



Republic Creates and Adapts Special Economic Zones and Military Zone

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Decrees No. 4,838, 4,839, 4,840 and 4,841, issued by the Presidency of the Republic, through which the Special Economic Zones (ZEE) of La Tortuga Island, Military Zone No. 1 of the State of La Aragua, Paraguaná Peninsula and La Guaira State are created and adapted, as published in the *Official Gazette* No. 6,756 Extraordinary of Aug. 10, 2023. These zones are geographical delimitations that have a special and extraordinary socio-economic regime that applies to the subjects that carry out activities in them.

Among the aspects regulated by these decrees, the highlights include:

- Decrees No. 4,838 and 4,841 are intended to create the ZEE on La Tortuga Island and La Guaira State.
- Decrees No. 4,839 and 4,840 are intended to adapt the ZEE of Military Zone No. 1 of the State of Aragua and the Paraguaná Peninsula of the State of Falcón.
- The decrees determine economic, fiscal, customs and other incentives for legal entities, national or foreign, public, private, mixed or communal that are located within the limits established in the Decrees and meet the necessary requirements to carry out economic activities in these areas.

These benefits include:

1. income tax refunds
2. tariff tax refund
3. accelerated depreciation of machinery, equipment or infrastructure used for production processes
4. deduction of the income for annual territorial enrichment by way of donation in the taxable year for the construction, operation and development of the centers for training, research, promotions and comprehensive training of human talent that participates in the different productive activities and prioritized areas developed in the ZEE
5. customs benefits on temporary admission for asset processing
6. enjoy categories and conditions of incentives for the promotion of tourism activity (applies only to the ZEE of La Tortuga Island, Paraguaná Peninsula and La Guaira State)



7. preferential tariffs for exports

- In the application of the incentive scheme provided for in the Decrees, special preference shall be given to the provisions of the Agreements between the Government of the Bolivarian Republic of Venezuela and the Governments of other countries to avoid double taxation and prevent tax evasion in the area of various national taxes, as well as the international agreements concluded in the field of trade cooperation, economic, customs, technical and scientific assistance validly ratified by the Republic.
- The National Executive may implement additional incentives to those indicated in the Decrees for the ZEE. These include the development of economic activities or social, labor, commercial, tax, educational or environmental conditions as necessary, which will be implemented through future decrees that will be annexed to the creation or adaptation decree, as the case may be.
- When the goods entered into the ZEE are extracted for the purpose of being introduced into the national territory, the consignee or acceptor must make the respective customs declaration by means of which the goods are destined for the definitive import customs procedures and for this purpose, the goods will create the corresponding taxes and the current legal regime will be applied.
- In the case of goods imported into the ZEE where the declarant has extinguished the tax liability by paying the taxes caused by such importation and the goods are destined to the national territory for its consumption and not for incorporation into the development of the production processes of goods for export, taxpayers authorized to carry out economic activities in the ZEE of La Guaira State may not be beneficiaries of the tariff tax incentive.
- It is ordered to incorporate within the Single Window System for Foreign Trade, an exclusive platform for ZEE, which will be responsible for the simplification, unification and automation of the processes to be carried out by taxpayers who, in accordance with the Organic Law of Special Economic Zones, are authorized to carry out economic activities.
- **Validity:** These Decrees came into force upon their publication in the *Official Gazette* of the Bolivarian Republic of Venezuela, on Aug. 10, 2023.

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