



# Law for Promotion and Development of New Enterprises Is Published

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The National Assembly approved the publication on Oct. 15, 2021, in the *Official Gazette* No. 6,656 Extraordinary dated, of "*The Law for the Promotion and Development of New Enterprises.*"

Among the most relevant aspects of this law are the following:

**Purpose:** Promote the development of new ventures and the entrepreneurial culture in effort to increase and diversify the manufacturing of goods and services, the deployment of innovations and their incorporation to Venezuela's economic and social development.

**Scope:**

- Foster entrepreneurship through policies aimed at creating an ecosystem that is favorable to its development.
- Promote the harmonious development of the national economy, raise the population's living standard and strengthen the nation's economic sovereignty.
- Promote entrepreneurship, the creation and fair distribution of wealth, and the production of goods and services that satisfy the population's needs.
- Encourage the exercise of the right to freely engage in the economic activity of one's choice, with no limitations other than those outlined in the Constitution and the law.

**Definitions:** For all legal purposes, the following is defined as:

- **Entrepreneurship:** Any economic activity for profit exercised by one or more persons, which acquires legal capacity after registration in the National Registry of Entrepreneurship and is valid for up to two years.

**Right to Entrepreneurship:** Allows individuals the right to participate in economic activity by establishing enterprises that contribute to national development and the manufacturing of goods and services, with no limitations other than those established in the Constitution and the law.

**Obligations of the State:** The state must adopt the following measures for the development of entrepreneurship:

- support new ventures through public policies that acknowledge and create a favorable ecosystem for their development
- simplify procedures at all public administration levels
- facilitate access to the domestic market and promote public procurement programs



- promote and encourage training plans, prioritizing new ventures involving women, young people and people with sustainable development and national economic and technological independence

**National Integral Training Plan:** The state will develop this plan to promote a culture and ethics with an entrepreneurial vision, as well as administrative, managerial, financial and scientific-technical education, among others of interest.

**Simplification of Administrative Procedures:** The national executive branch shall adopt the necessary measures simplifying administrative procedures related to the incorporation, development and financing of new enterprises.

**Tax Incentives:** The national executive branch will implement formulas that facilitate the payment of national taxes for new ventures. Also, it may exonerate totally or partially the payment of direct taxes of enterprises that comply with the requirements established by law and do not exceed the equivalent of 10,000 times the exchange rate of the highest value currency published by the Central Bank of Venezuela in their annual sales. States and municipalities will be urged to establish tax incentives within the scope of their authority.

**Financing Policy and Access to Credit:** The national executive branch will be entrusted to promote policies that facilitate financing for new enterprises. The banking sector institutions shall establish products and services that are favorable for new entrepreneurs.

**Public Procurement:** The state shall establish clear criteria to allow the contracting of new ventures.

**Governing Body:** The Ministry of the People's Power with economic and financial authority will be in charge of exercising the governance of entrepreneurship. The purpose of this Ministry will be to oversee the legal, administrative, financial and economic guarantees of entrepreneurs.

**National Registry of Enterprises (RNE):** It is a public registry that will be administered by the governing body. The public registry's purpose is the registration of new enterprises, as well as documentation of actions and agreements related to them.

**Mandatory Registration in the RNE:** The registration grants legal capacity to the enterprise. It will be indispensable for access to the benefits and incentives established in this law and valid for two years.

**Commercial Registry:** After two years of RNE registration, the enterprise must submit its registration before the corresponding Commercial Registry, as established in the Code of Commerce and other applicable norms, under penalty for the commission of formal, substantive and criminal tax offenses specified in the tax legislation.

**Registration of Intellectual Property:** The governing body shall establish and disclose procedures and preferential rates applicable to the enterprises.

**National Fund for Entrepreneurship:** A fund overseen by the entrepreneurship governing body. The fund's purpose is to finance and support entrepreneurship registered in the RNE.



**National Entrepreneurship Network:** A space where divisions and entities of the state, entrepreneurs, organizations and any other person who wishes to support the creation and development of entrepreneurship may participate and meet. The network may exercise the powers established by law.

**Validity:** The regulation was published in the *Official Gazette* and enforced on Oct. 15, 2021.

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