

Venezuela's Sovereign Bolivar, Economic Reforms Go Into Effect

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The new Venezuelan currency has five fewer zeros compared to the Bolivar, which will coexist for retail operations or smaller amount.

The monetary measures announced by the Venezuelan government, as part of the Recovery, Growth and Economic Prosperity Program, went into effect Monday, as the circulation of the Sovereign Bolivar began around the country.

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The new Venezuelan currency known as the Sovereign Bolivar, whose symbol is Bs.S., has five fewer zeros compared to the current Bolivar, which will coexist for retail operations or smaller amount.

A week ago, Venezuelan President Nicolas Maduro indicated that Monday, which was declared a public holiday so citizens could adapt to the new monetary reforms. which the government is referring to as "monetary reconversion and integral economic reconversion".

In President Maduro's opinion, the date is a "turning point" for Venezuela, due to the [economic circumstances](#). "We are going to dismantle the perverse [war](#) of neoliberal capitalism to install a virtuous, balanced, sustainable, healthy and productive economic system," Maduro said Sunday on Twitter.

The new bills (2, 5, 10, 20, 50, 100, 200 and 500) are already in the hands of public and private banks. The Sovereign Bolivar will be anchored to the cryptocurrency Petro, which is backed by the oil reserves of the Caribbean country.

These measures are supplemented by a new redesign of fiscal and tax policy, a new policy of subsidizing gasoline, an increase of four percentage points to the Value Added Tax (IVA), and the establishment of a single exchange rate, which will fluctuate according to the Dicom auctions under Venezuelan Central Bank (BCV) regulation.
