

## Tax Alert

### *Tax information*



## Leasing Law

On 2 March 2021, Decree No. 2-2021, Leasing Law, was published in Guatemala's official gazette. This law establishes the **legal framework** for conducting leasing operations, with the purpose of encouraging investment and establishing mechanisms for access to credit, especially for small and medium-sized enterprises.

In general, this law establishes the following:

### The types of leasing agreements and their characteristics:



- Financial Leasing Agreement, Financial Lease or Financial Lease with an option to buy.
- Housing Financial Leasing Agreement, Housing Financial Lease or Housing Financial Lease with an option to buy.
- Low Income Housing Financial Leasing Agreement, Low Income Housing Financial Lease or Low Income Housing Financial Lease with an option to buy.
- Property Financial Leasing Agreement, Property Financial Lease or Property Financial Lease with an option to buy.
- Operating Leasing Agreement or Operating Lease.

**The obligations of the lessors and lessees:** Among its relevant aspects, this law establishes as part of the lessee's obligations, that they are responsible for paying all the taxes, fees and fines, among others, resulting from the holding of the assets under lease. Similarly, in the cases in which property is being leased, the lessee must assume the payment of the IUSI (property tax), unless otherwise agreed by the parties.

#### The accounting and tax treatment for each type of leasing agreement:



The law establishes that the lessors must keep their accounting in accordance with International Accounting Standards (IAS) in effect in Guatemala. Additionally, requirements are specified for both parties regarding deductibility under the different types of agreements, as well as the treatment of income, from both the lease payments and any possible interest or surcharges resulting from the operation.

Furthermore, for those parties that have been performing leasing operations prior to the entering into effect of this law, Decree No. 2-2021 establishes the obligation to have such leasing operations adhere to the provisions in this Decree within a term of 6 months, counted from the law's effective date.

Moreover, for the agreements entered into prior to the effective date of this Law, it is established that such agreements shall be governed by the laws that were applicable at the time they were signed, unless the parties agree to adhere to the regulations established in this Decree. In this case, the agreement reached by the parties must be made in writing as an amendment to the leasing agreement.

This Decree will go into effect 3 months after its publication in the official gazette; that is 2 June 2021.



## Our experts:

Deloitte offers a range of integrated tax and legal services. Our teams combine technical knowledge, experience and innovation, which allow us to help our clients meet their objectives at the local and global levels.



**Ana Lucía Santacruz**  
Tax, Global Trade & BPS Partner  
[alsantacruz@deloitte.com](mailto:alsantacruz@deloitte.com)



**Daniela Velásquez**  
Tax Manager  
[dbvelasquez@deloitte.com](mailto:dbvelasquez@deloitte.com)

Deloitte refers to Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, its network of member firms and their related entities, each of which is a legally separate and independent entity. Please see [www.deloitte.com](http://www.deloitte.com) to learn more about our global network of member firms.

Deloitte provides audit & assurance, consulting, financial advisory, risk advisory and tax & legal services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 330,000 professionals are committed to making an impact that matters.

As used in this document, Deloitte Guatemala, S.A., which have the exclusive legal right to engage in, and limit its business to, providing auditing, consulting, tax consultancy, legal, risk and financial advisory respectively, and other professional services, under the name "Deloitte".

This presentation contains general information only and Deloitte is not, by means of this document, rendering advice or accounting, commercial, financial, investment, legal, tax or other services.

This presentation is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. No representation, warranty or promise (either explicit or implicit) is provided regarding the accuracy or completeness of the information in this communication and Deloitte will not be responsible for any loss suffered by anyone who relies on this presentation.