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Customs Tariff Reforms: An Essential Guide for Your Business

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Decree No. 4,944¹, through which the Customs Tariff of April 2024 is issued, has been subject to several modifications published in different regulatory texts during the first half of 2025. Broadly speaking, the changes include:

- The first partial reform reaches: Legal Regime No. 9, which now refers to a permit from the Committee on Foreign Trade (COMEX); the tax benefits for capital goods "BK" and computer and telecommunications goods "BIT", only contemplate a reduction of the Ad Valorem Tariff that could reach 0%, after obtaining the COMEX exemption certificate, leaving aside VAT; new national subheadings have been incorporated and preferential rates have been applied as exceptions to the external tariff common to various sectors, the most favourable being those in the pharmaceutical sector; and, in the automotive field, the import of vehicles up to 5 years old (with or without commercial purpose) has been allowed.
- The second partial reform eliminated the certificate of emission of mobile sources to import certain vehicles.
- The third partial reform incorporated some passenger and cargo ships into the tariff quota regime.
- The inclusion of Subchapter V in Chapter 98 of the Customs Tariff to give special treatment to products imported by suppliers in the hydrocarbons sector.
- In development of the tariff regulations, the "*Operating Standards of the National Automotive Industry*" are published.

The information relating to each of the partial reforms will be expanded in the following points, in addition to including additional considerations from the perspective of customs and tariff regulations.

I. CURRENT CUSTOMS TARIFF PUBLISHED IN APRIL 2024 AND ITS PARTIAL AMENDMENTS

The text of the Customs Tariff published in April 2024 brought together – to highlight some aspects – the following:

¹ **Decree No. 4,944**, which dictates the Customs Tariff, published in the Official Gazette No. 6,804 extraordinary dated April 25, 2024 and amended for the first time by Decree No. 5,103, published in the Official Gazette No. 6,890 extraordinary dated March 6, 2025 and whose last modification corresponds to that dated April 21, 2025.

- It established the ordering of goods and their tariff classification, based on the Harmonized System (HS) of Commodity Description and Coding of the CCA – WCO and incorporates the HS Seventh Amendment to adapt it to new technologies and new national subheadings are added;
- It incorporated changes in legal regimes applicable to various products, for example, the application of legal regime 21 referring to the *"Permit of the Single National Registry of Operators of Controlled Chemical Substances"* to various chemical substances;
- It maintained special provisions in Chapter 98 entitled *"Goods subject to special tariff treatment"* and among the benefits that remain are: a) the tariff quota, b) goods destined for industrial, economic and productive development, c) parts, pieces and components for the assembly of motor vehicles, motorcycles, tractors, trailers and semi-trailers;
- It maintained the Ad Valorem Tariff reduction regime under the BK and BIT modalities, after obtaining the corresponding certificate; and
- It maintained the prohibitions on the import and transit of products that do not comply with labeling standards in the case of *"textile" clothing and footwear, as well as "food, pharmaceutical, veterinary products, cosmetics and medical and surgical material that do not comply with the standards referring to the conditioning of their containers, labels, cases, wrappers, etc. signs, leaflets or legends"*.

1. Decree No. 5,103 dated March 6, 2025³, which partially reforms the Customs Tariff with an impact on various sectors

to. Previously, legal regime 9 was an Import License of the Ministry of People's Power with competence in matters of foreign trade; now, it refers to a COMEX permit. As for legal regime 11, it currently refers to a permit from the Ministry of People's Power of Hydrocarbons (formerly known as the Ministry of People's Power of Petroleum).

b. Reduction of the Ad Valorem Tariff that could be up to 0% for goods classified as BK or BIT in the Customs Tariff, after obtaining the corresponding exemption certificate issued by COMEX (previously this certificate was issued by the Ministry of People's Power of Industries and National Production "MPPIP") and the tax benefit in terms of VAT was eliminated.

c. Preferential application of rates through exceptions to the common external tariff (Ex. AEC), for sectors such as pharmaceuticals, food, automotive, among others, being favorable only those applicable to the pharmaceutical sector, which -in some cases- reaches 0% ad valorem.

d. Changes in specific sectors: i) in the case of the automotive sector, the importation of vehicles up to 5 years old is allowed and tax benefits for local assembly are maintained under certain conditions (Subchapter I of Chapter 98 of the Tariff); and (ii) in relation to various cleaning and disinfection products, compliance with specific health standards is required for their nationalization.

and. New national subheadings, e.g. those for various medicinal products.

² Article 25 of the aforementioned Decree No. 4,944, by which the Customs Tariff was issued.

³ Published in the Official Gazette No. 6,890 extraordinary of 6 March 2025.

The present reform seems to be aimed at alleviating the tariff burden on some essential products such as various pharmaceutical products, while adjusting quantitative restrictions on the import of certain foods or other finished products and the incorporation of legal regimes.

2. Removal of Mobile Source Certificate Requirement

By means of **Resolution No. 010-2025**⁴ of April 14, 2025, issued by the Ministry of Economy and Finance (MPPEF), Supplementary Note No. 3 of Chapter 87 entitled "*Motor vehicles, tractors, velocipedes and other land vehicles; their parts and accessories*" of the Venezuelan Customs Tariff, which established the requirement in the importation of motor vehicles and chassis with engines of the "**Conformity of the Certificate of Emissions from Mobile Sources**" or the "**Certificate of Emissions from Mobile Sources**" in the case of motor vehicles without an engine, and whose special regulation is contained in Decree No. 2,673⁵ of 19 August 1998, which establishes the "*Standards on Emissions from Mobile Sources*" and Resolution No. 334⁶ of 30 November 1998, issued by the Ministry of the Environment and Renewable Natural Resources (now the Ministry of People's Power for Ecosocialism), which dictates the "*Standards for the Certification of Emissions from Mobile Sources*".

At present, the importation of motor vehicles and chassis with engines contained in headings 87.01, 87.02, 87.03, 87.04, 87.05 and 87.06 of the Customs Tariff must not be covered by some of these certificates, therefore, it is not a requirement at the time of making the customs declaration (DUA) corresponding to nationalization.

3. Tax benefit applicable to various types of vessels through the tariff quota

By means of **Resolution No. 012-2025**⁷ of April 23, 2025, issued by the MPPEF, a tariff subheading that includes various cargo and passenger ships was incorporated into the tariff quota regime.

It is important to note that this regime is found in the Customs Tariff, specifically in Subchapter II entitled "*Goods subject to the tariff quota regime*" of Chapter 98 referring to "*Goods subject to special tariff treatments*". Therefore, when including ships, the following nomenclature and specific description was assigned: "9836.00.00.41 - - *Liners, (cruise) excursion ships, ferries, freighters, barges (barges) and similar ships for the transport of people or goods*".

The inclusion of these vessels implies that their importation may enjoy tax benefits, such as the reduction of the Ad Valorem Rate and VAT, in accordance with the scales established in the regulations which, in the most favorable cases, both could be reduced to zero percent (0%). In order to access and enjoy the benefit, it will be essential to have the respective certificate of exemption

⁴ Published in the Official Gazette No. 43.108 of April 14, 2025

⁵ Published in the Official Gazette No. 36.532 of 4 September 1998

⁶ Published in the Official Gazette No. 36.594 of December 2, 1998

⁷ Published in the Official Gazette No. 6,902 extraordinary of April 23, 2025.

under this regime, issued by COMEX, which will establish the specific percentage of the benefit and the conditions for its enjoyment.

4. Tax benefits on the import of products by suppliers in the hydrocarbons sector

By Decree No. 5,122⁸ dated April 21, 2025, **Subchapter V** called "*Goods for the Development of the Hydrocarbons Industry*" was incorporated into Chapter 98 of the Customs Tariff. Among the particularities are:

- a. In order to promote industrial development in this sector, Subchapter V establishes the tariff classification and authorizes the importation of products with tariff and tax benefits, subject to obtaining an exemption certificate issued by COMEX.
- b. The COMEX may set the Ad Valorem Rate applicable to the product at 0% and exempt VAT in the respective exemption certificate, which is also an essential requirement to enjoy the benefit.
- c. The beneficiaries are the companies that are duly accredited as suppliers of the hydrocarbons sector, and that comply with the legal regimes applicable to the goods to be imported.
- d. The products included – broadly speaking – are:
 - Minerals, cements and various chemical products.
 - Fuels and mineral oils.
 - Plastics, lubricants and metal tools.
 - Industrial machinery, pumps, motors, generators and transformers.
 - Lifting and load handling equipment.
 - Faucet items, valves and components for industrial systems.

This tax benefit, in addition to reducing the tax burden on imports, encourages new investments and is even a boost for the development of strategic alliances, which could stimulate a key economic sector for the country's development.

II. STANDARDS FOR THE OPERATION OF THE NATIONAL AUTOMOTIVE INDUSTRY (Joint Resolution 013/001⁹ of May 8, 2025)

The tariff regulations¹⁰ establish as a condition for issuing the qualifications of Imported Assembly Material for Vehicles (MEIV) that the vehicles contain at least 50% of national value added (NPV), validated with joint authorization from the MPPEF. This condition may be modified through a Joint Resolution of the MPPEF and the Ministry of People's Power of Industry and National Production (MPPIP). These qualifications are necessary to enjoy tax benefits on the importation of products under this modality.

⁸ Published in the Official Gazette No. 43.111 of 21 April 2025.

⁹ Published in the Official Gazette No. 43.125 dated May 12, 2025

¹⁰ Specifically, Article 16 of Decree No. 5.103, containing the first partial reform of the Customs Tariff, published in the Official Gazette No. 6,890 ext. dated March 6, 2025

In this regard, in the development of the tariff regulations, **Joint Resolution No. 013/001** was issued, which establishes the "*Standards for the Operation of the National Automotive Industry*" and whose Article 8 defines a scheme that must be complied with annually by the assembly companies in each of the categories of vehicles they assemble, with minimum goals of national *incorporation* *Minimum Percentage of National Incorporation*" that starts at 30% in 2025 and will increase until it reaches 50% from 2028 onwards. To this end, the aforementioned regulation presents a progressive increase scheme so that companies have a margin of adaptation until they achieve the required level.

III. GENERAL LEGAL AND PRACTICAL CONSIDERATIONS

1. According to the Organic Customs Law (LOA), the definitive importation of goods generates the payment of the tax authorized by the Law. The customs obligation of a pecuniary nature contemplates the payment of the Ad Valorem Tariff (Ad Valorem Tax or Import Tax), the percentage of which varies depending on the product and its tariff code and is applied to the customs value of the imported merchandise. Likewise, the tax is due to the determination of the customs regime and the VAT on the definitive importation of goods.
2. The tax benefits mentioned above are exceptional measures to the customs obligation, designed to encourage imports in specific sectors, when national production is compromised by various factors, so they are considered additional tools for "*supply and market balance*".
3. The legal framework applicable to the importation of goods is the one in force on the date of registration of the DUA. If a good qualifies for tax benefits, the importer must have the corresponding certificate and, in practice, apply it on the date of registration of the DUA, because the self-assessment and payment of amounts that could enjoy tax benefits is considered a tacit waiver of them.
4. Goods imported with some tax benefit must be used exclusively by the owner or real recipient and for the specific purposes for which they were granted, otherwise penalties could be generated.
5. It is important that the description of the products and their tariff classification are accurate, as they are the starting point for identifying potential tax benefits and understanding the legal framework for importation.

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