



Venezuela Publishes Customs Tax Relief Measures

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The Presidency of the Republic published on May 1, 2021, in the Extraordinary *Official Gazette* No. 6,623, through Decree No. 4,412, tax relief measures from value-added tax (VAT), the customs regime classification tax and import taxes for the imports of certain goods and sectors established in the Decree.

- **Exonerations – New or used tangible personal property:** Until May 31, 2021, the imports of new or used tangible personal property, classified in the tariff codes set forth in Exhibit I of the Decree, drafted by the organs and entities of the National Public Administration, as well as tax payments carried out with the equity and the assets of individuals or legal entities of the private sector, will be exempted from the payment of the aforementioned taxes.
- **First-use movable capital, computer and telecommunications assets, their parts, pieces and accessories:** Until Dec. 31, 2021, the VAT payment will be exempted, and the 2 percent aliquot or zero percent ad valorem rate will be applied to the definitive imports of first-use capital, computer and telecommunications assets, their parts, pieces and accessories, not produced or with insufficient production in the country, classified as BK or BIT, in column three of Article 37 of the Customs Tariff.
- **Automobile imports:** Until May 31, 2021, final imports of tangible personal property carried out by legal entities whose business activity is linked to the automotive sector, whose tariff codes are outlined in Exhibit II of the Decree, are exempted from the payment of the indicated taxes, under the terms and conditions set forth in the "Certificate of Exemption of the Automotive Sector" issued by the Ministry of such industry or the "Import Authorization for Vehicle Assembly Materials" issued by the National Integrated Service of Customs and Tax Administration (SENIAT).
- **Movable tangible assets destined to avoid the spread of the COVID-19 pandemic:** The payments of import taxes, classification taxes and VAT, until Dec. 31, 2021, as well as any other tax or rate applicable under the current legal system, including the VAT applicable to sales carried out in the national territory, for the final imports of medicines and medical instruments outlined in the tariff codes of Exhibit III, drafted by the entities of the National Public Administration, destined to avoid the spread of the COVID-19 pandemic will be exempted.
- **Tariff Quota:** The goods outlined in the tariff codes set forth in Exhibit IV of the Decree are subject to a tariff quota until May 31, 2021, for which they may be partially or totally exonerated or exempted from the above-mentioned taxes in the amounts and terms outlined in the "Certificate of Exoneration of the Tariff Quota" to be issued by the People's Ministry of Economy, Finance and Foreign Trade (MPPEFCE).

In order to apply for the exoneration and tax relief, the Customs Administration requires beneficiaries to submit the following **standard requirements**:

1. a descriptive list of the goods to be imported
2. a commercial invoice issued on behalf of the beneficiary in charge of the acquisition of the goods
3. the certificates, licenses, registrations and permits applicable to the type of goods according to the Customs Tariff, set forth in the column indicating the respective legal tax regimes



The information must be submitted through the electronic format made available by the MPPEFCE.

Regarding the **specific requirements** requested by the Customs Administration to apply for the exoneration and tax relief, importers must submit together with the Customs Entry Form, according to each particular case, the following:

1. **Capital, computer and telecommunications assets, their parts, pieces and accessories:** The "BK or BIT Certificate of Exoneration."
2. **Automobile imports:** The "Certificate of Exoneration of the Automotive Sector" issued by the Ministry of such industry in the case of goods and assets corresponding to Exhibit II of this Decree, classified in the chapters of the Customs Tariff other than Chapter 98, which refers to "goods subject to special tariff treatment." If these codes apply to Chapter 98, the importer must submit the "Import Authorization for Automobile Assembly Materials."
3. **Movable tangible goods destined to avoid the spread of the pandemic COVID-19:** The "Certificate of Exoneration" issued by SENIAT.
4. **Tariff Quota:** The "Certificate of Exoneration of the Tariff Quota" issued by MPPEFCE must be certified.

The noncompliance of the beneficiaries of any of the conditions outlined in this Decree will cause the loss of the tax relief. In such circumstances, the imports of goods made subject to the benefit are considered taxed, without prejudice of the penalties that may apply, in accordance with the provisions of the Constituent Decree set forth in the Tax Code and the Constituent Decree set forth in the Organic Customs Law.

Decree No. 4,412, published on Dec. 29, 2020, in the Extraordinary *Official Gazette* No. 6,608, and the Resolutions issued in execution of said Decree were repealed.

In conclusion, the Decree was executed and published in the *Official Gazette* of the Bolivarian Republic of Venezuela.

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