

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

Legislative Decrees on tax matters

LAW 32089

LAW THAT DELEGATES TO THE EXECUTIVE BRANCH THE POWER TO LEGISLATE ON MATTERS OF ECONOMIC REACTIVATION, SIMPLIFICATION AND REGULATORY QUALITY, STATE BUSINESS ACTIVITY, CITIZEN SECURITY, AND NATIONAL DEFENSE

Objective

To delegate to the Executive Branch the power to legislate on matters of economic reactivation, simplification and regulatory quality, state business activity, citizen security, and national defense, for a period of ninety calendar days from the entry into force of the law.

Validity

From July 5, 2024, to October 3, 2024 = 90 days

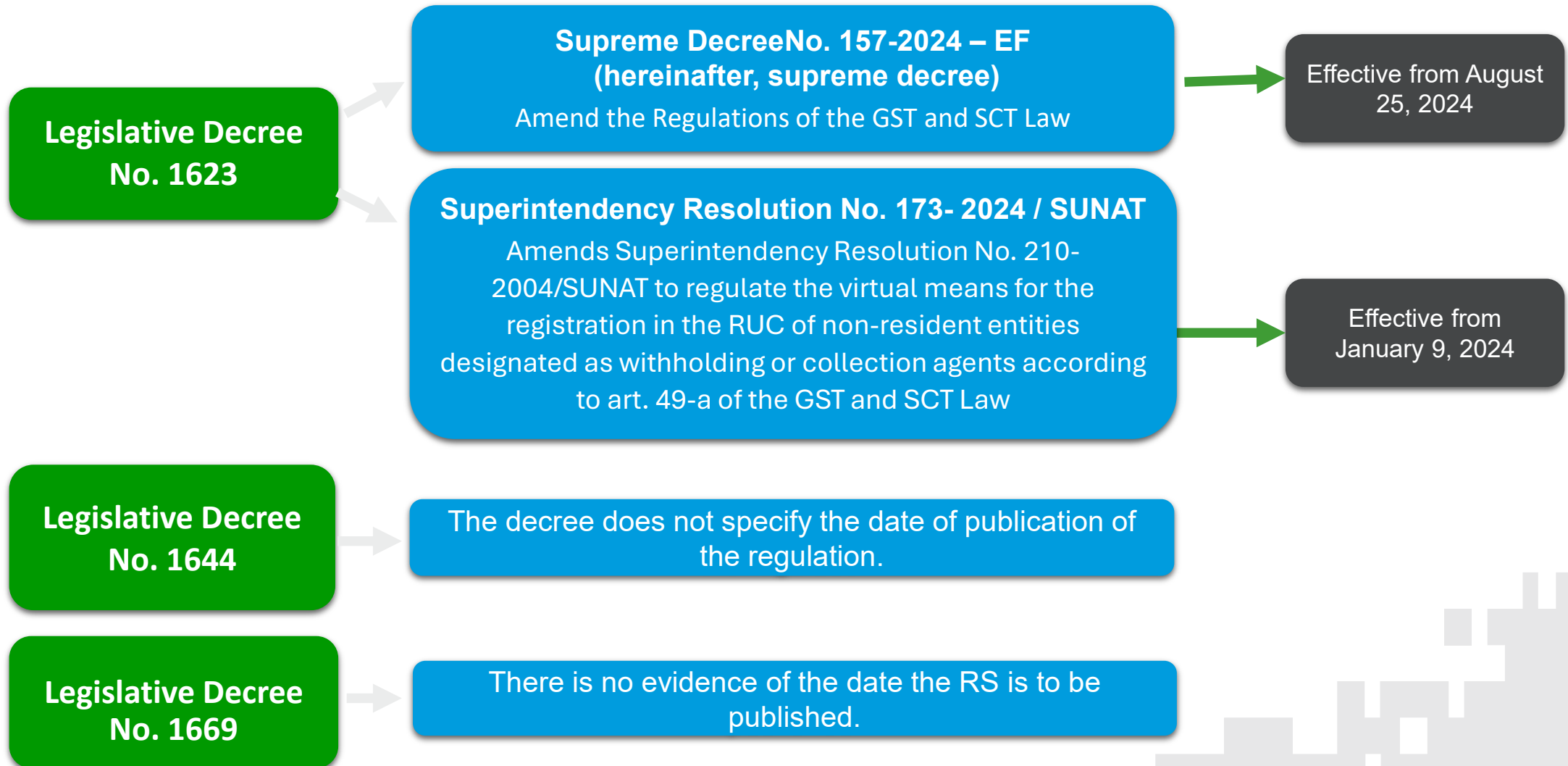
Tax Matters of the Delegation of Legislative Powers

- ✓ Regulate the taxation of business models based on the digital economy.
- ✓ Improvement of the tax system.

Legislative Decrees related to GST and SCT

Legislative Decree	Description	Date of publication	Date of entry into force
No. 1623	<p>GST: GST and SCT regarding the use of digital services in the country and the importation of intangible goods via the internet.</p> <p>Individuals who do not engage in business activities and who use digital services provided by non-resident entities in the country.</p>	August 04, 2024	August 25, 2024
No. 1644	SCT: Amends the GST and SCT Law and Law No. 31557, Law that regulates the exploitation of remote gaming and remote sports betting.	September 13, 2024	<p>September 14, 2024, except:</p> <ol style="list-style-type: none"> 1. The amendments and additions made to the GST and SCT Law provided by articles 3 and 4 of this Legislative Decree, which come into force on the date of entry into force of the Supreme Decree. 2. The amendments and additions made to the Law provided by articles 5 and 6 of this Legislative Decree, which come into force on the date of entry into force of the Supreme Decree.
No. 1669	GST: Amends the GST and SCT Law No. 29215, law that strengthens the mechanisms of control and supervision of tax administration regarding the application of tax credit, specifying and complementing the latest amendment to the law.	September 28, 2024	<p>It will come into force on the date of entry into force of the superintendent's resolution that regulates the means, form, and requirements regarding the RV and RC.</p> <p>Note: To date, the RS has not yet been published.</p>

Supreme Decrees and/or Superintendent's Resolution SUNAT





Legislative Decree No. 1623

Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) regarding the use of digital services in the country and the importation of intangible goods through the internet

LD 1623 - Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) regarding the use of digital services in the country and the importation of intangible goods through the internet

1. Objective (art.1 del DL)

This Decree aims to establish, among other things:

- That individuals who do not engage in business activities and use digital services provided by non-resident entities in the country do not need to be habitual in performing such operations to be considered GST taxpayers.
- The mechanism for GST collection.
- The criteria and assumptions to determine when digital services provided by non-resident entities or intangible goods imported through the internet are used or consumed in the country by individuals who do not engage in business activities.

2. Operations subject to GST

Digital services



Example: Netflix, Disney, Amazon, Spotify, among others

1. Access and/or online transmission of images, series, movies, documentaries, short films, videos, music, and any other digital content through streaming technology or other technology.
2. Information storage.
3. Access to social networks and/or the provision of additional content or functions on these.
4. Services provided by online magazines or newspapers.
5. Remote conferencing services.
6. Intermediation in the supply and demand of goods or services.

Intangible goods imported through the internet

Intangible goods acquired to be permanently downloaded by the purchaser through the internet or any adaptation or application of the protocols, platforms, or technology used by the internet or any other network through which intangible goods are acquired and permanently downloaded.

LD 1623 - Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) regarding the use of digital services in the country and the importation of intangible goods through the internet

3. Criteria for consumption or use in the country of digital services and intangible goods imported through the internet

Digital services

Digital services are considered to be consumed or used in the national territory if the user of the service has their habitual residence in the country. Habitual residence is understood to occur when any of the following conditions are met:

- ✓ The internet protocol (IP) address or other geolocation means assigned to the electronic device through which the digital services are provided corresponds to Peru.
- ✓ The country code of the subscriber identity module (SIM) card, whether physical or electronic, or other technology that replaces it in the mobile terminal device through which the digital services are provided corresponds to Peru.
- ✓ The payment for digital services is made using credit or debit cards or any support for the use of electronic money or any other product provided by entities of the Peruvian financial system.
- ✓ The address that the individual registers with the digital service provider, as user data or address for the issuance of payment receipts, is located in Peru.

Importation of intangible goods

Intangible goods are considered to be intended for use or consumption in the country if the purchaser has their habitual residence in the country. The habitual residence of the purchaser is understood to be located in the country when any of the following conditions are met:

- ✓ The IP address or other geolocation means assigned to the electronic device through which the intangible good is downloaded corresponds to Peru.
- ✓ The country code of the SIM card, whether physical or electronic, or other technology that replaces it in the mobile terminal device through which the intangible good is downloaded corresponds to Peru.
- ✓ The payment for the importation of intangible goods is made using credit or debit cards or any support for the use of electronic money or any other product provided by entities of the Peruvian financial system.
- ✓ The address that the individual registers with the entity from whom the intangible good is acquired, as user data or address for the issuance of payment receipts, is located in Peru.

LD 1623 - Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) regarding the use of digital services in the country and the importation of intangible goods through the internet

4. Mechanism for GST Collection

Withholding or Collection Agent

The non-resident

Must register in the RUC through the National Superintendence of Customs and Tax Administration (hereinafter, SUNAT) website (www.sunat.gob.pe).

They are not required to:

- Establish a domicile in the country.
- The representative designated for the purpose of their registration in the Single Taxpayer Registry does not need to have a domicile in the country.
- Their registration in the Single Taxpayer Registry does not imply the establishment of a permanent establishment in the country.

However, they are required to provide the following information in the registry:

1. Data related to the name or corporate name.
2. Country of residence.
3. Address in the country of residence.
4. Tax identification number of the country of residence.
5. Trade name, if any.
6. Economic activity(ies).
7. Date from which the non-resident acquires the status of withholding or collection agent for GST.
8. Website or URL.
9. Data of the legal representative or attorney.
10. Contact person: Name(s) and surname(s), type and number of identity document, position in the company, email, mobile phone, whether or not they are the holder of the telephone service.

Payment Facilitator (Peruvian Entities)

1. Multiple Operations Companies and Electronic Money Issuer

Multiple Operations Companies

- Banking Company
- Financial Company
- Municipal Savings and Credit Bank
- Municipal Popular Credit Bank
- Credit Company
- Savings and Credit Cooperatives authorized to collect public resources
- Rural Savings and Credit Bank

Electronic Money Issuer Companies

- i. Credit cards.
- ii. Debit cards or any support for the use of electronic money, such as prepaid electronic money cards or mobile phones.
- iii. Electronic funds transfer using digital wallets.
- iv. Any other product provided by the aforementioned entities as indicated by supreme decree.

2. Telecommunications public service operators that receive payment for digital services

3. Other entities specified in the supreme decree

LD 1623 - Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) regarding the use of digital services in the country and the importation of intangible goods through the internet

5. Withholding or Collection Agent for the Tax – Non-Resident

1. What is the initial period to operate as a withholding or collection agent?

Non-resident entities that are currently conducting operations or that begin such operations by November 30, 2024, will start withholding or collecting GST from December 1, 2024. (Legislative Decree 1644)

2. When does the non-resident act as a withholding and collection agent?

The non-resident entity that provides the digital service or from whom the good is acquired acts as a withholding or collection agent for the tax from the first calendar day of the month following the month in which they begin operations in the country.

3. Regarding the withholding and collection of the tax:

a) In the case of the importation of intangible goods through the internet and the use of digital services that do **NOT involve intermediation** in the supply and demand of an underlying operation.

b) In the case of the use of digital services that **involve intermediation** in the supply and demand of an underlying operation, the non-resident entity providing the intermediation service:

The non-resident entity acts only as a collector:
In this case, they collect the amount resulting from applying the tax rate on the total sale value or remuneration.

The non-resident entity acts as a collector:

- ✓ They collect the amount resulting from applying the tax rate on the total remuneration for the intermediation service.
- ✓ The collection is made at the time of payment.

The non-resident entity acts as a withholding agent:

- ✓ They withhold the amount resulting from applying the tax rate on the total remuneration for the intermediation service.
- ✓ The withholding is made at the time the non-resident entity transfers to the current account or savings account of the provider or seller of the underlying operation, the amount paid by the user or purchaser of said operation.


4. Regarding keeping accounting books and issuing payment receipts

They are not required to keep accounting books or issue payment receipts.

LD 1623 - Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) regarding the use of digital services in the country and the importation of intangible goods through the internet

5. Withholding or Collection Agent for the Tax – Non-Resident

5. Regarding the declaration and payment of the withheld or collected tax:



- a) Submit the declaration and payment each month within the first ten (10) business days of the following month, in the manner and conditions established by SUNAT through a superintendency resolution.
- b) The declaration and payment can be made in national currency or in dollars. The option is exercised in the declaration corresponding to January and remains throughout the year. If the obligation to file arises after January, the option is exercised in the first declaration submitted and remains until December of that year. For the declaration and payment in national currency, the conversion is made using the weighted average sale exchange rate published by the SBS on its website or in the Official Gazette El Peruano, corresponding to the date the declaration and payment must be submitted or the date the payment is made, whichever occurs first. The declaration and payment in dollars will be made according to what SUNAT establishes through RS.
- c) SUNAT may require the aforementioned entities to submit an annual informative declaration, in the manner, time, and conditions established through a superintendency resolution, detailing the operations subject to withholding or collection.
- d) The time considered to determine the date on which the declaration and payment are made will be the official Peruvian time, GMT-5.

LD 1623 - Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) regarding the use of digital services in the country and the importation of intangible goods through the internet

6. Payment Facilitator – Peruvian Companies

1. The payment facilitator acts as a tax collector when the non-resident entity incurs any of the following situations:

- a) Failing to register in the Single Taxpayer Registry.
 - b) Failing to submit the declaration or make the payment of the total withheld or collected tax within the established deadlines, for two (2) consecutive or alternate months.
 - c) Failing to submit the annual informative declaration within the established deadlines, if the obligation to submit this declaration is established.
- ✓ The situations provided in subsections b) and c) do not apply if the omitted declarations are submitted and the payment is made, including the applicable interest and fines, by the last calendar day of the month prior to the verification.
 - ✓ SUNAT verifies if the situations mentioned in the previous paragraph occurred two (2) or more times during each calendar year. Through a superintendency resolution, SUNAT ification schedule and other necessary aspects for its operation.

2. The following is the list of non-resident entities that do not comply with the described conditions

- Approved by supreme decree endorsed by the Minister of Economy and Finance, with the technical opinion of SUNAT.
- The Ministry of Economy and Finance publishes the list through its digital headquarters (www.gob.pe/mef) by the fifteenth day of the month following verification.
- The mentioned supreme decree indicates the incurred condition and the moment from which the non-resident entities listed stop withholding or collecting, and the payment facilitators start withholding or collecting the tax that levies the operations mentioned in numeral 1 of this article.
- The non-resident entity may be excluded from the mentioned list in the supreme decree that approves the next list, provided that SUNAT verifies that it has complied with registering in the Single Taxpayer Registry, if not done, submitting the omitted declarations, and making the payment of withholdings or collections, including applicable interest and fines, as appropriate.

LD 1623 - Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) regarding the use of digital services in the country and the importation of intangible goods through the internet

6. Payment Facilitator – Peruvian Companies

3. The payment facilitator makes the withholding or collection only when:

a) The digital services used in the country and the intangible goods imported through the internet are intended for use or consumption in the national territory, for which it verifies that:

- i. The address registered by its client is located in the country; or,
- ii. The payment for the goods or services is made using credit or debit cards or any support for the use of electronic money, provided by entities of the Peruvian financial system.

b) The individual using the digital services or importing intangible goods through the internet does not engage in business activities, for which it verifies that its client has registered as an individual, using their name, surname, and ID number, among other personal information.

4. How should the declaration and payment of the withheld or collected tax be made?

The payment facilitator must submit the declaration and make the payment of the withheld or collected tax each month, within the deadlines established in the Tax Code for monthly tax obligations, in the manner and conditions established by SUNAT through a superintendency resolution.



Legislative Decree 1644

Amends the Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) and Law No. 31557, the Law that regulates the exploitation of remote gaming and remote sports betting.

LD 1644 - Amends the Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) and Law No. 31557, the Law that regulates the exploitation of remote gaming and remote sports betting.

1. Objective (art.1 of the DL)

This Decree aims to incorporate remote gaming and remote sports betting within the scope of the Selective Consumption Tax (SCT). Additionally, it complements the regulation of the tax on remote gaming and remote sports betting, created by Law No. 31557, the Law that regulates the exploitation of remote gaming and remote sports betting, in order to ensure its proper application.

2. Tax subjects (art.3 of the DL)

Players, in the case of remote gaming and remote sports betting **developed on technological platforms operated by legal entities established abroad, holders of an authorization granted by the competent authority.**

3. Operations taxed with the SCT according to the Decree

1. Remote gaming
2. Remote sports betting

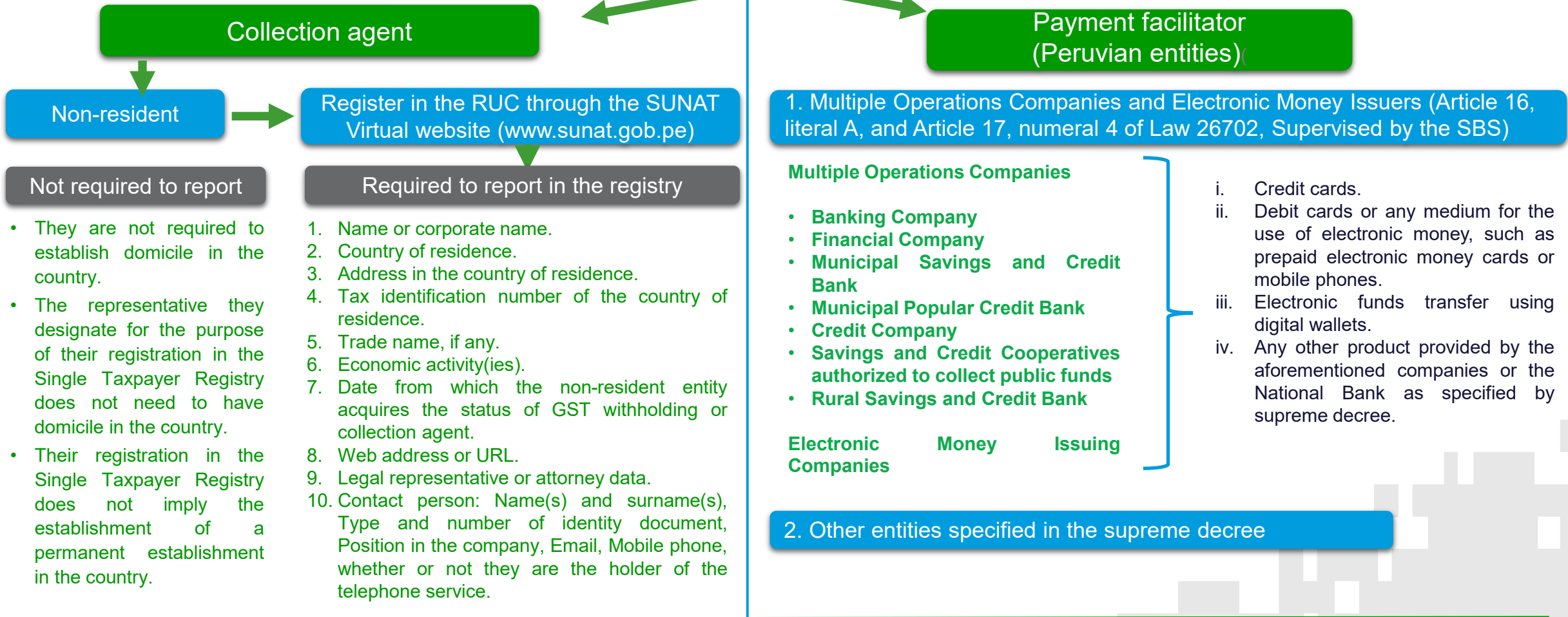
4. Criterion of consumption or use in the country of remote games and remote sports betting

It is considered to be carried out or consumed in the country if the player has their habitual residence in it. The player's habitual residence is understood to be located in the country when any of the following circumstances occur:

- The Internet Protocol (IP) address or other geolocation means assigned to the gaming medium through which the bet is placed corresponds to Peru.
- The country code of the subscriber identity module (SIM) card, physical or electronic, or other technology that replaces it, of the mobile terminal device through which the bet is placed corresponds to Peru.
- The credit or debit cards or any support for the use of electronic money, digital wallets, or any other product with which the player makes the money deposit in their gaming account are provided by companies in the Peruvian financial system.
- The address that the player registers on the technological platform of remote gaming and/or remote sports betting is located in Peru.

LD 1644 - Amends the Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) and Law No. 31557, the Law that regulates the exploitation of remote gaming and remote sports betting.

5. SCT COLLECTION MECHANISM



Collection agent

Payment facilitator (Peruvian entities)

Non-resident

Register in the RUC through the SUNAT Virtual website (www.sunat.gov.pe)

1. Multiple Operations Companies and Electronic Money Issuers (Article 16, literal A, and Article 17, numeral 4 of Law 26702, Supervised by the SBS)

Not required to report

Required to report in the registry

Multiple Operations Companies

- Banking Company
- Financial Company
- Municipal Savings and Credit Bank
- Municipal Popular Credit Bank
- Credit Company
- Savings and Credit Cooperatives authorized to collect public funds
- Rural Savings and Credit Bank

Electronic Money Issuing Companies

- i. Credit cards.
- ii. Debit cards or any medium for the use of electronic money, such as prepaid electronic money cards or mobile phones.
- iii. Electronic funds transfer using digital wallets.
- iv. Any other product provided by the aforementioned companies or the National Bank as specified by supreme decree.

2. Other entities specified in the supreme decree

- They are not required to establish domicile in the country.
- The representative they designate for the purpose of their registration in the Single Taxpayer Registry does not need to have domicile in the country.
- Their registration in the Single Taxpayer Registry does not imply the establishment of a permanent establishment in the country.

1. Name or corporate name.
2. Country of residence.
3. Address in the country of residence.
4. Tax identification number of the country of residence.
5. Trade name, if any.
6. Economic activity(ies).
7. Date from which the non-resident entity acquires the status of GST withholding or collection agent.
8. Web address or URL.
9. Legal representative or attorney data.
10. Contact person: Name(s) and surname(s), Type and number of identity document, Position in the company, Email, Mobile phone, whether or not they are the holder of the telephone service.

LD 1644 - Amends the Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) and Law No. 31557, the Law that regulates the exploitation of remote gaming and remote sports betting.

5. TAX WITHHOLDING AGENT – NON-RESIDENT

1. Considerations to be taken into account by collection agents

- It acts as a collection agent for the tax that the player is required to pay.
- The non-resident collects the tax only when the bet is placed by a player whose habitual residence is located in the country.
- The collection is made at the moment the bet is placed in the remote game or remote sports betting.

2. Declaration and payment of the collected tax

- a) The declaration and payment can be made in national currency or in United States dollars. The option is exercised in the declaration corresponding to the month of January and remains in effect throughout the year. If the obligation to file the declaration arises after January, the option is exercised in the first declaration submitted and remains in effect until December of that year. The declaration and payment in dollars will be made in accordance with what SUNAT establishes through SR. For these purposes, the conversion of bets made in national currency, dollars, or foreign currency other than the dollar, is carried out according to what is published by the SBS.
- b) The time considered to determine the date of the tax obligation, the submission of declarations, and the payment is the official Peruvian time, GMT-5.

3. Accounting books and issuance of CP

They are not required.

LD 1644 - Amends the Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) and Law No. 31557, the Law that regulates the exploitation of remote gaming and remote sports betting.

6. PAYMENT FACILITATOR (PERUVIAN COMPANIES)

1. Acts as a tax collector

The payment facilitator acts as a tax collector when the non-resident entity fails to submit the declaration and/or pay the total SCT within the established deadlines for two (2) or more consecutive or alternate months; this is perceived by the payment facilitator.

For this purpose, the following is considered:

- a) Non-compliance is not considered if the non-resident entity submits the omitted declarations and makes the payment, including the corresponding fines and interest, by the last calendar day of the month prior to the verification. SUNAT conducts the verification on two (2) or more occasions each calendar year. The periods for which SUNAT conducts the verification are established by supreme decree. By superintendent resolution, SUNAT establishes the verification schedule and other necessary aspects for its operation.
- b) The list of non-residents who fail to submit the declaration and/or pay the total SCT is approved by SD endorsed by the Minister of Economy and Finance, with the technical opinion of SUNAT. The Ministry of Economy and Finance publishes the list through its digital headquarters (www.gob.pe/mef) by the fifteenth day of the month following the verification. The aforementioned SD indicates the incurred assumption and the moment from which the non-residents listed cease to make the perception, and the payment facilitators begin to perceive the SCT that taxes remote games and remote sports betting.**
- c) Non-residents listed can be excluded from this list by the SD that approves the next list, provided that in the next verification conducted by SUNAT, it is verified that:
 - i. They have not incurred the non-compliance indicated in the first paragraph of numeral 1 of this article; and
 - ii. They comply with correcting the omissions detected in previous verifications, including the corresponding fines and interest.

The SD indicates the moment from which the payment facilitators cease to perceive, and the non-resident regains the status of SCT perception agent.

LD 1644 - Amends the Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) and Law No. 31557, the Law that regulates the exploitation of remote gaming and remote sports betting.

6. PAYMENT FACILITATOR (PERUVIAN COMPANIES)

2. Only performs the perception when:

The products listed below correspond to clients who are natural persons, for which they verify that such products have been obtained using their names and surnames and identity document number.

- i. Credit cards.
- ii. Debit cards or any support for the use of electronic money, such as prepaid electronic money cards or mobile phones.
- iii. Electronic funds transfer using digital wallets.
- iv. Any other product provided by the aforementioned companies or National Bank as indicated by supreme decree.

3. The perception of the SCT will be carried out as follows:

- a) Charge to the credit card the amount resulting from applying the tax rate on the amount paid by the player using said card. The perception is made at the time the payment facilitator collects the credit card statement. If partial payments are made regarding the total amount of the billing period, the perception is made in full on the date of the first payment. If the total amount to be perceived is not covered, the balance is perceived in subsequent payments until its cancellation.
- b) Debit from the deposit account or electronic money account the amount resulting from applying the tax rate on the amount paid by the player using a debit card or through any support for the use of electronic money.
- c) The perception is made on the date the debit is made in the deposit account or electronic money account. Perceive the amount resulting from applying the tax rate on the amount paid by the player using any other product provided by the entities indicated in numeral 2 of this article as specified by supreme decree.

4. Submission and payment of the SCT:

They are required to submit the declaration and make the payment of the SCT collected each month, within the deadlines established in the Tax Code for monthly periodic tax obligations, in the manner and conditions established by SUNAT through SR. For this purpose, in the case of transactions carried out in foreign currency, the conversion to national currency is made in accordance with the regulations.



Legislative Decree 1669

Amends the Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) and Law No. 29215, the law that strengthens the control and supervision mechanisms of the tax administration regarding the application of the tax credit, specifying and complementing the latest amendment to the GST and SCT law.

DL 1669 - Legislative Decree that modifies the GST and SCT Law regarding the application of the Tax Credit

Objective (art.1 of the DL)

Amend the Law on the General Sales Tax (GST) and Selective Consumption Tax (SCT) and Law No. 29215, the law that strengthens the control and supervision mechanisms of the tax administration regarding the application of the tax credit, specifying and complementing the latest amendment to the Consolidated Text of the GST and SCT Law concerning the regulation of the Purchase Register and the recording of transactions in it.

Validity (sole final complementary provision of the LD)

It comes into effect on the date of entry into force of the Superintendency Resolution that regulates, among other things, the means, form, requirements, and/or conditions for taxpayers to confirm, rectify, or supplement the information recorded by SUNAT regarding the Sales and Income Register and the Purchase Register. (As of this date, the Superintendency Resolution has not yet been published.)

Modifications

The decree amends Articles 19 and 37 of the GST and SCT Law, Article 2 of Law 29215, and the First Final Provision of Legislative Decree 940. It should be noted that the amendment to Article 37 makes a series of clarifications regarding the purchase and sales register, specifically on the confirmation, rectification, and supplementation of the aforementioned registers, as well as clarifications on the use of the tax credit in case the taxpayer cannot establish the destination of the acquisitions, among other provisions.

Regarding the other amendments provided in the Legislative Decree, the most relevant change was the period for the use of the tax credit of up to 12 months with the following deadlines:

- Payment vouchers issued through the Electronic Issuance System (SEE): must be recorded in the digital files or RC sheet for the period corresponding to the month of their issuance or the payment of the tax.
- Physical payment vouchers: in the case of payment vouchers that were not issued through the Electronic Issuance System, they must be recorded up to two (2) months following the month of their issuance or the payment of the tax.
- Detraction System - SPOT: in the case of those issued for operations subject to the Tax Obligation Payment System (SPOT), the deadline for recording will be up to three months following their issuance.

DL 1669 - Legislative Decree that modifies the GST and SCT Law regarding the application of the Tax Credit

Modification of Article 9 of the GST and SCT Law

The GST and SCT Law	
Before	After
<p>Article 19.- Formal requirements</p> <p>To exercise the right to the tax credit referred to in the previous article, the following formal requirements must be met:</p> <p>c) That the payment vouchers, debit notes, documents issued by SUNAT referred to in subsection a), or the form showing the payment of the tax on the use of services provided by non-residents, have been recorded at any time by the taxpayer in their Purchase Register. The mentioned Register must be legalized before its use and meet the requirements provided in the Regulations.</p> <p>In the case of the Purchase Register kept electronically, the legalization provided in the first paragraph of this subsection will not be required.</p>	<p>Article 19.- Formal requirements</p> <p>To exercise the right to the tax credit referred to in the previous article, the following formal requirements must be met:</p> <p>c) That the payment vouchers, debit notes, documents issued by SUNAT referred to in subsection a), or the form showing the payment of the tax on the use of services provided by non-residents have been recorded in the digital file(s) or sheet of the Purchase Register in accordance with the provisions of Article 37 of this Law. (...)</p> <p>The Purchase Register kept manually or computerized must be legalized before its use and meet the requirements provided in the Regulations. In the case of the Purchase Register kept electronically, legalization is not required.</p>

DL 1669 - Legislative Decree that modifies the GST and SCT Law regarding the application of the Tax Credit

Article 37 of the GST and SCT Law (Incorporation of paragraphs)

For the generation and/or recording of operations in the Purchase Register, the following considerations must be taken into account:

a) Perform exclusively taxable operations and/or exports, all payment vouchers and documents recorded are classified as intended for taxable operations with GST and/or exports

b) Carries out taxable operations and/or exports jointly with non-taxable operations and cannot determine the destination of the acquisitions, must do the following:

i. **Based on the information recorded in the Purchase Register (RC) for the twelve (12) previous months, the proportion between the acquisitions is determined: a) those exclusively intended for taxable operations and/or export, b) those exclusively intended for non-taxable operations, excluding exports; and c) those intended to be used jointly in taxable and non-taxable operations.**

When no entries have been made in the Sales and Income Register and/or Purchase Register for the twelve (12) months prior to the use of the tax credit, the proportion can be determined using the information from the monthly GST returns - Virtual Form No. 621 for those periods.

ii. The amounts resulting from the application of the proportion mentioned in i. regarding acquisitions whose destination could not be determined must be recorded in the Purchase Register based on the said proportion, without the need to identify which payment vouchers and documents they correspond to.

iii. Using the information of taxable operations, non-taxable operations, and exports recorded in the Sales Register (RV) for the last twelve (12) months, including the month to which the tax credit corresponds, the following is determined: The amount of operations taxed with the Tax, as well as exports; and, The total amount of operations for the same period, considering both taxable and non-taxable operations, including exports. The amount obtained is divided in

- the amount obtained in
- the result is multiplied by one hundred (100).

The resulting percentage should be expressed up to two decimal places.

iv. The percentage obtained, according to the previous paragraphs, is applied to the taxable base amount and the Tax that has taxed the acquisition of goods, services, construction contracts, and imports that grant the right to a tax credit from the payment vouchers and documents recorded in the Purchase Register (RC) corresponding to the operations that were used jointly in taxable and non-taxable operations. The result obtained is considered as the tax credit for taxable and non-taxable operations.

v. The tax credit for the period is determined by adding the tax credit for taxable and non-taxable operations with the tax credit corresponding to the other recorded operations.

DL 1669 - Legislative Decree that modifies the GST and SCT Law regarding the application of the Tax Credit

Article 2 of Law 29215

Law No. 29215 that strengthens the control and supervision mechanisms of the tax administration regarding the extension of the tax credit	
Before	After
<p>Article 2.- Timing for exercising the right to the tax credit</p> <p>The payment vouchers and documents referred to in subsection a) of Article 19 of the Consolidated Text of the General Sales Tax and Selective Consumption Tax Law must have been recorded by the taxpayer in their Purchase Register on the sheets corresponding to the month of their issuance or the payment of the tax, as the case may be, or in the one corresponding to the following 12 (twelve) months, and must be exercised in the period corresponding to the sheet on which such voucher or document was recorded. The provisions of the second paragraph of subsection c) of the aforementioned article do not apply to what is stated in this article.</p>	<p>Article 2. Timing for recording operations in the Purchase Register and exercising the right to the tax credit T</p> <p>he payment vouchers, debit notes, and documents referred to in subsection a) of Article 19 of the Consolidated Text of the General Sales Tax and Selective Consumption Tax Law must be recorded in the digital file(s) or sheet of the Purchase Register for the period corresponding to the month of their issuance or the payment of the tax, as the case may be; or, in the case of payment vouchers and debit notes not issued through the Electronic Issuance System, up to two (2) months following the month of their issuance or the payment of the tax, as the case may be; or, in the case of those issued for operations subject to the Tax Obligations Payment System, regulated by Legislative Decree No. 940, up to three (3) months following their issuance.</p>

DL 1669 - Legislative Decree that modifies the GST and SCT Law regarding the application of the Tax Credit

First Final Provision of Legislative Decree No. 940

Law No. 940 that strengthens the mechanisms of control and supervision of tax administration regarding the expansion of tax credit	
Before	After
<p>First.- Right to the tax credit, balance in favor of the exporter, or any other benefit related to GST</p> <p>In operations subject to the System, purchasers of goods, users of services, or those who commission construction, obligated to make the withholding, may exercise the right to the tax credit or balance in favor of the exporter, as referred to in Articles 18, 19, 23, 34, and 35 of the GST Law or any other benefit related to the GST refund, in the period in which they have recorded the respective payment voucher in the Purchase Register according to the rules that regulate the mentioned tax, provided that the deposit is made by the fifth (5th) business day of the month following the deadline for submitting the declaration for that period. Otherwise, the right is exercised from the period in which the deposit is credited.</p>	<p>First. Right to the tax credit, balance in favor of the exporter, or any other benefit related to GST</p> <p>In operations subject to the System, purchasers of goods, users of services, or those who commission construction, obligated to make the withholding, may exercise the right to the tax credit or balance in favor of the exporter, as referred to in Articles 18, 19, 23, 34, and 35 of the GST Law or any other benefit related to the GST refund, in the period in which they have recorded the respective payment voucher in the Purchase Register according to the rules that regulate the mentioned tax, provided that the deposit is made by the fifth (5th) business day of the month following the deadline for submitting the declaration for that period. Otherwise, the right is exercised from the period in which the deposit is credited, corresponding to adjust the entry in the digital file(s) or sheet of the Purchase Register to that period.</p>

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