

Ruling No. 015-029 /FONACIT

Official Gazette of the Bolivarian Republic of Venezuela No. 42.128
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THE PEOPLE'S POWER MINISTRY FOR SCIENCE AND TECHNOLOGY
NATIONAL FUND FOR SCIENCE, TECHNOLOGY AND INNOVATION
FONACIT (by its Spanish initials)

Administrative Ruling No. 015-029 by means of which the Regulations that establish the corresponding procedure for the Declaration, Self-settlement and Payment of the levy for Science, Technology and Innovation and the Obtaining of the Electronic Certificate of Solvency of the Levy is enacted.

REGULATIONS BY WHICH THE PROCEDURE CORRESPONDING TO THE DECLARATION, SELF-SETTLEMENT AND PAYMENT OF THE LEVY FOR SCIENCE, TECHNOLOGY AND INNOVATION AND THE OBTAINING OF THE ELECTRONIC CERTIFICATE OF SOLVENCY OF THE LEVY IS ESTABLISHED.

Objective

Article 1. The aim of this Ruling is to inform the components for the calculation of the levy to science, technology and innovation and the procedure that must be followed to obtain the electronic certificate of solvency of the levy.

Mandatory Registration

Article 2. In order to obtain the electronic certificate of solvency of the levy, requestors have to register in the System for the Declaration and Control of the Levy in Science, Technology and Innovation, hereinafter "**SIDCAI**", fulfilling the following steps:

- a) Enter into the web page: sidcai.fonacit.gob.ve (Administrative Ruling No. 015-047 by means of which Administrative Ruling No. 015-029 is amended due to material misstatement, dated April 15, 2021, published in the Official Gazette of the Bolivarian Republic of Venezuela No. 42.128, on May 17, 2021.)
- b) Click on the "**new users**" window
- c) Enter the data of the Tax Identification Number (TIN) of the company.
- d) Enter the email address for the purposes of the "**SIDCAI**" to send a password.
- e) On the access data screen, the confirmation code, company data, legal representative of the company and the data of a user associated with the company's domain must be entered.
- f) Non-taxable companies that require the electronic certificate of solvency of the levy must be registered.

Self-settlement, declaration and payment

Article 3. Once the Registration in the "**SIDCAI**" has been completed, in order to obtain the electronic certificate of solvency of the levy, taxpayers must proceed to self-liquidate, declare and pay the levy to science, technology and innovation during the second quarter after the closing of the corresponding fiscal year, as long as they have obtained annual Gross Income greater than One Hundred Thousand Tax Units (100,000 TU) in said fiscal year.

FIRST PARAGRAPH: The National Fund for Science, Technology and Innovation, hereinafter "**FONACIT**", in order to calculate the amount of the levy, will rely on the data provided by the taxpayer in the "Form DPJ 99026 Legal Entity Definitive Income Tax Return (ISLR), submitted to the National Integrated Service of Customs and Tax Administration (SENIAT) ", proceeding to the sum of boxes **711** called: total net income (territorial source), **780** called: net income (extraterritorial source) and **970** called: own income from the activity (exempt / exonerated income).

SECOND PARAGRAPH: The taxpayer will proceed to calculate the levy under the formula of multiplying the amount obtained by the sum of the boxes indicated in the First Paragraph by the percentage of the aliquot comprised between zero point five percent (0.5%), one percent (1%) and two percent (2%) depending on the economic activity carried out, in accordance with what it is provided by article 26 of the Decree with Rank, Value and Force of Law of Reform of the Organic Law of Science, Technology and Innovation.

THIRD PARAGRAPH: According to what it is provided by Article 26, First Paragraph of the Decree with Rank, Value and Force of Law to Reform the Organic Law of Science, Technology and Innovation, Gross Income will be understood as the revenue, income and wealth that, from a regular, accidental or extraordinary way, the taxpayers accrue for any activity they carry out, provided that they are not obliged to restore them for any reason, without admitting costs or deductions of any kind.

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FOURTH PARAGRAPH: In accordance with the definition of Gross Income provided for in the Decree - Law, income that must be returned in full will not be part of the calculation of the levy, without admitting costs or deductions, therefore, they will be part of the tax base for the purposes of the levy to science, technology, innovation and their applications, income from exchange rate differential, income from interest, income from dividends obtained, income from the placement of securities whatever its denomination, operational income, among others.

FIFTH PARAGRAPH: The exemptions established for Income Tax or for any other type of tax, rate or exaction, will not apply to the payment of levies for science, technology, innovation and their applications.

SIXTH PARAGRAPH: The "FONACIT" and the taxpayer, in case of failure to fulfill the payment of the levy for science, technology, innovation and their applications, must impute the payment of the tax liability, when this occurs, in the following order: (i) fine; (ii) default interest and (iii) levy, in accordance with what it is provided by article 44 of the Constituent Decree through which the Organic Tax Code was enacted.

SEVENTH PARAGRAPH: Once the second quarter after the end of the corresponding fiscal year has ended or the extension has been exhausted, if any, and the taxpayer has not self-settled, declared and paid the levy, there will be a mere right to **apply the fine equivalent to fifty percent (50%) of the amount of the levy due**, in accordance with what it is provided by article 50 of the Decree with Rank, Value and Force of Law of Reform of the Organic Law of Science, Technology and Innovation, and based on the full evidence represented in the "Form DPJ 99026 Legal Entity Definitive Income Tax Return (ISLR), filed before the National Integrated Service of Customs and Tax Administration (SENIAT)" corresponding to the taxpayer.

EIGHTH PARAGRAPH: The opening of the administrative penalization procedure provided by article 57 of the Decree with Rank, Value and Force of Law of Reform of the Organic Law of Science, Technology and Innovation, will proceed exclusively in the cases that the "FONACIT" carries out "in situ "control, supervision, inspection and investigation of the taxpayers and determine the existence of indications that make presume the breach of the levy, as there is no agreement with the "DPJ Form 99026 Legal Entity Definitive Income Tax Return (ISLR), filed before the National Integrated Service of Customs and Tax Administration (SENIAT)" or force majeure or fortuitous event has been argued before the maturity of the fiscal year.

NINTH PARAGRAPH: The extensions and easiness to pay granted to the taxpayers will cause interest on the amounts financed and the failure to pay the levy within the period established at the end of the corresponding fiscal year, will cause default interest until the total extinction of the debt, in compliance to what is established in articles 46 and 66 of the Constituent Decree by means of which the Organic Tax Code was enacted.

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TENTH PARAGRAPH: The payment of the levy, the fine and default interest must be made by bank deposit or electronic transfer in the collection bank accounts established by the "FONACIT".

ELEVENTH PARAGRAPH: In case of glitch in the "SIDCAI" that prevent notification of the payment, it will be reported within three (3) subsequent working days to the e-mail address recaudacion@fonacit.gob.ve ((Administrative Ruling No. 015-047 by means of which Administrative Ruling No. 015-029 is amended due to material misstatement, dated April 15, 2021, published in the Official Gazette of the Bolivarian Republic of Venezuela No. 42.128, on May 17, 2021.))

Request for the electronic certificate of solvency of the levy

Article 4. The documents to request the electronic certificate of levy solvency for the first time, are the following:

- a) Articles of incorporation and the last statutory shareholder meeting.
- b) Tax Identification Number (TIN)
- c) Income Tax Returns (ISLR) for the last three (3) years.
- d) Proof of the Bank deposit or electronic transfer of the levy payment.

The above documents must be uploaded to the "SIDCAI" in portable document format (PDF).

For requesting the electronic certificate of solvency of the levy of the fiscal year following the last certificate issued, the Income Tax Return (ISLR) of the corresponding fiscal year and the bank deposit or electronic transfer of the payment of the levy will suffice.

The companies that do not apply as a taxpayer of this levy may request the electronic certificate of solvency of the levy after complying with the documents required in paragraph "a", "b" and "c".

Information Updating

Article 5. The information filed by the taxpayer at the time of registration must be updated in the "SIDCAI" once a year, or each time it is modified.

In case of failure to fulfill with this rule, the request for the electronic certificate of solvency of the levy will not be processed.

Further Information

Article 6. The "FONACIT" may require in portable document format (PDF) any other information or additional documents that is necessary to verify the information that supports the request for the electronic certificate of solvency of the payment of the levy.

Statement under oath

Article 7. The information provided by the taxpayer will have the nature of a statement under oath, and any discrepancy will lead to the inadmissibility of the request for the electronic certificate of solvency of the levy, which might be issued once it has been corrected.

Taxpayer Status

Article 8. The Tax Collection Management of "FONACIT", within three (3) working days following the date of receipt of the request for the electronic certificate of solvency of the levy, will proceed to issue a report that reflects the status of the taxpayer.



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Notification of omissions

Article 9. The Tax Collection Management of the "FONACIT" will inform via email to the requestor of the electronic certificate of solvency of the levy, about any omission or lack observed within five (5) working days following the date of receipt of the request.

The requestor must correct the omissions or faults that have been noticed, within five (5) days following their notification, in order to give continuity to the request for the electronic certificate of solvency of the levy.

Issuance of the electronic certificate of solvency of the levy

Article 10. The electronic certificate of solvency of the levy will be issued once the Tax Collection Management of "FONACIT" verifies compliance with the procedures and requirements set forth in this Ruling, within eight (8) working days following the date of receipt of the request for said Certificate.

Electronic Signature

Article 11. Once the electronic certificate of solvency of the levy has been reviewed and validated, it will be issued backed by the electronic signature of the President of "FONACIT".

Electronic Certificate Formalities

Article 12. The electronic certificate of solvency of the levy must contain:

1. Institutional belt and logo of "FONACIT".
2. The identification of the requestor
3. The validity of the certificate
4. Date of issuance
5. Expiration Date
6. Fiscal year that it is being certified.
7. Electronic Signatures
8. Identification of the issuing authority.

Validity

Article 13. The electronic certificates of solvency of the levy issued in accordance with this Ruling will have a validity of one (01) year in accordance with the fiscal year to which it corresponds to comply with the obligation of the levy.

Inter-institutional Cooperation

Article 14. The "FONACIT" may share with other entities and bodies of the National Public Administration all the information related to the electronic certificates of solvency of the levy issued.

Legal System

Article 15. Situations that have not been provided for in this Ruling, as well as doubts arising from its application, will be resolved in accordance with the current legal system.

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Repeal

Article 16. This Ruling will come into force as of its publication in the Official Gazette of the Bolivarian Republic of Venezuela and repeals Administrative Ruling No. 015-002 dated June 18, 2015, published in the Official Gazette of the Bolivarian Republic of Venezuela No. 40,804 dated December 7, 2015, as well as repealing the content of Administrative Ruling No. 015-003 dated June 18, 2015, published in the Official Gazette of the Bolivarian Republic of Venezuela No. 40,804 dated December 7, 2015, which collides with this Administrative Ruling No. 015-029

Breach to comply with tax liabilities within the due dates provided by the Calendar of Special Taxpayers and other tax provisions will be penalized in accordance with the Organic Tax Code. Consult with our experts about the periodic review service of compliance with formal tax duties and avoid the risks of tax contingencies due to financial penalties and measures to close premises, in the event of a possible inspection procedure by the Tax Administration.



IMPORTANT NOTICE

We remind you that according to article 9 of the Administrative Ruling SNAT / 2013/0048 that regulates the Single Registry of Tax Information (RIF), the Digital Supporting Document of the Tax Identification Number (TIN) is valid for three (3) years counted from the date of issuance and, it has to be renewed within a period of no more than thirty (30) working days after its expiration date.

Failure to update the RIF within the established deadlines constitutes a breach of the formal duty established in paragraph 4 of article 100 of the COT (Organic Tax Code), which shall be penalized with a fine of one hundred (100) times the official exchange rate of the currency with the highest value published by the Central Bank of Venezuela (BCV) and, five (5) continuous days of closure of the commercial premises. When formal wrongdoings are committed by taxpayers classified as special by the Tax Administration, the applicable pecuniary penalties shall be increased by two hundred percent (200%), according to article 108 of the COT.

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