

## COUNTRY PROFILE



# Venezuela

## Tax overview

Corporate Income Tax	34%, progr.
Personal Income Tax	34%, progr.
Gift Tax	55%, progr.
Inheritance Tax	55%, progr.
Wealth Tax	0.25%

### Corporate Income Tax

Venezuelan corporations are taxed on their worldwide income with progressive rates of 34%.

### Personal Income Tax

Venezuelan residents are taxed on their worldwide income with progressive rates up to 34%. Venezuela imposes gift tax, inheritance tax and wealth tax.

### Anti-Avoidance Rules

Venezuela has general anti-avoidance rules (GAARs). In addition, Venezuela has Transfer Pricing rules that require arm's length prices in transactions between related parties, and Thin Capitalization rules. Venezuela does not have CFC rules, but does have a Fiscal Transparency Regime.

### Fiscal Transparency Rules

Venezuela has an International Fiscal Transparency Regime (2004) that applies to entities or investments in Low Tax Jurisdictions (LTJs) owned and controlled by Venezuelan residents. Control is defined as control over distributions of income or profits or control over administration of the entity, and is presumed with respect to LTJs. In such a case, Venezuelan residents are subject to tax on the undistributed profits held in the LTJs.

LTJs are specifically identified on a "black-list," and jurisdictions are also treated as LTJs where they have a tax rate of 20% or less. Jurisdictions will not be treated as LTJs if they have a DTT with Venezuela with exchange of information provisions.

### Low Tax Jurisdictions-“Black-List”

Andorra, Anguilla, Antigua and Barbuda, Anguilla, Aruba, Bahamas, Belize, Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, Cyprus, Dominican Republic, Gibraltar, Guernsey, Hong Kong, Isle of Man, Jersey, Labuan, Lebanon, Liberia, Liechtenstein, Luxembourg, Malta, Marshall Islands, Mauritius, Monaco, Palau, Panama, Seychelles, Turks and Caicos, Uruguay, U.S. Virgin Islands, and Vanuatu.

### Double Tax Treaties (DTTs)

Venezuela has DTTs with a number of jurisdictions, including Barbados, Canada, Netherlands, Spain, Switzerland, Trinidad & Tobago, the UAE, the UK and the US.

### Foreign Investment Protection

Venezuela has agreements with a number of jurisdictions for the protection of investments that provide for international arbitration in the event of nationalization or expropriation, including with Barbados, Canada, Luxembourg, Spain, Switzerland, the UK, and Uruguay. Venezuela unilaterally terminated the agreement with the Netherlands in 2008, and withdrew from ICSID in 2012.

### OECD Multilateral Convention

Venezuela has not signed the OECD Convention on Mutual Administrative Assistance in Tax Matters.

### Common Reporting Standard (CRS)

Venezuela has not adopted CRS for the automatic exchange of account information.

### FATCA

Venezuela has not entered into a FATCA Intergovernmental Agreement (IGA) with the United States, and there is no "agreement in substance" to implement FATCA.

### Notice

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