



Panama Tax News

Rules relating to the adoption of the Electronic Invoice, regulating the duties of users of the electronic invoice

June 2021

Executive Decree No. 147 of 26 May 2021, which amends articles of Executive Decree 766 of 2020 laying down rules concerning the adoption of the electronic invoice

Resolution 201-4502 of May 27, 2021, by which the duties of users of the electronic invoice system not active within the pilot plan are regulated

Executive Decree No. 147 establishes the following:

- Article 1 of Executive Decree 766 of 2020 is amended, which establishes that all individuals and legal entities who are exempted from the use of fiscal equipment by means of a Resolution issued by the Tax Authority, as well as those who request it to document their transfers operations and sale of goods and services, are obliged to comply with the aforementioned Executive Decree.
- It is indicated that the Tax Authority will regulate the parameters with which any taxpayer who wishes to opt for the Free Invoicer of the SFEP must comply.
- The user issuing an Electronic Invoice who uses Qualified Authorization Providers (PACs) or SFEP's Free Biller must comply with the following obligations:

1. Have the proper exception for the use of fiscal equipment.
 2. Have an electronic certificate issued by a certification service provider registered with the National Electronic Signature Directorate of the Panama Public Registry.
 3. Be duly registered with the electronic invoicing system of the Tax Authority.
 4. Issue documents according to the specifications in the technical sheet.
 5. Contract the services of at least one PAC to obtain authorization for the use of electronic documents.
 6. Properly report subsequent events related to an electronic invoice.
- Users of free SFEP billers are excluded from compliance with obligations under items 2, 4 and 5 above.

Resolution No. 201-4502, states the following:

- Dictates the procedure for the fulfillment of the obligations by the users of the SFEP electronic system.
- To inform the taxpayers of the Pilot Plan listed in Resolution 201-5784 of 2018, who at the date of entry into force of Resolution 201-4502 are not making operational use of the Pilot Plan electronic invoicing model, must request authorization for the use of this invoicing method
- The taxpayer who wishes to opt for the Free Biller of the Electronic Billing System of Panama, must comply with the following:



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TAXPAYERS		RANGE ACCORDING TO GROSS REVENUE	Nº of Monthly Documents
Natural Persons	Independent Professionals	N/A	30
	Merchants	Less than or equal to USD 36,000.00	200
		36,000.01 or more	200
Legal Persons	Microenterprise	Less than or equal to 150,000.00	200
	Small Businesses	From 150,000.01 to 1,000,000.00	200

- Any taxpayer who requests the use of electronic invoice must register with the SFEP through the e-tax system.
- Based on the above, the following documents must be attached as supporting documentation:
 - Copy of certification or resolution that recognizes the exception of the use of fiscal equipment by the Tax Authority.
 - Memorial signed by the legal representative requesting the adoption of the SFEP as a billing method.
- Taxpayers who are exempt from the use of fiscal equipment and who do not have a certification or resolution from the DGI exempting them from its use may attach a note to the application form requesting recognition of the exemption from the use of fiscal equipment. Taxpayers who are obliged

to use fiscal equipment when applying for the adoption of SFEP must submit a note signed by the legal representative requesting the substitution of the use of fiscal equipment by SFEP as the invoicing method.

- Once the application has been completed and submitted through the e-tax system, the Tax Authority will issue a resolution authorizing or rejecting the application within a maximum period of thirty (30) calendar days.
- Once the application for adoption by the SFEP under the free system has been approved by resolution, the taxpayer will have a maximum period of fifteen (15) calendar days to accept the terms and conditions established and begin invoicing with this method.
- Once the application for the use of the SFEP under the PAC modality has been approved by resolution, the taxpayer will have the following deadlines for the implementation of the system:
 - The above deadlines will be calculated from 30 July 2021. However, if the resolution is issued after 30 July 2021, the deadlines shall be calculated from the date on which the resolution is enforceable.
 - Any legal entity that decides to use the Electronic Invoice under the PAC modality must complete the online form containing the proxy application so that it may be authorised as an electronic invoice issuer.
 - Taxpayers who apply to adopt SFEP as an invoicing method, under the PAC modality, and who are authorised to do so by means of a resolution, may only maintain their current invoicing mechanisms while the established deadlines are met.

TAXPAYERS	RANGE ACCORDING TO GROSS REVENUE	Nº of Monthly Documents
Natural Persons	N/A	Up to 60 calendar days
Legal Persons	Less than or equal to USD 1,000,000.00	Up to 60 calendar days
	USD 1,000,000.00 to	Up to 90 calendar days
	From 150,000.01 to 1,000,000.00	Up to 120 calendar days

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