



Regulations Issued for Contributions to Science, Technology and Innovation and Electronic Certificate of Solvency

By Tinoco Travieso Planchart & Nuñez

The presidency of Venezuela's National Fund for Science, Technology, and Innovation (FONACIT) issued Administrative Ruling No. 015-029 on April 15, 2021, in the *Official Gazette* of the Bolivarian Republic of Venezuela No. 42,128, dated May 17, 2021. Because of a material mistake, the ruling was reprinted on May 20, 2021, in the *Official Gazette* No. 42,131 of the same date. This ruling establishes the regulations for the settlement, filing and payment of the Contributions for Science, Technology and Innovation and the procurement of the Electronic Solvency Certificate of the contribution.

Purpose: To inform the items to calculate the contribution for science, technology and innovation and the procedure to obtain the Electronic Solvency Certificate of the contribution.

Applicants must [register](#) in the System for the Declaration and Control of the Contribution in Science, Technology and Innovation (SIDCAI) and following the steps indicated in the ruling to obtain the electronic solvency certificate of the contribution.

After registering in the SIDCAI portal, taxpayers that have obtained an annual gross income that exceeds 100,000 tax units (T.U.) must settle, file and pay the contribution of science, technology and innovation during the second quarter after the closing of the corresponding fiscal year to obtain the electronic solvency certificate of the contribution.

FONACIT will rely on the data provided by the taxpayer in the Form DPJ 99026 Legal Entity Definitive Income Tax Return (ISLR) filed before the National Integrated Service of Customs and Tax Administration Service (SENIAT) to determine the amount of the contribution, by totaling boxes 711: total net income (territorial income), 780: net income (extraterritorial income) and 970: income proper to the activity (exempt/exonerated income).

The taxpayer will calculate the contribution by multiplying the percentage of the aliquot between 0.5 percent, 1 percent and 2 percent depending on the economic activity carried out by the taxpayer and the above mentioned sum in accordance with the provisions of Article 26 of the Decree with Status, Validity and Force of Law for the Reform of the Organic Law on Science, Technology and Innovation.

Incomes that must necessarily be reimbursed in their entirety, without admitting costs or deductions, will not be part of the taxable base for calculating the contribution. Therefore, the exchange rate differential, interest income, dividend income, fixed income through bond placement, whatever their denomination may be and operating income, among others, will be part of the taxable base for the contribution.

The exonerations established for income tax or any other type of tax, rate or contribution will not apply for contribution payments for science, technology, innovation and its applications.

In the event of failure to pay the contribution, FONACIT and the taxpayer shall incur a tax liability, when this occurs, and should be paid in the following order: 1) fine; 2) default interest and 3)



contribution, according to the provisions of Article 44 of the Constituent Decree through which the Organic Tax Code was issued.

At the end of the second quarter following the closing of the corresponding fiscal year or as soon as the extension, if any, has expired, and the taxpayer has not settled, filed and paid the contribution, the taxpayer will be fined an equivalent of 50 percent of the outstanding contribution according to law, pursuant to the provisions of Article 50 of the Decree with Status, Validity and Force of Law for the Reform of the Organic Law on Science, Technology and Innovation, based on Form DPJ 99026 Legal Entity Definitive Income Tax Return (ISLR) filed before SENIAT, corresponding to the taxpayer.

The administrative sanctioning procedure established in Article 57 of the Decree with Status, Validity and Force of Law of the Reform of the Organic Law on Science, Technology and Innovation shall proceed exclusively in cases that FONACIT carries out on-site control, inspection, supervision and investigation of the taxpayers and finds evidence that leads to presume the noncompliance of the contribution as follows:

1. the taxpayer has not filed the tax return before the SENIAT
2. the taxpayer argues *force majeure* or an act of God before the expiration of the fiscal year
3. the information in Form DPJ 99026 Legal Entity Definitive Income Tax Return is inaccurate

The extensions and payment facilities granted to the taxpayers will incur interests on the amounts financed. If the taxpayer fails to pay the contribution within the term established at the closing of the corresponding fiscal year, the taxpayer will incur default interests until the total repayment of the debt, according to Articles 46 and 66 of the Constituent Decree through which the Organic Tax Code was enacted.

The payment of the contribution, fine and default interest must be made by bank deposit or electronic transfer to the collection accounts established by FONACIT.

If SIDCAI portal failures prevent payment notification, the payment must be reported within three business days by email to locti.fonacit@gmail.com.

The requirements to request the electronic solvency certificate of the contribution for the first time are the following:

1. Register of Commerce and the last statutory Assembly
2. Tax Information Registry
3. Income Tax Returns (ISLR) for the last three years
4. Bank deposit or electronic transfer of the contribution payment

The above documents must be uploaded to the SIDCAI portal in PDF format.

After the first certificate was issued, the ISLR and the bank deposit or electronic transfer of the contribution shall be enough to request the electronic solvency certificate of that fiscal year's contribution.

The companies that do not apply as taxpayers may request the electronic solvency certificate of the contribution after complying with the requirements outlined in Nos. 1, 2 and 3 above.



The information filed by the taxpayer at the registration date must be updated in the SIDCAI once a year, or each time it is modified.

FONACIT's Collection Management shall issue a report reflecting the taxpayer's status within three business days following the receipt date of the request for the electronic solvency certificate of the contribution.

The FONACIT Collection Management will inform the applicant of the electronic solvency certificate of the contribution via email of any omission or fault observed within five business days following the application receipt date. The applicant must rectify the omissions or faults within five days following its notification to continue with the application for the electronic solvency certificate of the contribution.

The FONACIT Collection Management shall issue the electronic solvency certificate of the contribution once it has verified and validated compliance with the formalities and requirements outlined in the ruling, within eight business days following the receipt date of the request for said certificate.

The electronic solvency certificate of the contribution shall include certain formalities, and its issuance shall be endorsed with the electronic signature of the president of FONACIT.

According to the ruling, the electronic solvency certificate of the contribution issued shall be valid for one year in accordance with the fiscal year to which the contribution obligation corresponds.

This ruling repeals Administrative Ruling No. 015-002 dated June 18, 2015, as well as repeals the content of Administrative Ruling No. 015-003, dated June 18, 2015, both published in *Official Gazette* No. 40,804, dated Dec. 7, 2015.

Validity: This ruling became effective as of its publication on May 17, 2020, in the *Official Gazette* of the Bolivarian Republic of Venezuela.

Learn more about our [Venezuela Focus Team](#).

Information contained in this newsletter is for the general education and knowledge of our readers. It is not designed to be, and should not be used as, the sole source of information when analyzing and resolving a legal problem, and it should not be substituted for legal advice, which relies on a specific factual analysis. Moreover, the laws of each jurisdiction are different and are constantly changing. This information is not intended to create, and receipt of it does not constitute, an attorney-client relationship. If you have specific questions regarding a particular fact situation, we urge you to consult the authors of this publication, your Holland & Knight representative or other competent legal counsel.
