

SUSPENSION OF VAT EXEMPTION ON IMPORTS OF VARIOUS PRODUCTS

On June 30, 2025, it was published in the Official Gazette No. 6.918 extraordinary Decree No. 5.145, which suspends the application of the exemption established in numeral 1 of article 17 of the Law that regulates the Value Added Tax (VAT), while implementing the VAT exemption on the importation of certain products, after obtaining a certificate issued by the Foreign Trade Committee (COMEX).

I. Suspension of VAT exemption: Purpose.

First, the application of the exemption provided for in numeral 1 of article 17 of the Law that regulates VAT is suspended, which establishes the following:

"Article 17. The following shall be exempt from the tax established in this Law:

1. Imports of the goods and services referred to in Article 18 of this Law (...)"

Article 18 of the VAT Law includes various food products, fertilizers, medicines and active ingredients, vegetable oils, corn both to make food for human consumption and for animals, to mention a few.

II. VAT exemption on the import of certain products:

Secondly, VAT is exempted on the definitive imports of the goods listed in Appendix I of the aforementioned Decree, after obtaining an exemption certificate issued by COMEX, which must be processed in the web system: <https://comex.gob.ve/>.

II.1. General aspects of the new exemption:

- a. **Reference on various assets included in Appendix I:** To mention a few examples, the following are listed: Pharmaceutical products, including various medicines of the heading (3004); organic and inorganic chemicals; some live animals of the bovine species; some species of birds; various types of coffee beans for planting; various presentations of wheat; rice in various presentations; various types of palm, coconut, almond oil; and in general food products; fertilizers, fertilizers; and various products of the tariff heading relating to insecticides, rodenticides and other rodents, fungicides, herbicides.
- b. **Enjoyment of the benefit:** When making the customs declaration (DUA), the beneficiaries must submit to the Customs Authority: *i*) a descriptive list of the goods, *ii*) a commercial invoice in the name of the beneficiary of the acquisition of the goods, and *iii*) the exemption certificate issued

by COMEX. In addition, the legal regime that is applicable to the type of product, as established by the Customs Tariff, must be indicated, that is, permits, registrations, certificates, licenses, as applicable.

- c. **Exemption certificate:** The benefit is conditional on the prior obtaining of an exemption certificate issued by COMEX. In this sense, the COMEX will be the guarantor that the exemptions do not cause damage to national production due to an increase in imports of these items.
- d. **When does the benefit apply?:** According to the Organic Customs Law (LOA), it must be applied to the date of registration of the import SAD.
- e. **Loss of benefit:** Beneficiaries who do not meet the conditions provided for in the Decree will lose the benefit. For this purpose, imports will be considered taxed, without prejudice to the penalties that are applicable in accordance with the Organic Tax Code (COT) and the LOA.

Likewise, those who fail to comply with the periodic evaluation in accordance with the parameters of SENIAT; and, in general, those who fail to comply with the obligations established in the COT and the LOA, specifically Article 177 relating to "*Infractions committed on the occasion of the declaration of goods to customs*", will lose the benefit.

- f. **Inclusion and exclusion of tariff codes:** The Ministry of People's Power of Economy and Finance (MPPEF) may, by Resolution, include or exclude products from Appendix I, as well as create new Appendices to the Decree.
- g. **Validity of the exemption:** It will be valid for 1 year from the date of entry into force of the regulations.

- III. **Additional considerations:** It is important to note that Appendix I refers to 1445 tariff codes, so the products mentioned in point II.1.a above are a reference.

It is important that the importer carries out an analysis of his product and has the tariff code, the commercial description and technical specifications when evaluating the possibility of enjoying any tax benefit applicable to the import.

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