

Decree 2009 – tax exemption for activities in progress of Project Connectivity and Security Technology



Extraordinary Official Gazette of the Bolivarian Republic of Venezuela N° 6196 dated September 11, 2015.

Decree 2009 was published in Extraordinary Official Gazette N° 6196 of September 11, 2015, setting forth an exemption from Income Tax Payment for territorial source income obtained by companies domiciled or not domiciled in Venezuela from operations in progress of Project Connectivity and Security

Technology carried out within the framework of the Economic and Technical Cooperation Agreement entered into between Venezuela and China (“Decree 2009”).

Effective Date

Decree 2009 is effective from September 14, 2015, and the exemption benefit will be effective for two (2) years.

The most relevant aspects contained in Decree 2009 are as follows:

1. An income tax payment exemption is established for territorial source income obtained by companies domiciled or not domiciled in the Bolivarian Republic of Venezuela from operations in progress of Project Connectivity and Security Technology, carried out within the framework of the Economic and Technical Cooperation Agreement entered into between the Bolivarian Republic of Venezuela and the People's Republic of China.
2. The standards set forth in the Venezuela's Income Tax Law shall be applied in determining exempted income.
3. The exemption beneficiaries shall submit the annual report of net, global, taxable and exempted income, under the terms and conditions established in the Income Tax Law Regulation.
4. In order to benefit from the exemption, taxpayers shall submit a document issued by the People's Power Ministry for Correctional Services certifying that projects are within the framework of the Economic and Technical Cooperation Agreement entered into between Venezuela and China. Also, these taxpayers shall comply with obligations and requirements set forth in Decree 2009, in the Income Tax Law and its Regulations, and other applicable standards.
5. During the term of the exemption benefit, losses arising from the exempted activity shall not be charged in any taxable period against the income generated by the activity subject to income tax.
6. The exemption benefit shall be applicable for all fiscal years in course by the date of entry into force of Decree 2009.

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

For further information, see our website www.deloitte.com/ve



Deloitte refers to one or more member firms of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

© 2015 Lara Marambio & Asociados RIF J-00327665-0

© 2015 Gómez Rutmann y Asociados Despacho de Abogados RIF J-30947327-1