
Venezuela issues rules on payment of taxes in foreign or cryptocurrencies

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In brief

Under Presidential Decree No. 3,719, published in the Venezuelan Official Gazette on December 28, 2018, taxpayers authorized to carry out operations in foreign or cryptocurrencies in Venezuela must calculate and pay their tax obligations in those currencies. Regulations for reporting and paying taxes in such manner are expected to be published soon.

In detail

Decree No. 3,719 (the Decree) establishes that taxpayers authorized to carry out transactions in foreign currency or cryptocurrency in Venezuela must calculate and pay their taxes and tax penalties in the same currency. Authorization occurs either by Presidential Decree or through exchange agreements concluded between the National Executive and the Venezuelan Central Bank.

The Decree does not apply to the purchase of securities traded on the stock exchange or the export of goods and services carried out by public entities.

Refunds of taxes that have been paid in foreign currencies or cryptocurrencies are payable in local currency at the exchange rate in effect on the day the tax was paid.

The Decree entered into force on December 28, 2018. Regulations on reporting and paying taxes in foreign or

cryptocurrencies are expected to be published soon.

The takeaway

Multinational enterprises with current or planned operations in Venezuela should evaluate how Decree No. 3,719 impacts their operations. In any case, the impact of current tax rules on the Decree should be analyzed in detail, particularly in connection with rules dealing with the calculation of the taxable base.

Let's talk

For a deeper discussion of how this may affect your business, please contact:

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This Latin American Tax Insight has been prepared by PwC professionals that are integrated in Europe's Latin American Center of Excellence (LACoE) and the US's Latin American Tax Group (LATAX) practice. Their objective is to assist clients with business activities in the Latin American region.

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