



Tax Alert

Regulation of the National Emergency Law for Responding to the COVID-19 Pandemic

On 1 October 2021, Government Agreement No. 197-2021 “Regulation of the National Emergency Law for Responding to the COVID-19 Pandemic” went into effect, which provides a series of specific definitions for purchasing and contracting, and establishes, among other provisions, the following:

- a) The Annual Purchasing Plan will be published in the GUATECOMPRAS system.
- b) Electronic bids can be requested, without having the budgetary allocations to cover the payments. However, prior to entering into the purchasing contract, it is necessary to have the budgetary item and appropriations.
- c) Since the use of the GUATECOMPRAS system is mandatory, the system’s website will provide a module with the same name as Decree No. 11-2021 for purposes of recording and publication.

- d) Acquisitions less than Q.100,000 can be formalized through a record of negotiations.
- e) Acquisitions equal to or greater than Q.100,000 will be formalized through a written contract.
- f) Entities interested in presenting an economic bid must be registered and activated in the General Registry for Government Procurement of the Ministry of Public Finance.
- g) The Ministry of Public Health and Social Assistance (MSPAS) and the Guatemalan Social Security Institute (IGSS) will provide to the Oversight Office of the Superintendency of Tax Administration the list of charity organizations and associations with which they have contracts signed and currently in force.
- h) To request the exemption from all import taxes, Value Added Tax -VAT-, and customs duties on donations made that are directly related to the prevention of COVID-19, it is necessary to attach to this request the documentation that proves that the goods are in fact related to responding to the COVID-19 pandemic and the documents that the SAT requires per the current legislation. The term for ruling on the request should be no longer than 3 business days, counted from the date the case file enters the ruling stage.

Among other matters, the Regulation also establishes the following: the specific forms of procurement and contracting; the procedure for the open health contract; the contracting of public servants; the contracting of technical and professional services; the use and expansion of state facilities on a temporary basis; the obligation for suppliers to provide to the MSPAS and to the Consumer Protection Agency (DIACO) of the Ministry of Economy all of the information requested regarding the pricing of the goods and services included on the basic list of the Law; and the obligation for these government entities to weekly publish the reference prices for private hospital services.



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