



Venezuela

General

Types of indirect taxes (VAT/GST and other indirect taxes)	VAT.
Are there other indirect taxes?	<ul style="list-style-type: none"> — Municipal taxes. — Anti-drug tax. — Sport tax. — Science and technology tax.
What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes?	<p>Standard rate</p> <ul style="list-style-type: none"> — VAT 12%. — Municipal taxes are paid based on gross income. For activities performed within a country, the rates depend on the country and the type of income of the entity. — The anti-drug tax is paid annually based on operative accounting gain. The applicable rate is 1%. — The sport tax is paid annually based on net accounting gain. The applicable rate is 1%. — The science and technology tax is paid annually based on prior year gross income. The applicable rate is 0.5%. <p>Zero rate</p> <ul style="list-style-type: none"> — Exportation of goods and services. — Sale of natural hydrocarbons performed by Joint venture companies (empresas mixtas) to Petróleos de Venezuela S.A. or any of its subsidiaries. <p>Reduced rate</p> <ul style="list-style-type: none"> — Certain goods and services (such as red meat, animal oil or domestic plane tickets) are temporarily subject to the rate of 8% until the budget law provides a different rate. This reduced rate allows the taxpayer to recover any VAT paid.
Who is required to register for VAT/GST and other indirect taxes?	<p>Venezuelan Entities</p> <ul style="list-style-type: none"> — Companies involved in sales of taxable services or goods in Venezuela are required to file VAT returns by using their Fiscal Registration Number (RIF). <p>Foreign Entities</p> <ul style="list-style-type: none"> — Foreign entities are not required to charge VAT. In cases of import of goods and services, the buyer is responsible for the payment of the VAT. The importer has to compute the VAT, pay it and then benefit from a VAT credit.

VAT/GST registration	Is voluntary registration for VAT/GST and other indirect taxes possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST and other indirect taxes registration threshold)?	Not applicable due to the fact that there is no specific registration for VAT purposes.
	Does an overseas company need to appoint a fiscal representative?	No, since the buyer is responsible for the payment of VAT due on import of goods and services.
	Which forms and supporting documentation does an overseas company need to submit for VAT/GST and other indirect taxes registration?	Not applicable.
	Is grouping* for VAT/GST and other indirect taxes possible?	No.
VAT/GST compliance	How frequently are VAT/GST and other indirect taxes returns submitted?	Monthly.
	What are the exchange rate rules in your country?	The country is under an exchange control regime. When the official exchange rate is modified, the VAT basis must be adjusted and credit or debit notes must be issued. The official exchange rate is 6.3 Venezuela bolivars (VEB) to USD1. This rate has been effective since February 2013.
VAT/GST recovery	Can an overseas company recover VAT/GST and other indirect taxes if it is not registered for VAT/GST and other indirect taxes locally?	No, only local taxpayers are allowed to recover VAT.
	Are there any exemptions with the right to recover or deduct input VAT?	On local sales not subject to VAT, the taxpayer is not allowed to recover or deduct the input VAT.
	Are there any restrictions to the deduction of input VAT?	VAT exemptions do not allow VAT recovery. The amount paid as VAT becomes part of expenses and cost. Non-VAT taxpayers are not able to recover VAT.
Invoices	Is a business required to issue tax invoices?	Yes.
	Is it possible/mandatory to issue invoices electronically?	Yes. Invoices and equivalent documents may be issued electronically in two ways: printing forms acquired from authorized printer or using a tax computer. Operators in telecommunications, travel agents, insurance, courier cargo and courier, subscription television, electricity, domestic gas and internet industry are authorized to send electronic invoices. The companies need to issue more than 10,000 monthly bills. In addition, this can be through hardware that cannot be accessed by anyone but the tax authorities.
	Is it possible for recipients to issue tax invoices/self-invoices (self-invoicing)?	No.

* By 'grouping' we mean: either a consolidation mechanism between taxpayers belonging to the same group (payment and refund are compensated but taxpayers remain distinct) or a fiscal unity for VAT/GST purposes (several taxpayers are regarded as a single taxpayer).

Audits	Do tax audits take place on a regular basis?	VAT audits take place often, typically more than once a year.
	Are there audits done electronically in your country (e-audit)? If so, what system is in use?	No.
	What penalties can arise from non-compliance?	Who, by either action or omission, causes an illegal diminution of the tributary income, including the illegal benefit of exemptions, fiscal exonerations or other benefits will be sanctioned with a fine of 100% to 300% of the omitted tax. Also, in cases of non-compliance with formal duties, the company could be closed for 10 business days.
Special indirect tax rules	In your country, are there any special rules for the sale of a company by a taxpayer to another where VAT is not due on the sale?	No. Even in cases of liquidation, VAT would be applied on the assets returned to shareholders. The only case not subject to VAT is the contribution of assets to a new entity that will carry on the same type of business.
	In your country, are there unique, specific indirect tax rules that you would not expect to find in 'standard' VAT jurisdictions?	No. In general terms, VAT legislation in Venezuela has no other specific rules than specified above. Financial institutions (banks) charge VAT only on leasing operations (not very common in Venezuela). As a unique rule, special taxpayers are required to withhold the 75% of the VAT invoiced to them.
	Does a reverse charge mechanism apply in your country for goods or services?	Yes.
	Are there indirect tax incentives available in your country (e.g. reduced rates, tax holidays)?	Certain tax exemptions or relief apply according to the VAT law. Zero and reduced rates apply as explained above.
Rulings	Are rulings and decisions issued by the tax authorities publicly available in your country?	Yes, they can be found at www.seniat.gov.ve .