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RSM Perú

Doing Business 2025

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1 Taxes

Peruvian Tax Regime

1.1 Main taxes

Income Tax (IT)	General Sales Tax (IGV, by its acronym in Spanish for "Impuesto General a las Ventas")	Selective Consumption Tax (ISC, by its acronym in Spanish for "Impuesto Selectivo al Consumo")
Temporary Tax on Net Assets (ITAN, by its acronym in Spanish for 'Impuesto Temporal a los Activos Netos')	Financial Transactions Tax (ITF, by its acronym in Spanish for 'Impuesto a las Transacciones Financieras')	Customs Duties
Municipal Taxes (Property Tax, Real Estate Property Tax, among others)	Fees and Contributions	Contributions to Regulatory Entities

1.2 Income Tax

Application of the IT

It taxes the profits generated by taxpayers during the fiscal year, which is computed from January 1st to December 31st.

SUBJECTS OF IT

A) Non-residents in Peru

- For business income, a rate of 30% applies to their income from Peruvian sources. Income from Peruvian sources includes, among others.

- Income from real estate located in the country;
- As long as they are economically used in Peru: credits, capital investments, technical assistance, digital services, and royalties;

- ii. *Assets located or economically used in the Peruvian territory; and/or*
- iii. *Civil, commercial, business, or any other type of activity carried out in the national territory.*

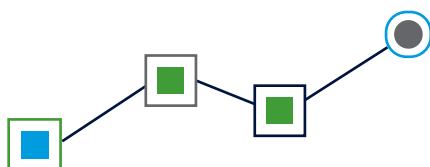
- If a Peruvian resident is involved, Peruvian resident will apply the tax withholding.
- The tax rate on dividends is 5% of the distributed amount. The mere agreement of the shareholders to pay the IT is sufficient. The entity distributing the dividend will make the withholding.

B) Residents in Peru

- For business income, a rate of 29.5% applies to their worldwide income (i.e., both income from Peruvian sources and any income generated outside of Peru). Before applying the rate, additions for non-deductible expenses and deductions for deductible expenses are applied.
- In the case of a branch of a non-resident entity in Peru, it is only taxed on its income from Peruvian sources.
- In the case of a branch of a non-resident entity in Peru, it is only taxed on its income from Peruvian sources.
- They must apply withholdings when conducting transactions with non-residents in Peru.
- The tax rate on dividends is 5% of the distributed amount. Distribution to another legal entity resident in Peru is not taxed. The mere agreement of the shareholders is sufficient for the obligation to pay the income tax. The entity distributing the dividend will make the withholding. In the case of a branch of a non-resident entity in Peru, it is considered that dividends are distributed annually on an obligatory basis, as long as there are profits.
- They make advance payments of IT on a monthly basis, based on the gross income of the month.
- Losses incurred in a fiscal year can be carried forward to subsequent years.

Value of transactions for tax purposes

- The value of sales transactions, property transfers, and provision of services.
- The prices agreed upon between related parties or with entities located in tax havens.
- They must be at Market value, regardless of what was agreed upon by the parties.



Sale of Shares

- **Direct:** The income generated is taxable. It is the direct sale of shares by the shareholders.
- **Indirect:** The income generated is taxable. It is the sale of shares of a non-resident company in Peru that directly or indirectly holds shares of a legal entity resident in Peru.

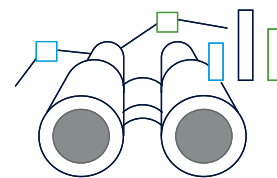
Peru has signed Double Taxation Avoidance Agreements with the following countries:

Bolivia, Colombia, and Ecuador through Decision No. 578 of the Andean Community of Nations.			
South Korea	Brazil	Canada	Mexico
Chile	Portugal	Switzerland	Japan

1.3 General Sales Tax (IGV)

The IGV taxes

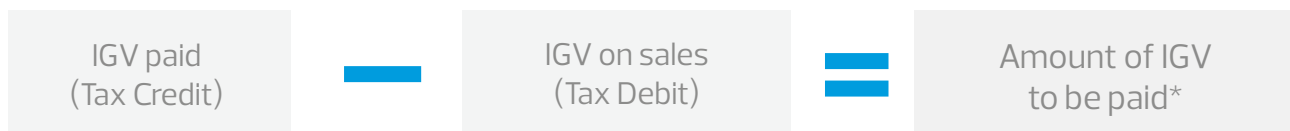
- Sales of movable goods.
- Provision or use of services in Peru.
- Execution of construction contracts in Peru.
- First sale of real estate by the builder.
- Importation of goods.
- Digital services provided by non-residents to natural persons domiciled in Peru.
- Intangible goods imported via the internet by natural persons domiciled in Peru.



IGV rate: 18%

The IGV paid on the export of goods and certain services qualifying as exports can be recovered, provided that specific requirements are met.

The IGV paid can be credited against the IGV levied on sales



* If the IGV paid is greater than the IGV on sales, a tax credit is generated that can be carried forward to the following periods.

Tax Obligation Payment System with the Central Government (SPOT, by its acronym in Spanish for 'Sistema de Pago de Obligaciones Tributarias')

- It subjects certain operations affected by the IGV to an advance IGV payment known as "Detraction."
- In most cases, the detraction is 12% applied to the invoice value.

- The deduction is deposited by the buyer of the goods or user of the service—whichever applies—into the seller’s bank account opened at the Bank of the Nation for these purposes.
- The deductions deposited into the bank account are used solely for the payment of tax debts to the central government.

Withholding Agents

Through the IGV withholding regime, the SUNAT designates certain taxpayers as withholding agents. These agents are required to withhold 3% on the purchase of goods or the hiring of services, provided that the total invoiced amount exceeds 700 soles.

Perception Agents

Through the IGV perception regime, the SUNAT designates certain taxpayers as perception agents in sales transactions of goods subject to IGV and in imports. In this case, the perception agent applies an additional percentage to the sale price. This regime applies to goods such as liquid petroleum derivatives and definitively imported goods, among others. The established perception percentages are 0.5%, 1%, and 2%, depending on the nature of the transaction.

Digital services provided by non-domiciled to natural persons domiciled in Peru

Digital services are those offered to users via the Internet or any network that uses protocols, platforms, or technologies related to the Internet. These services are provided through online access and are characterized by being essentially automated, meaning they depend on information technology for their execution. Without this technological infrastructure, these services would not be viable.

Examples: Digital content via streaming technology or any other type of technology. Information storage.



1. Registration in the RUC for non-domiciled (review change resident and non-resident).
2. Taxes digital services provided by non-domiciled to natural persons not engaged in business activities.
3. Withholdings and perceptions.

Intangible goods imported via the Internet by natural persons domiciled in Peru

This refers to intangible goods acquired for definitive download by the purchaser through the Internet (or a similar network), such as downloading a program or antivirus software.



1. Registration in the RUC for non-domiciled (review change resident and non-resident).
2. Taxes intangible goods imported via the Internet by natural persons not engaged in business activities.
3. Withholdings and perceptions.

The form for collecting IGV on the use of digital services by companies, companies must pay 18% as NON-DOMICILED IGV, which is submitted through form 1662.

Regarding income tax, the taxpayer must withhold 30% from the non-domiciled service provider, which must be declared and paid monthly through PDT 617.

1.4 Selective Consumption Tax (ISC)

The ISC taxes

- Sales in Peru at the producer level of certain goods.
- Importation of certain goods.
- Games of chance and betting (lotteries, bingo, raffles, drawings, and horse racing events, except for casino games and slot machines).
- Sales by importers of certain goods (gasoline, liquors, new and used vehicles, soft drinks, and cigarettes).



Calculation Systems of ISC by Type of Good: Value System, Specific System and Retail Price Based Value System.

1.5 Temporary Tax on Net Assets (ITAN)

- Equity Tax.
- Taxes the book value of Net Assets as of December 31 of the previous fiscal year before payment.
- Payable in a single payment or in 9 equal monthly instalments (from March to November).
- Can be used as a credit against IT.

RATE	NET ASSET VALUE
0%	Up to PEN 1,000,000
4%	For the excess over PEN 1,000,000

1.6 Financial Transactions Tax (ITF)

- Taxes certain banking operations carried out in Peru, whether conducted in national or foreign currency.
- The rate is 0.005% on the amount of the transaction.



1.7 Main Municipal Taxes

Property Tax

- It is an annual tax, to be paid by the owners of taxed properties as of January 1st of each year.
- Taxes the value of urban and rural properties.

RATE	SECTION
0.2%	Up to the first 15 UIT(*)
0.6%	Next 15 UIT up to 60 UIT
1.0%	In excess of 60 UIT

(*) The UIT (Tax Unit by its acronym in Spanish for 'Unidad Impositiva Tributaria') is a value that is updated each year. The UIT of the fiscal year in which the infraction occurred should be considered.

Vehicle Property Tax

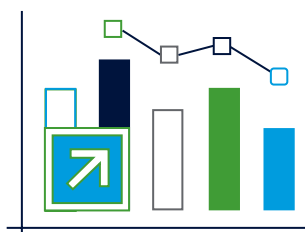
- It has an annual periodicity and must be paid by the owners of taxed vehicles on January 1st of each year.
- It taxes vehicle ownership during the first 3 years from their registration in the Public Registry.
- The rate is 1% of the original acquisition, import or entry into the patrimony, with a minimum threshold established by the Ministry of Economy and Finance.

Real Estate Property Tax

- The acquirer of the property is liable to pay the tax.
- It taxes transfers of urban or rural real estate property whether for consideration or gratuitously, regardless of its form or modality.

RATE	SECTION
Non-taxable	First 10 UIT(*)
3%	For the excess of the first 10 UIT

(*) The UIT is a value that is updated each year. The UIT of the fiscal year in which the infraction occurred should be considered.



1.8 Tax Regimes

Concepts	New Simplified Single Regime (NRUS)	Special Income Tax Regime (RER)	Micro and Small Business Tax Regime (RMT)	General Income Regime
Natural or Legal Person	Only for Natural Person.	Natural and Legal Persons.	Natural and Legal Persons.	Natural and Legal Persons
Taxpayers to whom it applies	Natural persons and undivided estates that have a business whose clients are end consumers. Non-professional natural persons, domiciled in the country, who receive fourth category income solely from trade activities.	Natural and legal persons, undivided estates and conjugal partnerships domiciled in the country that obtain third category income, meaning income from business or entrepreneurial activities.	Natural and legal persons, undivided estates, conjugal partnerships, associations of professionals, and similar entities earning third-category income, domiciled in the country.	Natural and legal persons engaged in business activities. Generally, these incomes are generated by the joint participation of capital investment and labor.
Benefits	No accounting records required. A single monthly payment is made. Not required to file monthly or annual tax returns.	Two accounting records are required. Monthly tax returns must be filed. Not required to file annual tax returns.	Reduced rates. Option to suspend advance payments. Ability to issue any type of receipts.	Develop any activity with no income limit, issuance of all types of payment vouchers. In case of losses, they can be deducted from profits in subsequent years.
Income threshold	Up to S/96,000 annually or S/8,000 monthly.	Up to S/525,000 annually.	Net income not exceeding 1,700 UIT in the year.	No limit.
Purchase threshold	Up to S/96,000 annually or S/8,000 monthly.	Up to S/525,000 annually.	No limit.	No limit.
Payment vouchers they can issue	Sales receipts, Shipping guides, and tickets.	Invoices, sales receipts, and all other permitted documents.		
Monthly/Annual Tax Return	The monthly payment submission is considered as the Monthly Tax Return.	Monthly tax return only.	Monthly and Annual Declaration.	
Employees	No limit.	Maximum 10 per shift.	No limit.	No limit.
Accounting books or records required to maintain	None.	Only Purchase and Sales Records required.	According to your income.	According to your income.
Maximum value of fixed assets.	S/70,000 (real estate properties are not computed).	S/126,000 (real estate properties and vehicles are not computed).	No limit.	No limit.
Monthly tax payments	Minimum payment S/.20 and maximum S/.50, according to the income and/or purchases table by category.	Income Tax: Rate of 1.5% of Net Income (NI).	Income below 300 UIT: 1% of net income. Income above 300 UIT: 15% of net income.	Income Tax: Monthly advance payment. The applicable coefficient or 1.5% according to the IRL (Income Tax Law).

- NRUS (New Simplified Single Tax Regime, by its acronym in Spanish for 'Nuevo Régimen Único Simplificado')
- RER (Special Income Tax Regime, by its acronym in Spanish for 'Régimen Especial de Renta')
- RMT (Micro and Small Business Tax Regime, by its acronym in Spanish for Régimen MYPE Tributario')

1.9 Double Taxation Avoidance Agreements (DTAA)

Applicable Withholdings

AGREEMENT	DIVIDENS	INTERESTS	ROYALTIES	TECHNICAL ASSISTANCE	DIGITAL SERVICES
South Korea	10%	10%	10%	10%	-
Brazil	10% / 15%	10%	15%	15%	15%
Andean Community (CAN)	6.8%	4.99%	30%	15%	30%
Canada	10% / 15%	10%	15%	-	-
Mexico	10% / 15%	10%	15%	-	-
Chile	10% / 15%	10%	15%	-	-
Portugal	10% / 15%	10% / 15%	15%	10%	-
Switzerland	10% / 15%	10% / 15%	15%	10%	10%
Japan	10%	10%	15%	-	-

Convention to standardize the tax treatment provided in the Double Taxation Avoidance Agreements signed between the member states of the framework agreement of the Pacific Alliance.

- **Countries of the Pacific Alliance:** Chile, Peru, Colombia, Mexico.
- **Modify the following double taxation avoidance agreements and their protocols in force between the Parties, hereinafter referred to as the "Covered Agreements":**
 - Agreement between the Republic of Chile and the Republic of Peru to Avoid Double Taxation and Prevent Fiscal Evasion in relation to Income and Wealth Tax.
 - Agreement between the Republic of Peru and the United Mexican States to Avoid Double Taxation and Prevent Fiscal Evasion in relation to Income Taxes, signed on April 27, 2011, in Lima, Peru.
- **It is stated that the expression "resident of a Contracting State" provided in the bilateral Double Taxation Avoidance Treaties signed by the Contracting States also includes a recognized pension fund from that State. In the case of Peru: Pension Funds managed by Pension Fund Administrators (AFPs), the Military and Police Pension Fund, and the Military and Police Pension Guarantee Fund.**
- **The withholding tax rate in the source State on income from interest received by a pension fund is limited to 10% of the gross income.**
- **Exclusive taxing rights are granted to the State of residence over capital gains obtained by a recognized pension fund, arising from the sale of shares representing the capital of a company resident in a Contracting State, carried out through a stock exchange that is part of the Latin American Integrated Market.**

2 TRANSFER PRICING

2.1 Transfer pricing rules

Transfer pricing rules shall apply to transactions carried out by taxpayers with their related parties or to those made from, to, or through non-cooperative countries or territories, or those with low or zero taxation and preferential tax regimes.

The transfer pricing regulations in Peru are outlined in Article No. 32A of the Income Tax Law and its corresponding regulations. Additionally, an accepted source of interpretation will be the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, provided they do not conflict with the provisions approved by the aforementioned Law.



2.2 Related Parties

- A person, company, or entity directly or indirectly participates in the management, control, or capital of another.
- The same person or group of people directly or indirectly participates in the management, control, or capital of several persons, companies, or entities.
- When the transaction is carried out using intermediaries whose purpose is to conceal a transaction between related parties.

Among other scenarios provided in Article 24 of the Regulation of the Income Tax Law.

2.3 Local File

Obligation Criterion

Taxpayers are required to submit the Informative Tax Return Local File when, in the fiscal year to which it pertains, their earned income exceeds 2,300 Tax Units (UIT) (PEN 11,845,000) (USD 3,141,910*), and they have carried out operations within the scope of transfer pricing rules, with the value of the operations being equal to or greater than 100 UIT (PEN 515,000) (USD 136,605*).



2.4 Master File

Obligation Criterion

Taxpayers who are members of a group (included in the group's consolidated financial statements, excluded from consolidation only due to size and/or permanent establishment of a separate legal entity with separate financial statements), whose earned income exceeds 20,000 UIT (PEN 103,000, 000 PEN)(USD 27,320,955*), and who have carried out operations within the scope of transfer pricing rules, with the value of the operations being equal to or greater than 400 UIT (PEN 2,060,000)(USD 546,419*).

2.5 Country-by-Country Report (CbCR)

Obligation Criterion

The earned income in the fiscal year preceding the declaration, according to the consolidated financial statements that must be prepared by the parent company of the multinational group, is greater than or equal to PEN 2,700,000,000. (USD 716,180,371*).

**Taking into account the referential Sale Exchange Rate, according to SUNAT (S/ 3.770).*

2.6 Compliance with the Market Value of transactions within the scope of Transfer Pricing

Obligation Criterion

All transactions within the scope of transfer pricing must be conducted at arm's length, as outlined in Article 32, Section 4 of the Income Tax Law. Therefore, these transactions must be supported by appropriate documentation.

2.7 Benefit Test

Obligation Criterion

This obligation relates to the services the company receives from related parties, requiring the company to demonstrate that such services provide economic or commercial value to the business.

2.8 Transfer Pricing Calendar

Informative Tax Return Local File
0 = 16 June 2025
1 = 17 June 2025
2 y 3 = 18 June 2025
4 y 5 = 19 June 2025
6 y 7 = 20 June 2025
8 y 9 = 23 June 2025
Good taxpayers = 24 June 2025

Informative Tax Return Master File and Country-by-Country Report

0 = 16 October 2025

1 = 17 October 2025

2 y 3 = 20 October 2025

4 y 5 = 21 October 2025

6 y 7 = 22 October 2025

8 y 9 = 23 October 2025

Good taxpayers = 24 October 2025

2.9 Fines

Infringement	Sanction
Article 176, Paragraph 2 Failure to submit Informative Tax Return within the established deadlines.	0.6% of net income (1)
Article 176, Paragraph 4 Submitting Informative Tax Return that are incomplete or not in accordance with the actual facts.	0.6% of net income (1)
Article 178, Paragraph 1 If the results of complying with the market value of the transactions within the scope of transfer pricing, the Informative Tax Return Local File, and/or the Benefit Test determine a taxable base different from the one stated in the Income Tax Return.	50% of the omitted tax payable, or 100% of the amount wrongfully obtained if a refund of balances, credits, or similar concepts has been obtained. (2)
Article 177, Paragraph 27 Obstruction of fiscal control.	0.6% of Net Income (1)

(1) When the penalty applied is calculated based on annual net income, it cannot be less than 10% of the UIT or more than 25 UIT.

(2) The tax payable omitted will be the difference between the declared tax payable and the tax that should have been declared. In the case of taxes administered and/or collected by SUNAT, the previous period balances in favor, compensable net losses from previous years, advance payments, other credits, and compensations made will be taken into account for these purposes.





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3 CORPORATE

3.1 Constitution of Companies

Main types of legal entities under the Peruvian General Companies Law

- Public Limited Company (S.A.A., by its acronym in Spanish for 'Sociedad Anónima Abierta').
- Limited Liability Company (S.A., by its acronym in Spanish for 'Sociedad Anónima').
- Closed Limited Company (S.A.C., by its acronym in Spanish for 'Sociedad Anónima Cerrada').
- Limited Liability Commercial Company (S.R.L., by its acronym in Spanish for 'Sociedad Comercial de Responsabilidad Limitada').
- Civil Society (Sociedad Civil).
- Limited Liability Civil Society (Sociedad Civil de Responsabilidad Limitada).

3.2 Main types of companies in Peru

Name	Public Limited Company (S.A.A.)	Limited Liability Company (S.A.)	Closed Limited Company (S.A.C.)	Limited Liability Commercial Company (SRL)
Characteristics	<ul style="list-style-type: none"> - More than 750 shareholders - More than 35% of its capital belongs to 175 or more shareholders - It is required to conduct an external audit annually. - It has a primary offering of shares or convertible bonds in shares. 	<p>From 2 to 750 shareholders (more than 750 shareholders automatically transforms it into an S.A.A.)</p>	<p>From 2 to 20 shareholders.</p>	<p>2 to 20 shareholding partners.</p>

Share Capital	Shares		Shareholdings
Transfer of Shares	They are registered in the Public Securities Market Register and the free transferability of shares cannot be restricted.	The transfer of shares must be recorded in the Share Register Book of the Company, which is private.	By Public Deed before a Notary, which is registered with the Public Registers.
Corporate Governance	Management Board of Directors General Board of Shareholders	Management Board of Directors (Optional) General Board of Shareholders	Management General Board of Shareholders
Duration	Limited or unlimited		

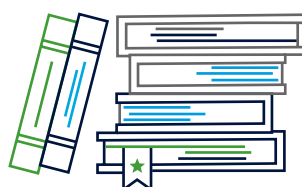
3.3 Irregular Societies

An irregular society is considered to exist when it has not been duly constituted and registered according to the General Companies Law, or when two or more people openly act as a society without having constituted and registered it. The society becomes irregular when:

- 60 days have passed since the founding partners signed the articles of association without having requested the execution of the public deed of incorporation.
- 30 days have passed since the assembly appointed the signatories to execute the public deed without them having requested its execution.
- More than 30 days have passed since the public deed of incorporation was executed without requesting its registration with the Registry.
- 30 days have passed since the denial of registration was finalized by the Registry.
- The society has been transformed without observing the provisions of this law.
- It continues to operate despite having incurred a cause for dissolution provided by the law, the articles of association, or the bylaws.

Although it is not a legally constituted and registered society, it has effects in that the responsibility of the administrators, representatives, and, in general, those who present themselves before third parties acting in the name of the irregular society is personal, joint, and unlimited.

It does not have legal personality, but for tax purposes, they are considered founders.



3.4 Branch

Definition	It is any secondary establishment through which a company carries out certain activities within its corporate purpose, in a location other than its domicile.
Legal Personality	No.
Management Autonomy	It enjoys management autonomy within the scope of the activities assigned by the parent company, according to the powers granted to its representatives.
Corporate Entities	It is endowed with permanent legal representation.
Responsibility	The parent company is responsible for the obligations of the branch.

3.5 Types of Corporate Reorganization

The General Companies Law provides for various types of corporate reorganization based on the needs of each company as time progresses. Thus, the main types are:

Transformation

Allows companies to transform into any other type of company or legal entity contemplated in Peruvian law. The transformation does not entail a change in legal personality.

Merger

Allows two or more companies to merge into a single company. There are two types of mergers:

- a) **Merger by absorption:** The absorbing company assumes the assets and liabilities of the absorbed company.
- b) **Merger by constitution:** Two or more companies merge to form a new incorporating company.

Spin-offs and Asset Splits

Allows a company to split its assets into two or more blocks to transfer them entirely to other companies or to retain one of them. There are two types of spin-offs:

- a) **Proper spin-off:** Total division of a company's assets into two or more blocks, which are transferred to new existing companies, resulting in the dissolution of the spun-off company.
- b) **Improper spin-off:** Segregation of one or more asset blocks from a company that does not dissolve.

Simple reorganization

Allows a company to segregate one or more asset blocks and contribute them to one or more new or existing companies, receiving in exchange and retaining the corresponding shares or equity interests in its assets.





4 LABOR

4.1 Labor Administrative Authorities

- Ministry of Labor and Employment Promotion – (MTPE, by its acronym in Spanish for 'Ministerio de Trabajo y Promoción del Empleo')
- National Superintendence of Labor Inspection – (SUNAFIL, by its acronym in Spanish for 'Superintendencia Nacional de Fiscalización Laboral')

4.2 Labor Contracting

Types

- Indefinite term.
- Subject to modality.
- Part-time.

Probation Period

- Regular or ordinary worker (3 months).
- Trusted worker (6 months).
- Management staff (12 months).

Outsourcing of Services

Refers to the delegation by a principal company to an outsourcing company, for the latter to independently perform an activity within its production chain. Additionally, activities that are part of the main business or core activities of the company cannot be outsourced. The outsourcing company must meet the following requirements:

- Carry out specialized activities or projects under its own responsibility and risk;
- Have its own financial, technical, or material resources;
- Assume responsibility for the results of its activities; and
- Maintain its workers under exclusive subordination.

Indirect Labor Hiring

Labor Intermediation.

Unlike outsourcing of services, labor intermediation involves the simple provision of personnel to specific positions by one company to another.

Direct Labor Hiring

The general rule for hiring personnel for remunerated and subordinate services is that it is on an indefinite term basis and can be made either verbally or in writing.

Exceptionally, fixed-term or modality-based contracts can be made, but they must always be in writing, provided there is an objective reason as required by law.

Maximum Workday

- 8 hours per day.
- 48 hours per week.

Exceptions to the Maximum Workday

- Management staff.
- Trust employees not subject to time control.
- Staff not subject to immediate oversight.
- Workers performing intermittent services.

These employees are not entitled to overtime pay nor are they subject to attendance monitoring at the company.

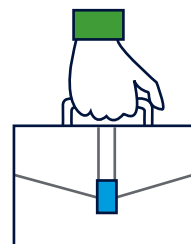
Overtime

- Hours worked outside the regular daily or weekly schedule.
- The overtime pay for the first two hours is 25%.
- After the first two hours, the overtime pay is 35% for each additional hour worked.
- Alternatively, with prior written agreement, compensatory time off may be given for hours worked outside the usual schedule.

Main Rights and Benefits of Workers

1 Compensation for Time of Service (CTS)

- The purpose of CTS is to prevent contingencies arising from the termination of employment and is exempt from any kind of tax.
- It consists of deposits made in May and November of each year, corresponding to a fraction of the worker's computable salary for each complete month worked during the respective semester. For partial months worked, the deposit will be calculated on a pro-rata basis, in terms of twelfths (dozavos) and thirtieths (treintavos).



2 Profit Sharing

- Companies with more than 20 employees are required to distribute a percentage of their annual income before taxes.
- The percentage of income to be distributed is determined based on the company's economic activity, ranging from 5% to 10%.
- The amount received by workers depends on the salaries earned and the days worked during the year.
- There is a maximum limit of 18 monthly salaries for this benefit.

3 Remuneration

- It is the total amount that the worker receives for their services, in money or in kind, regardless of the form or name it may have, as long as it is at their free disposal.
- Workers must receive at least a monthly salary equivalent to PEN 1,130.00 (Minimum Living Wage) as long as they fulfill the regular working hours.
- Additionally, when the agreed monthly salary is equal to or greater than 2 Tax Units (UIT), this and the corresponding social benefits can be consolidated into a single amount called the Annual Integrated Remuneration (RIA, by its acronym in Spanish for 'Remuneración Integral Anual').¹

4 Gratifications Bonuses July and December

- The employees are entitled to the payment of 2 gratification bonuses during the year.
- Each gratification bonus is equivalent to one monthly salary.
- The payment occurs in the months of July and December.



5 Weekly Rest and Holidays

- The worker is entitled to a minimum of 24 hours of mandatory weekly rest, which is paid and is preferably granted on Sundays.
- Furthermore, workers have the right to paid rest on public holidays established by law.²

6 Vacations

The worker is entitled to 30 calendar days of paid physical rest for each full year of service or a proportional period based on the actual time worked.

¹ The UIT (Unidad Impositiva Tributaria) is a value that is updated annually. The UIT applicable for the year in which the infraction occurred must be considered.

² The following are considered mandatory holidays: New Year (January 1), Holy Thursday and Holy Friday (April 17 and 18), Labor Day (May 1), St. Peter and St. Paul (June 29), National Holidays (July 28 and 29), Battle of Junín (August 6), St. Rose of Lima (August 30), Battle of Angamos (October 8), All Saints' Day (November 1), Immaculate Conception (December 8), Battle of Ayacucho (December 9), and Christmas (December 25).

7 Family Allowance

A minimum amount equivalent to 10% of the Minimum Monthly Wage is granted to every worker who has children under the age of 18. The amount does not vary with the number of children but can be extended until the child turns 24 if they are attending higher education or university.

8 Life Insurance

Companies are required to provide life insurance for all workers with more than 4 years of service. The employer is responsible for paying the entire premium amount.

4.3 Contracts Subject to Modality

Contracts Subject to Modality		Objective cause	Duration
Temporary Nature Contracts	Start or Expansion of Activities	Refers to the beginning of the company's operational activities, the opening of new establishments, entry into new markets, or the increase of the company's activities.	The maximum duration is 3 years from the start of the activity that justifies the cause.
	Market Needs	Occurs when it is necessary to address substantial variations in market demand. The increase results from an external, unforeseen, and temporary situation.	The duration has been extended to 5 years, as modified by Law No. 26513.
	Business Conversion	This applies in cases of substitution, expansion, or modification of the company's activities. It may also involve technological processes, such as the implementation of new machinery.	The maximum duration of this type of contract is 2 years.
Contracts of Accidental Nature	Occasional Contract	For temporary needs of the company different from the regular productive activities carried out by the company.	Maximum duration is 6 months per year.
	Substitution Contract	When there is a need to temporarily replace a worker who is subject to a suspension of their employment contract.	The duration of the contract will be determined according to the circumstances.
	Emergency Contract	Due to the need to address a situation of fortuitous event or force majeure.	The duration is linked to the duration of the emergency.
Contracts for Work or Service	Specific Work or Service Contract	When a specific work or service is performed.	The duration is linked to the completion of the work or service.
	Intermittent Contract	For permanent activities that are discontinuous by nature.	There is no maximum term, as it is a contract of permanent nature.
	Seasonal Contract	For business needs that occur only during certain times of the year and tend to repeat in equivalent periods in each cycle.	Its duration corresponds to the length of the season.

4.4 Tax obligations in the employment relationship

Monthly tax obligations of the employer in the employment relationship			
Obligation	Concept	Rate	
Social Health Insurance Contributions (ESSALUD) ³	Enables workers to access health services provided by state medical centers.	9% of the worker's remuneration.	
Pension System Contributions Withholding.	Can be to the private or national pension system.	13% of the worker's remuneration.	
Income Tax Withholding for Employment Income.	Obligation to withhold Income Tax from the total income received by workers for their dependent personal services.	Progressive cumulative tax scale for Natural Persons resident in Peru	
		Section in UIT⁴	Applicable to network income and foreign-source income
		First 7 UIT	0%
		For the next 5 UIT	8%
		For the following 5 UIT up to 20 UIT	14%
		For the following 20 UIT up to 35 UIT	17%
		For the following 35 UIT up to 45 UIT	20%
		For the excess of 45 UIT	30%
		Non-resident natural persons (individuals) in Peru	30% applicable to net income obtained.



4.5 Termination of Employment Relationship

Grounds for termination of employment relationship

- Permanent total disability of the worker.
- Dismissal.⁵
- Mutual agreement between employer and employee.
- Retirement.
- Death of the worker.
- Worker's resignation.
- Termination for objective cause.
- Fulfillment of resolutive condition.

4.6 Provisions for Surveillance, Prevention, and Control of COVID-19

- **WORKER VACCINATION:**
No longer mandatory but promoting full vaccination is recommended.
- **WORKPLACE VENTILATION:**
Work areas must be ventilated either naturally or mechanically.
- **COVID-19 MEDICAL LEAVE:**
Determined by independent clinical evaluation without requiring a laboratory test. Medical leave may not be granted for mild cases.



³ Optionally, employers may contract private insurance for their workers. The payment of monthly private insurance applies as a credit against ESSALUD.

⁴ The UIT (Unidad Impositiva Tributaria) is a value that is updated annually. The UIT applicable for the year in which the infraction occurred must be considered.

⁵ Dismissal may only be executed for legally established causes, whose configuration and proof is mandatory for its validity.

- **MASK USAGE:**

Required only for workers exhibiting symptoms or suspected cases of COVID-19.

- **EMPLOYMENT OF A LICENSED NURSE:**

Mandatory for companies based on workforce size (50 or more employees).

- **HANDWASHING AND DISINFECTION STATIONS:**

Must include supplies and instructional posters, though the specific location of stations is not mandated.

- **RISK FACTORS:**

Must be identified for each worker individually.

4.7 Relevant regulations on Remote work

Telework

A special modality of labor provision where the worker performs tasks remotely instead of being physically present at the workplace. It relies on digital platforms and technologies for communication and task execution.

Types of Telework

Total Telework

The worker performs all tasks remotely, except for occasional activities that require in-person presence or coordination with the employer.

Partial Telework

The worker combines on-site and remote tasks, with the distribution of the work schedule specified in the corresponding contract or agreement.

Content of the telework contract

Specification of the telework modality (total or partial), period of telework application, notice period for required in-person attendance, digital disconnection schedule, designation of the worker's home as the reference workplace, communication and supervision methods, provision of equipment and internet access, economic compensation terms, declaration prohibiting third-party involvement in work activities.

4.8 Obligations Related to Occupational Safety and Health

- **OCCUPATIONAL MEDICAL EXAMINATIONS (EMOS, BY ITS ACRONYM IN SPANISH FOR 'EXÁMENES MÉDICOS OCUPACIONALES'):**

Reactivation of the employer's obligation to conduct periodic EMOs, covering costs and adhering to the legally established frequency.

- **AUDIT OF THE OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT SYSTEM:**

Reactivation of the obligation to audit the SST by an auditor registered with the Ministry of Labor and Employment Promotion (MTPE), with deadlines for conducting and submitting the corresponding report.

- **ELECTION OF THE COMMITTEE AND SUPERVISOR OF OCCUPATIONAL SAFETY AND HEALTH:**

Employer's obligation to ensure the election process of worker representatives to the SST Committee or the Supervisor.

- **TRAINING RELATED TO OCCUPATIONAL SAFETY AND HEALTH (SST, BY ITS ACRONYM IN SPANISH FOR 'SEGURIDAD Y SALUD EN EL TRABAJO'):**

Obligation to carry out the four annual training sessions approved in the Annual Training Plan, as well as training sessions upon hiring and changes in functions, applying specific regulations for full telework.

4.9 Obligations regarding Personal Data Protection

- Obtain explicit consent from employees for the processing of their personal data.
- Comply with regulations related to Personal Data Protection.



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5 IMMIGRATION

Hiring Foreign Workers

5.1 Labor treatment

Restrictions on Hiring

Maximum limit of foreign workers

Up to 20% of the total workforce, meaning 1 foreign worker is permitted for every 4 Peruvian workers.

Limit on remuneration for foreign workers

- 30% of the total payroll for the company's workforce.
- The company may request an exemption from these percentage limitations provided that it hires professional or specialized technical personnel, or staff for management and/or executive roles for a new business activity, among other exceptions outlined in the law under criteria of specialization, qualification, or experience.

Formality of the contract

- The contract must be executed in writing.
- It is valid for a maximum period of 3 years, with the possibility of renewal.
- At the time of signing, the worker must hold a business visa or special permit for signing contracts.
- The contract must be approved by the labor administrative authority.

Situations excluded from the regime governing the hiring of foreign workers

- Foreigners with Peruvian spouses, ascendants, or siblings.
- Foreigners holding immigrant visas.
- Foreigners from countries with labor reciprocity agreements or dual nationality agreements with Peru.
- Foreign personnel covered under bilateral or multilateral agreements signed by Peru to provide services in the country.

Dual Nationality Agreements

● **HIRING SPANISH NATIONALS:**

Foreign workers with Spanish nationality wishing to work in Peru can be hired under the same conditions as Peruvian nationals.

● **HIRING MIGRANT WORKERS FROM CAN COUNTRIES:**

Workers from member countries of the Andean Community (Bolivia, Ecuador, Colombia) are considered national workers for labor purposes.

● **HIRING WORKERS FROM MERCOSUR COUNTRIES, BOLIVIA, AND CHILE:**

Foreign workers from Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, and Uruguay wishing to work in Peru can be hired under the same conditions as Peruvian nationals.

5.2 Migration treatment

Migration Status System and Visas

A migration status is the authorization granted by the Peruvian State to a foreign national based on their personal circumstances or the activity they will perform in the national territory.



Currently, there are five types of migration statuses that allow foreign nationals to legally reside and work in Peru:

Migration statuses	Description
<p>1. Worker</p>	<p>Foreign nationals can engage in lucrative activities in a subordinate or independent manner for the private sector, based on an employment contract.</p> <p>They cannot perform remunerated or self-employed activities on their own account.</p>
<p>2. Assigned Worker</p>	<p>Allows foreign nationals to perform labor activities within the national territory involving a specific task or function or work requiring specialized professional, commercial, or technical knowledge, sent by a foreign employer.</p> <p>They cannot engage in remunerated or self-employed activities for a Peruvian employer. The foreign worker maintains a labor relationship with the foreign employer, who pays their fees or wages.</p>
<p>3. Investor</p>	<p>Permits foreign nationals to establish, develop, or manage one or more lawful investments under Peruvian legislation. The minimum investment amount is S/ 500,000.00 or USD 165,000.00. This amount may be adjusted by a Superintendent's Resolution.</p> <p>Foreign individuals may only serve as Managers or Directors of their company.</p>
<p>4. Resident Family Member</p>	<p>Grants residency to foreign nationals who are part of the family unit of a Peruvian or a resident foreigner. It allows them to engage in lucrative activities either as employees or independently.</p>
<p>5. Immigrant or Permanent Resident</p>	<p>This status is granted to foreign nationals who have resided in Peru consecutively for three years.</p> <p>Those with this status have indefinite residency in Peru and are permitted to engage in various activities legally, including labor and independent services.</p>
<p>6. Special Resident</p>	<p>Allows Venezuelan nationals with Temporary Residency Permits (PTP, by its acronym in Spanish for 'permiso temporal de permanencia') to obtain Special Migration Status. This status grants access to rights similar to those of an immigrant or Peruvian nationalization upon meeting the deadlines and legal conditions required.</p>



Migration Procedure

	CHANGE OF MIGRATION STATUS	VISA APPLICATION
Procedure Initiation	The change of migration status can only be requested within the country.	The visa application is submitted when the foreigner is outside the country.
Competent Authority	Migraciones (National Superintendence of Migration)	Migraciones (National Superintendence of Migration)
Type of Procedure	Personal.	Personal or through a third party with a notarized or consular power of attorney.
Processing Time	Up to 60 business days.	Up to 30 business days.
General Requirements*	Passport. International Exchange Form – INTERPOL. Payment of the fee (S/ 162.50 or USD 43.13). No criminal, police, or judicial records.	Passport. International Exchange Form – INTERPOL. Payment of the fee (S/ 107.50 or USD 28.28). No criminal, police, or judicial records.
Length of Stay	Temporary (up to 183 days) or Residence (up to 365 days).	Temporary (up to 90 days) or Residence (up to 365 days).

(* Depending on the type of immigration status, additional documentation may be required.

Agreements signed by Peru to facilitate immigration

MERCOSUR, Chile, and Bolivia Residence Agreement

- Foreign citizens from Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Paraguay, or Uruguay may obtain a "temporary residence" for a period of 2 years, non-renewable, which allows them to work and access healthcare services, among others.
- Permanent residence can be requested within the 90 days preceding the expiration of the temporary residence.

Requirements

- 1) Be a national of one of the member countries.
- 2) Enter the country legally.
- 3) Pay the processing fee (S/ 162.00 or USD 42.80).
- 4) Copy of passport.
- 5) Certificate of no criminal, police, or judicial records from the country of origin or from any country where the person has resided in the past 5 years.
- 6) Sworn statement (Affidavit of no criminal or judicial records) of no international criminal or police records.

5.3 Tax treatment

Qualify as Peruvian-source income subject to Income Tax in Peru, those obtained from personal services performed by foreign workers for their employer within the national territory.

The question to answer within this section is: How is a foreign worker taxed? to effectively develop the response, two scenarios are established:

The foreign worker who is considered either domiciled or non-domiciled*

Non-domiciled

Natural persons who have resided in the country for more than one hundred eighty-three (183) calendar days within a twelve (12) calendar month period.

Domiciled

Foreign nationals who have resided or stayed in the country for a period of less than 183 calendar days, whose Income Tax rate is 30%.

() The domiciled or non-domiciled status is determined on the first of January of each year.*

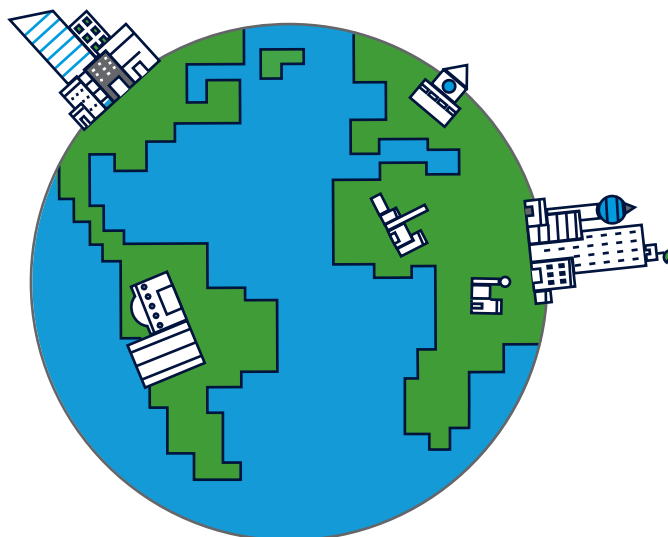
In Article 53 of the Income Tax Law (LIR), the income tax rates applicable to foreign workers' income from independent work and employment are outlined in the following table:

Type of taxpayer	Rate
Domiciled	<ul style="list-style-type: none">-Up to 5UIT: 8%-For the excess over 5UIT and up to 20UIT: 14%-For the excess over 20UIT and up to 35 UIT: 17%-For the excess over 35UIT and up to 45 UIT: 20%-For the excess over 45UIT: 30%
Non-domiciled	No deduction and a single rate of 30%.

Existence of Double Taxation Avoidance Agreements (CDI, by its acronym in Spanish for 'Convenios para evitar la Doble Imposición Tributaria') in force between Peru and the foreign country of origin

Double Taxation Avoidance Agreements with the following countries

- Brazil, Canada, Chile, South Korea, Mexico, Portugal, Switzerland, and Japan.
- The agreement to avoid double taxation with the member countries of the Andean Community (CAN, by its acronym in Spanish for 'Comunidad Andina'), established in Article 3 of Decision 578, states that regardless of the nationality or domicile of individuals, income of any nature will only be taxable in the member country where such income has its source.



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