



## **Panama Tax News**

Resolution 201-5882 by means of which the procedure for the giving in payment in kind of movable and immovable property as an exceptional means of payment is established

July 2021

# Resolution 201-5882 of 2 July 2021, which establishes the procedure for the payment in kind of movable and immovable property as an exceptional means of payment, as provided for in article 68 of Law 76 of 2019.

Article 68 of Law 76 of 2019 establishes the payment in kind as an exceptional means of payment.

Therefore, resolution 201-5882 regulates the following:

- Taxpayers interested in using the payment in kind as an exceptional means of paying their own or third-party tax debt, to extinguish or pay a tax liability, must submit a request by memorial to the Directorate-General for Revenue (DGI) where the taxpayer is identified and the reasons for the exceptional use of the payment in kind as a means of payment.

In addition, the application must be

accompanied by the following documents:

1. Normal proposal for exceptional payment in kind detailing the price, conditions of the proposed offer and the goods offered, signed by the owner and the party interested in using this means of payment.
2. Certification of an Authorized Public Accountant, in which it is attested that the applicant lacks liquidity to face the payment of the delinquency existing at the date of his application.
3. Legal persons shall present Certification of the Public Registry, where the legal representation or corresponding power is recorded in favor of the authorized

person as the case may be. Where authorization from another body of the company is required to transfer the assets subject to payment in kind, a record of the relevant social body must be attached, with the applicable formalities.

4. If the request is made by a lawyer, the Special Power of Attorney must be addressed to the Director of the DGI.
5. If the payment is made in favor of a third party and the applicant is a legal person, the minutes of the body of the legal person concerned must be submitted, where it authorizes payment in kind on behalf of the third party and the assignment of the proposed asset to the



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- National Treasury in payment of the tax debt.
6. In the case of movable or immovable property subject to registration, certification must be provided of the appropriate Registry, containing the name of the owner, description of the property and whether there are registered charges.
  7. If the immovable property is not registered, the ownership of the property and its commercial value must be verified.
  8. The documents provided with the application must be provided in original or by electronic means authorized by law, failing that, by means of authenticated copies.
- Any application for exceptional payment in kind shall be accepted for evaluation, provided that:
    - The taxpayer maintains a tax liability in force;
    - It has been established in the application the reasons why the tax payer wish to use exceptionally this means of payment of your own or third party tax debt;
    - Have been filed under the established requirements.
  - The Collections Department will analyze the applications and issue an Evaluation Report detailing their recommendation and accepting or denying the application, which must be issued within 30 calendar days after the application is submitted.
  - During the aforementioned period, the necessary inspections and studies must be carried out to certify the condition, quality, price and benefit of the good offered.
  - Upon receipt of the evaluation report, the Director of the DGI shall analyze the reasons set out and, by means of reasoned resolution, shall issue his judgment by accepting or not accepting payment in kind, within 10 working days.
  - Once the exceptional payment proposal has been approved, it will be sent to the Comptroller General of the Republic, for endorsement, as established in article 68 of Law 76 of 2019.
  - The asset proposed and accepted as an exceptional payment in kind shall be assigned to the Property Management, and the value determined, applied to the tax debt of the taxpayers set out in the application.
  - The exceptional payment in kind shall apply only to the corresponding concepts of the tax debt, with their respective surcharges, interest and fines, condonations for tax amnesty applied, calculated until the date of their cancellation.
  - In the event of a surplus between the determined value of the property or goods subject to payment and the tax debt to be paid, the surplus shall remain as an overpayment credit in favor of the taxpayer requesting the payment.

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