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THE CENTRAL BANK OF VENEZUELA REPORTED ON THE INTEREST RATES APPLICABLE TO OBLIGATIONS ARISING FROM EMPLOYMENT RELATIONSHIPS FOR MAY 2026 AND INTEREST RATES FOR CREDIT CARD TRANSACTIONS FOR JUNE 2026.

The Central Bank of Venezuela, through an Official Notice published in Official Gazette No. 43,399, dated June 17, 2026, informed that the interest rate applicable to obligations arising from employment relationships for May 2026 was 59.04%, under the scenarios provided in Articles 128, 130, 142 literal f), and the fourth paragraph of the Decree with Rank, Value, and Force of Organic Law on Labor, Workers, and Employees, regarding the calculation of default interest on the payment of salaries, social benefits, and indemnities.

Additionally, the average rate between active and passive rates stipulated during May 2026 was set at 47.52%, applicable to the scenarios under the third paragraph of Article 143 of the aforementioned Decree regarding the guarantee of social interest.

Furthermore, the maximum annual active interest rate to be applied by institutions governed by the Decree with Rank, Value, and Force of Law of Banking Sector Institutions for credit card transactions for June 2026 was established at 60.00%; the minimum annual active interest rate to be applied by the institutions governed by said decree for credit card transactions for June 2026 was set at 17.00%, without prejudice to special minimum active interest rates issued by the Central Bank of Venezuela through Official Notices; and the maximum interest rate that institutions governed by the aforementioned Decree-Law may charge on delinquent obligations of their cardholders for June 2026 was set at 3.00%.

ANALYSIS OF RULING NO. PJ0662026000050 OF THE SUPERIOR TAX COURT OF THE GUAYANA REGION.

On June 17, 2026, the Superior Tax Court of the Guayana Region issued Ruling No. PJ0662026000050 regarding the challenge of an administrative act of specific effects issued by the Regional Management of Internal Taxes of the Guayana Region, attached to the National Integrated Tax and Customs Administration Service (SENIAT). Through said act, the tax authority imposed a monetary fine on a taxpayer equivalent to one thousand times the official exchange rate of the highest value currency published by the Central Bank of Venezuela, basing its sanctioning authority on the alleged commission of a formal tax infraction: the failure to file the tax return required by the Law for the Protection of Social Security Pensions against the Imperialist Blockade. Facing this action, the legal representation of the taxpayer filed a contentious-tax appeal for annulment, alleging the vice of false factual premise, the material non-existence of the taxable event as a generating element of the tax obligation, as well as a lack of reasoning and abuse of power by the Administration.

The dispute was centered on determining whether the fulfillment of the formal duty to file a return was legally enforceable and, consequently, whether the sanction imposed on a legal entity that, despite carrying out economic activities, lacked employees under a dependent employment relationship was valid.

To resolve the merits of the case, the court noted that the origin of a tax relationship requires the materialization of the taxable event, defined in the legal system as the factual premise established by law to characterize the tax. Additionally, the ruling detailed the concurrent conditions that configure this tax, specifying that the special law requires not only the execution of an economic activity, but also the actual payment of salaries and non-salary bonuses to employees.

In the evidentiary assessment stage, the court verified—through the examination of accounting books (specifically inventory and balance sheets) and the definitive Income Tax returns provided by the appellant—that the taxpayer did not record accounting accounts intended for the payment of wages, salaries, or social benefits. Similarly, it was demonstrated that the sole purpose of the taxpayer's economic activity consisted of leasing real estate property, confirming the non-existence of a payroll. Thus, the court concluded that the taxpayer's conduct did not fall under the taxable event provided for in the substantive tax regulation. In the absence of the factual premise established by law, an absolute absence of a tax base arises, which represents the monetary quantification of the taxed event. Consequently, the judge ruled that demanding the filing of a tax return (even if intended for purely informational purposes) is materially and legally improper, since this formal duty lacks legal foundation given that the principal tax obligation never arose.

Likewise, the ruling examines the technical limitations inherent to the Tax Administration's IT platforms. During the evidentiary period, the court ordered and conducted a judicial inspection of the tax authority's fiscal portal, with the participation of a technical expert. The purpose of this evidentiary procedure was to verify the functionality of the electronic application designed for filing the special contribution under review.

The results were conclusive: when attempting to process the return by entering a numeric value of zero (0) in the field corresponding to the number of employees, the system generated an error. This finding demonstrated that the institutional platform is configured exclusively to generate a net tax due, preventing the processing of returns displaying zero (0) or no activity—a fact that validates the argument regarding the taxpayer's factual impossibility to comply with the alleged formal duty.

Based on these findings, the Superior Court grounded the declaration of nullity of the challenged administrative act on the vice of false factual premise. In strict adherence to the settled jurisprudence of the Political-Administrative Division of the Supreme Tribunal of Justice, it was confirmed that this vice, which harms the cause of the act, materializes when an administrative body bases its decision on unreal or false facts, or facts subsumed under regulations irrelevant to the specific case. In this instance, the tax authority initiated the formal duty verification procedure based on automated alerts or artificial intelligence algorithms that detected the missing tax return.

However, the judge emphatically ruled that while implementing technological tools in administrative practice is valid for detecting indications, subsequent human intervention and verification are mandatory to confirm the causes of the omission. By omitting this verification stage and mechanically imposing sanctions, the Tax Administration committed a flawed action, incorrectly assuming a universal obligation to file without prior verification of whether the taxable event actually occurred.

In this regard, the judicial ruling examined the conduct of the officials involved, warning that fiscal control authority should not be reduced to the automatic imposition of monetary fines. On the contrary, it demands that every action taken by the active party ensures full legal certainty, observes the principle of transparency, and guarantees the right to defense and due process for taxpayers. Generating a sanctioning act derived from a verification that neglects to investigate the pre-existence of a legal tax relationship distorts the essence of the procedure and violates the constitutional guarantees of the passive subject.

Consequently, once the non-existence of the principal obligation was proven, the court applied the governing principle that *the accessory follows the fate of the principal*, concluding that examining the taxpayer's remaining arguments was unnecessary. Ultimately, the contentious-tax appeal was declared grounded, rendering the challenged resolution completely null and void and ordering the removal of the tax assessment notices from the collection system.

The complete analysis of the *ratio decidendi* of this ruling reaffirms the primacy of the material verification of the taxable event over automated presumptions generated by IT collection systems, establishing an essential legal control standard when the Tax Administration exercises its sanctioning authority. This decision solidifies evidentiary and interpretive criteria relevant to defending taxpayers' rights against institutional actions lacking factual and legal foundation. Nevertheless, the ruling *in commento* is a lower court decision issued at first instance, subject to review by the Political-Administrative Division of the Supreme Tribunal of Justice. The criteria adopted by the judicial body produce *inter partes* effects, restricted solely and exclusively to the specific case under dispute. As a result, the decision does not constitute binding jurisprudence mandatory for the Tax Administration regarding taxpayers as a whole.

THE PRESIDENCY OF THE REPUBLIC ISSUED A DECREE DECLARING A STATE OF EMERGENCY THROUGHOUT THE NATIONAL TERRITORY DUE TO SEISMIC EVENTS.

In Extraordinary Official Gazette No. 7,039 dated June 24, 2026, Decree No. 5,364 was published, declaring a State of Emergency throughout the national territory due to high-intensity seismic events occurring on that same day.

It was specified that the State of Emergency aims to mobilize technical, human, financial, and material resources to address the damage caused by the seismic events. For these purposes, a General Staff (*Estado Mayor*) is created to draft and execute a specific action plan to return the affected areas to normalcy, defining the ways and modalities in which citizens and private corporate entities will participate in disaster relief, as well as in rehabilitation and reconstruction work.

Additionally, a sole authority is appointed to respond to the damaging effects of the seismic events. The General Staff and the sole authority will direct, coordinate, and control the public agencies and officials participating in the execution of the specific action plan.

Furthermore, it was established that the Ministry of Popular Power for Interior Relations, Justice, and Peace may adopt exceptional measures to ensure basic services and manage the emergency, including the temporary occupation of facilities and requisition of essential goods and services. Meanwhile, health and public safety authorities will implement public health and public order measures aimed at protecting individuals, their property, and the basic functioning of communities during the State of Emergency.

Finally, the aforementioned Decree No. 5,364 coexists with the State of Economic Emergency extended by Decree No. 5,356 dated June 8, 2026, whose constitutionality was declared by the Constitutional Division of the Supreme Tribunal of Justice in Ruling No. 724/2026 on June 10, 2026.

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