

Administrative Ruling on accounting adjustment standards applicable to taxpayers engaged in financial activities



Official Gazette of the Bolivarian Republic of Venezuela N° 40744 dated September 11, 2015.

Administrative Ruling SNAT/2015/0021, dated March 30, 2015, issued by the National Tax and Customs Administration Office (SENIAT, for its acronym in Spanish) was published in Official Gazette N° 40744 of September 11, 2015, and became effective immediately.

The Ruling provides for accounting adjustment standards applicable to taxpayers engaged in bank, financial, insurance and reinsurance activities excluded from the inflation-adjustment system.

Standards set forth in the aforementioned Administrative Ruling are applicable for fiscal years beginning during the effective term of the Income Tax Law published in Extraordinary Official Gazette N° 6152 of November 18, 2014.

The relevant aspects of Ruling N° SNAT/2015/0021 are as follows:

1. For income tax determination purposes, taxpayers engaged in bank, financial, insurance and reinsurance activities excluded from the inflation-adjustment system shall use the Financial Statements' historical values as calculation basis.

2. These taxpayers shall reverse the accounting entries of the equity restatement item against non-monetary items. Likewise, the reversal shall be consistent with the historical value of non-monetary items.

3. Taxpayers subject to the scope of application of Ruling N° SNAT/2015/0021 shall reverse the account Historical Tax Exclusions from Equity against any asset, liability and equity account affected by the inflation-adjustment system.

4. These taxpayers shall not use the inflation-adjustment system for income tax determination purposes, or carry forward prior-year net losses for inflation not offset, effective from fiscal year 2015.

5. These taxpayers shall use the net income for fiscal year 2014 for purposes of the estimated income tax return corresponding to fiscal year 2015.

Contacts

Alejandro Gómez
algomez@deloitte.com

Marianne Carrillo
macarrillo@deloitte.com

Marketing Department
vmercadeo@deloitte.com

Valentina Briceño
vbriceno@deloitte.com

Burt Hevia
bhevia@deloitte.com

Offices

Caracas
Avda. Blandín, Torre B.O.D,
Piso 18. La Castellana.
Telephone +58 (212) 206
8502
Fax +58 (212) 206 8740

Pto. La Cruz
Avda. Principal de Lechería,
Centro Comercial Anna,
Piso 02, Ofic. 41, Lechería.
Telephone +58 (281) 286
7175
Fax +58 (281) 286 9122

Pto. Ordaz
Avda. Guayana, Torre Colón,
Piso 2, Ofic. 1, Urb. Alta Vista.
Telephone +58 (286) 961
1383
Fax +58 (286) 962 7234

Valencia
Torre Venezuela, Piso 3,
Oficinas A y D, Av. Bolívar
Norte, Urb. La Alegría.
Telephone +58 (241) 824
2790
Fax +58 (241) 823 4119

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