardot (Aragua), Caroní (Bolívar), Lima Blanco (Cojedes), Agua Blanca and Sucre (Portuguesa), complied with the tax harmonization regulations suggested by the Chamber.

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