



## **Panama Tax News**

Electronic Invoicing Regulations

January, 2021

# Law Executive Decree 766 of December 29 2020, which establishes rules for the adoption of Electronic Invoicing

Entities that request the General Directorate of Revenue (DGI) to use electronic invoicing to document their operations are obliged to comply with the provisions of said Decree. However, those companies exempted from the use of fiscal equipment by means of Law 76 of 1976 are obliged to use electronic invoicing.

However, article 2 of the aforementioned Decree establishes that the DGI will proceed to:

- Determine the groups of taxpayer who, due to nature of their operations or billing volume, should use electronic invoicing instead of fiscal equipment.

- Evaluate and approve the requests of those taxpayers who expressly and voluntarily decide to use electronic invoicing and grant exceptions for the use of fiscal equipment.
- Except taxpayers from compliance with Executive Decree 766, according to the nature or volume of their operations, in accordance with the criteria of the DGI.

The issuance of Electronic Invoices generates the obligation of the issuer to obtain an authorization for use by a Qualified Authorization Provider (PAC), with the exception of those electronic documents generated by the Free Electronic Invoice System of Panama (SFEP for its name in Spanish).

The electronic invoice will have the same evidential value than those invoices issued by fiscal equipment have, guaranteed by means of the qualified electronic signature of the issuer endorsed by an electronic certificate issued by a certification service provider registered with the National Directorate of Electronic Signature of the Public Registry of Panama.

## Resolution 201-0295 of January 20, 2021, establishes the procedure for the authorization process to act as a Qualified Authorization Provider (PAC) for electronic invoicing

It is established that to act as PAC, after having complied with the registration, evaluation and qualification processes, legal entities must have a Resolution issued by the General Directorate of Revenue granting their authorization for operation.

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