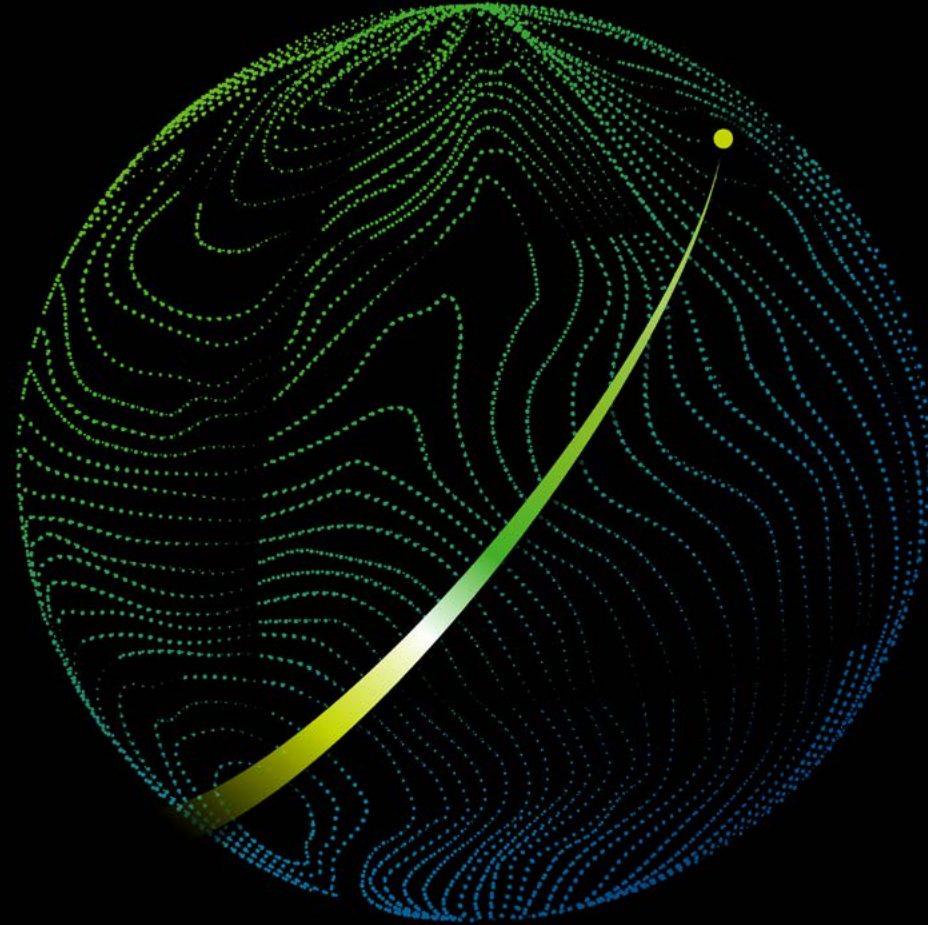


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Tax and Legal
Newsletter

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Administrative Ruling on Special Taxpayers

Administrative Ruling SNAT/2023/00005 of February 14, 2023 was published in Official Gazette No. 42.588 dated March 14 of the same year.

Overview

- Administrative Ruling No. 0685 of November 6, 2006, published in Official Gazette No. 38.622 of February 2007 has been repealed.
- Replacement of the Tax Unit (TU), as measurement unit used to set the minimum reference values in classifying taxpayers as Special Taxpayers (ST), with the official exchange rate of the highest value currency (HVC) published by the Central Bank of Venezuela.



- The Tax Administration may classify taxpayers as special taxpayers expressly informing of such condition through its different regional managements in accordance with provisions set forth in this administrative ruling.

Conditions to be met in order to be classified as a Special Taxpayer (ST)

Taxpayers meeting the following conditions, as determined by each management referred-to in the tables below, may be classified as Special Taxpayer (ST):

Management	Type of Taxpayer	Annual Gross Income (as per the latest annual sworn tax filing)	Monthly sales or services (as per indicated in any of the 6 latest monthly filings)	Net income (under employment contract)
Regional Management of Internal Taxes and Sectors of Internal Taxes of their tax residenc	Individuals	Above or equal to 7,500 times the official exchange rate of the HVC	More than 625 times the official exchange rate of the HVC	7,500 times the official exchange rate of the HVC.
	Companies (exclusive of those indicated in article 4)	Above or equal to 30,000 times the official exchange rate of HVC	More than 2,500 times the official exchange rate of the HVC	N/A
	National, state and municipal public entities, autonomous institutes and other decentralized entities, not domiciled in the capital region.			

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Management	Type of Taxpayer	Annual Gross Income (as per the latest annual sworn tax filing)	Monthly sales or services (as per indicated in any of the 6 latest monthly filings)	Net income (under employment contract)
Regional internal tax management for special taxpayers of the capital region (domiciled in the Capital city)	Individuals	Above or equal to 15,000 times the official exchange rate of the HVC	More than 1,250 times the official exchange rate of the HVC	Equal to or above 15,000 times the official exchange rate of the HVC.
	Companies (exclusive of those indicated in article 4)	Above or equal to 120,000 times the official exchange rate of the HVC	More than 10,000 times the official exchange rate of the HVC	N/A
	National, state and municipal public entities, autonomous institutes and other decentralized entities, not domiciled in the capital region.			
Partners, directors, managers, administrators or representatives of companies and other entities classified as special taxpayers by this management, irrespective of the gross income amount.				

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Management	Type of Taxpayer	Annual Gross Income (as per the latest annual sworn tax filing)	Monthly sales or services (as per indicated in any of the 6 latest monthly filings)	Net income (under employment contract)
Regional internal tax management for special taxpayers of the capital region (irrespective of their tax residence)	Individuals	Above or equal to 15,000 times the official exchange rate of the HVC	More than 1,250 times the official exchange rate of the HVC	Equal to or above 15,000 times the official exchange rate of the HVC.
	Companies (exclusive of those indicated in article 4)	Above or equal to 120,000 times the official exchange rate of the HVC	More than 10,000 times the official exchange rate of the HVC	N/A
	National, state and municipal public entities, autonomous institutes and other decentralized entities, not domiciled in the capital region.			
Partners, directors, managers, administrators or representatives of companies and other entities classified as special taxpayers by this management, irrespective of the gross income amount.				

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Likewise, according to article 4, the following taxpayers, subject to the control and administration of the regional internal tax management for special taxpayers of the capital region (**Gerencia Regional de Tributos Internos de Contribuyentes Especiales de la Región Capital**) can be classified as ST, regardless of their tax residence:

- A. Those engaged in hydrocarbon activities, those who have assumed operations in oil fields, and those incorporated as mixed companies.
- B. Stockholders of mixed companies engaged in activities involving hydrocarbons and derivatives for export.
- C. Those engaged in operations involving hydrocarbons or related activities by virtue of risky operating, exploration and exploitation Agreements, under the scheme of shared profits or strategic associations.
- D. Those who, due to their activities, constitute the main suppliers, contractors and Service providers of the parties mentioned in items A, B and C above.
- E. Stockholders of the parties mentioned in items A and C above.
- F. Those engaged in the exploration, exploitation, processing and trading of natural gas.
- G. Those engaged in the exploitation of mines or related activities.



Taxpayers excluded from the Special Taxpayer (ST) classification

Addition of a provision setting forth that the following taxpayers cannot be classified as ST:

- A. Those incorporated within the framework of new ventures and that are duly registered with the governing body according the relevant law; this exclusion applies for a 2 year-period as from the registration with the national ventures registry.
- B. Those exclusively engaged in the primary exploitation of agricultural activities, specifically in crop, poultry, livestock, forestry, fisheries and aquaculture subsectors

- C. Community organizations and all instances of popular power duly constituted in communes, in accordance with the corresponding set of standards.
- D. Taxpayers engaged in commercial operations for less than a year; this is exclusive of financial institutions, insurance and reinsurance companies and those engaged in works and construction projects.

The Tax Administration can classify them prior to the period indicated in this item if by means of a tax inspection it determines that the conditions for their classification have been met.

Duties of Special Taxpayers

- Taxpayers classified as special taxpayers and duly informed of such classification shall submit their filings through electronic means or other means as established by the TA, and pay the corresponding amounts (if any) for taxes, fines, interests and others, through any office receiving national funds.
- The income tax shall be filed and paid on the dates indicated in the schedule annually published by the National Tax and Customs Administration Office (SENIAT, for its acronym in Spanish), except for entities engaged in hydrocarbons and mines sectors.

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- The Value-added Tax (VAT), the Tax on Wealth or Impuesto a los Grandes Patrimonios (IGP), the Tax on Large Financial Transactions (IGTF, for its acronym in Spanish) or any other tax under the control of SENIAT, as well as any withholding or collection, shall be filed and paid on the dates indicated in the relevant schedule.
- Additionally, STs shall file their appeals, carry out any procedure proper to their condition, report any loss or transfer, and request the revocation or their classification, with the office indicated in the relevant notice, without detriment to using the electronic domicile under the terms set forth in the Organic Tax Code.

Other considerations

- The administrative ruling also provides for reasons for loss or revocation of the special condition of taxpayers, and the notification duties in case of dissolution and liquidation of companies, merger or death of the individual.
- The procedure applicable in case of change of tax residence of taxpayers classified as ST is specified.
- Finally, the standard points out that as from the effective date of this administrative ruling, taxpayers who are considered as Special will not lose such condition, except in the case of taxpayers excluded from the likelihood of being classified as special, in accordance with provisions established in the very relevant standard.

Effective date

The ruling is effective March 15, 2023.



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