



VENEZUELA

Venezuela - Civil Law

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Click request a call for a free, no obligation consultation.
In a hurry? Click incorporate now, and startup your company immediately.

Incorporating a company in Venezuela

Venezuela taxes

Want to setup a company? This will tell you about tax laws in Venezuela for a LLC which is the most common legal entity in Venezuela.

Venezuela taxes corporate income, whether it is earned within the country or abroad. The established approximate tax rate for offshore income, from our research, and this is not personal tax advice, is 34%. The country may not have exemptions to bring income made internationally. Taxes are very high in Venezuela because Corporate Income Tax on a LLC entity is 34%. This ranks Venezuela as 162th overall in terms of CIT globally. LLCs may be also subject to surtaxes and income local taxes.

The value added tax (VAT) rate in Venezuela is 12.00%, that ranks Venezuela as 61st overall in terms of VAT taxation rate internationally. In terms of other taxation, an employer will contribute 27% to the equivalent of a social security fund and an employee will contribute 6%. The overall complexity of the tax system is high. This is measured by average time to comply with a country's labor tax requirements is as it is 288hours. Contributing to this is the number of yearly labor tax payments, which is 2 in VE.

Thin cap restrictions are officially enacted. Thin capitalisation refers to any type of requirements on a business and the debt-to-asset ratios. A dividend withholding tax is levied at a flat rate of 34% to dividends paid to residents. Dividends received from foreign entities are taxable income and subject to 34% tax. A dividend is a distribution of a portion of a company profit, decided by the board of directors, to a class of its shareholders. Dividends can be one of the following cash payments, shares of stock, or other property. Capital Gains are considered business ordinary income and subject to CIT. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

The interest withholding effective tax rate is estimated at 32.3%. Which means that the tax authorities expects LLC's to pay tax on at least 32.3% of interests remitted abroad, unless interests are paid to a foreign financial institution, which may be exempt. The dividends withholding tax rate is 34%. This should be interpreted that the taxman expects LLC's to withhold 34% of dividends paid abroad. The royalties withholding effective tax rate is 30.6%. This means that the tax authorities expects companies to withhold 30.6% of royalty payments to non-residents. Withholding tax rates may be reduced under a tax treaty.

There is a capital duty. There is no known tax on wealth in Venezuela. There are inheritance, real property and transfer taxes in Venezuela. There are popular and well known R&D initiatives that provide tax incentives here.

The above is not tax or legal advice for your individual facts and circumstances. Incorporations.io can refer you to a lawyer in Venezuela who will advise you. Ready to get started? Click the free consultation button above.

The vat rate in Venezuela is 12% which ranks 61 in the world.

- Patent box
- RND credit
- Wealth tax
- Estate tax
- Transfer taxes
- Asset taxes
- Capital duties

- 27 Tax treaties
- 34% Offshore Tax
- 34% Corp rate
- Loss carryback years
- 120 Corporate time
- 12% VAT rate
- 34% Capital gains
- No AEOI planned

Venezuela Legalese

When examining a jurisdiction in which to incorporate, the first thing to look at is the legal code. The underlying law in Venezuela is civil law. You will want to get some local advice as to how to best structure a company in Venezuela. From our research, electronic signatures are not permitted. Get with the program Venezuela, this internet thing is here to stay.

The letters VE is for Venezuela and the most common company type type in Venezuela is a LLC.

The amount you'll have to wait is about 25 weeks to put together the paperwork and file a LLC in VE. The minimal capitalization, or amount you're expected to put into a bank, is 0, This means you don't have any minimum share capital. The types of consideration you can use to capitalize your legal entity is often legal currency.

. One is typically not permitted to change the jurisdiction.

There must be at least 1 shareholder. This makes it possible for you to own a LLC in VE by yourself. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is tolerated, up to 100% of the ownership of the LLC.

A company is only required to have one director. Speaking of shareholders, corporate directors are permitted. Directors are disclosed publicly. There is a requirement to have annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for an office which can receive any lawsuit papers on behalf of the registered legal entity. A related requirement, a corporate secretary is

There is a legal obligation to file accounts on a yearly basis. On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Venezuela is a ok option and have given it a score of 41 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✗ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✗ **Local Director not required**
- ✗ **Electronic signature**

- 1 Shareholders required**
- 1 Directors required**
- 25 weeks to form**



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Country Info



🚩 National Flag of

**República Bolivariana
de Venezuela (spa)**

\$ Currency

VEF

☎ Area Code

+58

🏛 Capital

Caracas

📍 Region

South America

🗣 Native Languages

Spanish