

## Legal update

### Taxpayers must file an informative equity declaration

---

**January 2017**

**Tax**

On January 16, 2017, Venezuela's National Tax Administration (SENIAT) issued Administrative Regulations No. SNAT/2017/0002, by which it established the obligation for legal entities qualified as special taxpayers to file an informative equity declaration, as published in Official Gazette No. 41,075.

---

#### Scope of application

Only legal entities that have been qualified as special taxpayers by the SENIAT will be obliged to file the informative equity declaration.

#### Equity

For the purposes of this declaration, equity is defined as the sum of the taxpayer's assets and economic rights.

#### Filing term

Taxpayers subject to this obligation must file the informative equity declaration in accordance to the conditions and specifications set forth on the SENIAT's website within a term of 90 days following the entry into force of the Administrative Regulations (i.e., deadline April 15, 2017).

#### Penalties

Taxpayers who fail to comply with the obligation of filing the informative equity declaration within the legally prescribed term will be subject to the sanctions set forth in the Venezuelan Organic Tax Code (OTC)<sup>1</sup>.

In connection with this, the OTC provides that taxpayers who fail to file declarations or file them with a delay longer than one year will be subject to a penalty of 150 tax units<sup>2</sup>, in addition to the closing of their offices or other premises for a period of 10 calendar days. Taxpayers who file incomplete declarations or file them with a delay shorter than one year will be subject to a penalty of 100 tax units.

In addition, the OTC provides that failing to file any declaration required by the existing regulations constitutes an indication of tax fraud.

## Effective date

The Administrative Regulations became effective after their publication in the Official Gazette (i.e., after January 16, 2017).

Luis de Freitas  
 Leopoldo Escobar  
 Fernando Fernández B.  
 Carlos Fernández S.

## Footnotes

<sup>1</sup> Published in Special Edition of Official Gazette No. 6,152 dated November 18, 2015.

<sup>2</sup> The current value of the Tax Unit is VEF 177.00.

For further information, please contact one of the following lawyers:

> <b>Luis de Freitas</b>	Caracas	+58 212.276.0031	<a href="mailto:luis.defreitas@nortonrosefulbright.com">luis.defreitas@nortonrosefulbright.com</a>
> <b>Leopoldo Escobar</b>	Caracas	+58 212.276.0029	<a href="mailto:leopoldo.escobar@nortonrosefulbright.com">leopoldo.escobar@nortonrosefulbright.com</a>
> <b>Fernando Fernández B.</b>	Caracas	+58 212.276.0048	<a href="mailto:fernando.fernandez@nortonrosefulbright.com">fernando.fernandez@nortonrosefulbright.com</a>
> <b>Carlos Fernández S.</b>	Caracas	+58 212.276.0006	<a href="mailto:carlos.fernandez@nortonrosefulbright.com">carlos.fernandez@nortonrosefulbright.com</a>

Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

References to "Norton Rose Fulbright", "the law firm", and "legal practice" are to one or more of the Norton Rose Fulbright members or to one of their respective affiliates (together "Norton Rose Fulbright entity/entities"). No individual who is a member, partner, shareholder, director, employee or consultant of, in or to any Norton Rose Fulbright entity (whether or not such individual is described as a "partner") accepts or assumes responsibility, or has any liability, to any person in respect of this communication. Any reference to a partner or director is to a member, employee or consultant with equivalent standing and qualifications of the relevant Norton Rose Fulbright entity.

The purpose of this communication is to provide general information of a legal nature. It does not contain a full analysis of the law nor does it constitute an opinion of any Norton Rose Fulbright entity on the points of law discussed. You must take specific legal advice on any particular matter which concerns you. If you require any advice or further information, please speak to your usual contact at Norton Rose Fulbright.