



Panama Tax News

Resolution 201-4845 that establishes the procedure for a differentiated payment arrangement or agreement by the State of National Emergency

August 2021

Resolution 201-4845 that establishes the procedure for a differentiated payment arrangement or agreement by the State of National Emergency in accordance with article 14 of Law 208 of 6 April 2021 and lay down other provisions.

Whereas by Law 208 of 2021, the Tax Authority (DGI) was authorized to allow taxpayers to make payment agreements and arrangements that facilitate the fulfillment of their tax obligations during the term of the State of National Emergency, Resolution 201-4845 of 2021 regulates the following:

Those taxpayers interested in applying for the differentiated payment arrangement or agreement established in article 14 of Law 208, must submit an application through a memorial.

- Some of the requirements for the memorial are:
 1. General of the applicant and the representative.
 2. Details of current tax address, e-mail address and business activity;
 3. In the case of a legal person, legal representative must sign it. The memorial may be signed by the applicant or by a legally constituted representative;
 4. Reason why they require this type of payment arrangement or agreement, detailing the status of the taxpayer, economic activity and the proposal for a

settlement or payment agreement that would be in their capacity to comply within a maximum of 48 months. In accordance with the means of payment set out in article 68 of the Code of Tax Procedure.

The memorial must be accompanied by the following documents:

- a. Individuals:
 - A copy of the taxpayer's current ID or passport;
 - Capacity to Pay Form;
 - Copy of the last receipt of a basic service (water, cable, light or telephone) showing



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the taxpayer's address, which must match the address on the Single Taxpayer Register or affidavit.

b. Legal Persons:

- Special Power duly granted and authenticated;
- Capacity to Pay Form;
- Original or verified Public Registry Certification where the Company, its directors, dignitaries and legal representative are valid.
- Original Minutes of the Notarized Board of Directors or Meeting of Shareholders, where the payment agreement is authorized and the person who will request such agreement on behalf of the company is designated.
- In the case of real estate, a certificate of ownership of the property must be presented, stating the general ownership of the real estate and the name of the owner.
- The Tax Authority shall have a period of 15 working days to approve or reject the proposal for a settlement or payment agreement, without prejudice to the

possibility of the taxpayer submitting a new proposal or the proposal being amended.

The Tax Authority will take into account the following parameters:

1. Status of the taxpayer according to financial statements, authorized public accountant certification or bank reference letter;
 2. Economic activity and opening block to which the taxpayer belongs;
 3. Amount and period to which the debt reflected in the statement of account corresponds;
 4. Track record of the taxpayer's performance of tax obligations, including the obligation to pay, as well as the obligation to report;
 5. Amount of debt, terms of payment and proposed term;
 6. Guarantees that the taxpayer can provide.
- Taxpayers who maintain amnesty and/or regular payment arrangements concluded as of October 2019 may withdraw from them to

benefit from the payment arrangement or arrangement established by Law 208 of 2021, once it has been approved.

- It is established that the taxpayer must make an initial payment of between 10% and 25%, according to the debt of the amount, however, the payments previously made will be considered as the initial payment of this differentiated payment arrangement.
- Where the taxpayer maintains a contentious-administrative process before the Third Chamber of the Supreme Court of Justice against the administrative act that orders the payment of the debt and when the Director considers, a lesser amount may be fixed as an initial payment based on the status of the taxpayer.
- Taxpayers with payment arrangements agreed prior to 2016 must cancel the balance and enter into a new payment arrangement with the current outstanding balance that was not included in the previous payment arrangement.

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