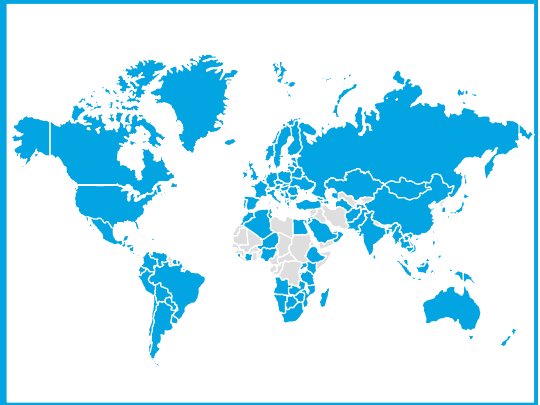


INPATRIATES

Venezuela

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

In Venezuela the annual enrichments, net and available obtained in cash or in kind, cause taxes under the rules established in the respective regulations. The deadline for the declaration of Income Tax expires on March 31 of each year, since the declaration must be filed within three months after the completion of the taxpayer's taxable year.

Non-resident individuals in Venezuela, are subject to this tax provided that the source or cause of their enrichments is or occurs within the country, even if they have no permanent establishment or fixed base in Venezuela, and should they have such, they will be taxed exclusively on revenue from domestic or foreign sources attributable to said permanent establishment or fixed base.

They are considered resident, those individuals and taxpayers assimilated to them, when they have remained in the country for a continuous or discontinuous period of more than one hundred and eighty-three (183) days immediately prior to the calendar year to which the tribute is ascribed.

Resident individuals are taxable when they obtain an annual net overall enrichment above 1,000 tax units (T.U.) or gross income greater than 1,500 T.U.

Non-resident individuals in the country will be taxed, regardless of the amount of their enrichments or Venezuelan source income. In the case of enrichments obtained by individuals not resident in the country, the tax is 34%.

The reliefs are understood to be a decrease in the amount of tax that taxpayers can pay.

A taxpayer residing in Venezuela will enjoy reliefs and rebates:

Detailed tax relief

1. That which is paid to educational institutions of the country, for the education of the taxpayer and their descendants not older than twenty-five (25).
2. That which is paid by the taxpayer to companies domiciled in the country for premiums of hospitalization, surgery and maternity insurance.
3. That which is paid for medical, dental and hospitalization provided in the country to the taxpayer and to the persons under their charge.
4. That which is paid as interest fees in the case of loans obtained by the taxpayer to acquire his or her main residence or the amount paid for rental housing that serves as a permanent home.

One-time relief

They can choose to use a relief of 774 T.U. known as one-time relief or expenses incurred by the taxpayer to comply with the requirements of the Tax Administration.

The LISLR states that residents individuals may enjoy among other things, a personal rebate of 10 T.U. annual and a rebate of 10 T.U. per family member for each ascendant or descendant resident in the country; in the latter case, the descendants must be under age 18, unless they are unable to work or are studying and are under 25 years.

INCOME TAX RATES AND SOCIAL SECURITY CONTRIBUTIONS

Income tax rates

Taxable income	Tax rate	Subtract (due to lower rate)
For the fraction up to 1,000 U.T.	6%	0
For the fraction exceeding 1,000 to 1,500 U.T.	9%	30
For the fraction exceeding 1,500 to 2,000 U.T.	12%	75
For the fraction exceeding 2,000 to 2,500 U.T.	16%	155
For the fraction exceeding 2,500 to 3,000 U.T.	20%	255
For the fraction exceeding 3,000 to 4,000 U.T.	24%	375
For the fraction exceeding 4,000 to 6,000 U.T.	29%	575
For the fraction exceeding 6,000 U.T.	34%	875

Social tax rates

In Venezuela payroll contributions are charges levied by certain public bodies to ensure their self-financing.

Social Security (SSO)

Type of company	% Employee	% Employer
Minimal Risk	4%	9%
Medium Risk	4%	10%
Maximum Risk	4%	11%

Loss of Employment Benefit System (RPE)

% Employee	% Employer
0.5%	2%

Mandatory Savings Fund for Housing (FAOV)

% Employee	% Employer
1%	2%

National Institute for Socialist Training and Education (INCES)

% Employee	% Employer
0.5%	2%

Registration/formalities

Tax Information Registry (RIF)

In Venezuela, the National Integrated Service of Customs Administration and Taxation (SENIAT), is a registry intended for tax control, which must register, individuals and non-legal entities that pay taxes - or that carry out proceedings before any agency or body of Public Administration. They must be registered with the Tax Information Registry (RIF), subjects or entities, non-resident or not domiciled in the Bolivarian Republic of Venezuela, which have no permanent establishment or fixed base when making economic activities in the country or that possess goods liable to be taxed in the same.

Individuals

Individuals should register in the Tax Information Registry (RIF), within a period of the following thirty(30) business days, counted from the constitution or the start of activities, whichever comes first.

Residents abroad without permanent or stable-based fixed foundation once the cause of enrichment is or occurs in the country during the first month from the start of operations of its first taxable year.

For further information and to register for future updates contact expat@bdo.global

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