



Panama Tax News

Resolution 201-11900 that establishes the procedure and application of additional debits and enables the function of specific adjustments in the current account module and Resolution 201-0251 that updates the duties of users of the Electronic Invoicing System of Panama and the deadlines for non-active users within the pilot plan.

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Resolution 201-11900 of December 30, 2021, which establishes the procedure and application of additional debits and enables the function of specific adjustments in the current account module

As a result of the need to adapt the current account module so that tax debits are applied as appropriate through specific adjustments and with the effect of establishing quotas within the current account and its correct application, the following is provided:

- It is established as a unified criterion in the current account of the taxpayer for the application of additional debits, tax credits or obligations in general, the date that is detailed in the document generated by the computer system of the General Directorate of Revenue (DGI), where the certain and exact date of causation is indicated of the tax of the additional debit or tax credit to be applied.
- The unified criterion will fall on all those debits and tax credits, which must be incorporated later into the current account, to avoid a distortion in it.
- January 1, 2021 is set as the initial date of application of the unified criterion.
- Current accounts that present a distortion of periods prior to January 1, 2021 and that require adaptation, may be adjusted, and ordered, after analysis and approval of the Current Account Section of the DGI.
- It is enabled within the current account module, the functionality of specific adjustments to the current account and it will be located within the type of account to be made and in order to establish quotas within said account and limited to the tax or obligation within a certain period or periods.
- The function of adjustments to the current account will be enabled and implemented in the E-tax 2.0 and will be used and applied by the Current Account and Collections sections, on the following occasions:
 - When there are tax obligations, whose registration has not been made in a timely manner in the E-Tax 2.0 system, for any legally supported reason.
 - When there are tax obligations whose collection affects the payments of other periods when transferring the payments made to the obligation to register.



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- When due to errors of the taxpayer or due to errors of the Tax Administration, incorrect payments or sums are applied as credits that do not correspond to a specific tax and period, and that such situations must subsequently be corrected.
- Those situations in which the current account section considers that it merits enabling the function in order not to affect the correct order of the taxpayer's current account.
- The tax applied in the module of specific adjustments to the current account will be made according to the unified criterion of application of additional debits and tax credits, originated by and as follows:
 - Taxes caused by an enforceable and final resolution.
 - In payment arrangements if applicable.
 - In the penalties generated by a fine.
 - In the resolutions issued by the DGI, the Tax Administrative Court or the Supreme Court of Justice, which modify the decision of first instance by the DGI.
 - In cases of errors of the Current Account Section, duly verified.
 - Interest, surcharges, and penalties that are generated according to the unified criterion.
 - All other cases of application of debits and tax credits that have not been included in this Resolution and that, by their nature, when included in the current account may distort it, if the corresponding adjustments are not made.
- Adjustments made to the current account will be applied according to the unified criterion of application and limited to the tax within a period or several fiscal periods and not to the current account.
- All current account adjustments mentioned in this Resolution will be processed by the DGI by means of an explanatory memorial of the taxpayer with due legal support or through the E-tax in the case that is enabled for such purposes.
- The adjustments in the current accounts requested by the taxpayers, after analysis and approval of the Tax Administration, will be applied both in the nominal sums, as well as to the surcharges and interest.

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Resolution 201-0251 of January 12, 2022, which updates the duties of users of the Electronic Invoicing System of Panama and the deadlines for non-active users within the pilot plan

The procedure for the fulfillment of the obligations by the users of the Electronic Invoicing System of Panama (SFEP) is established and Resolution 201-4502 of May 27, 2021 and Resolution 201-11114 of December 1, 2021 are repealed.

In this sense, the following is established:

- Inform taxpayers that the companies listed in article sixteenth of Resolution 201-5784 of August 31, 2018 that at the date of entry into force of this Resolution, are not making operational use of the electronic invoicing model of the pilot plan, must request authorization for the use of the billing method in compliance with the obligations and regular procedures established in Executive Decree 766 of

29 of December 2020, its modifications and this resolution, as well as what is contemplated in any future regulations regarding the SFEP.

- Pilot Plan companies will keep the SFEP as their only billing method.
- The parameters with which any taxpayer, whether individuals or legal entity, who wishes to opt for the use of the Free Biller (FG) of the SFEP must comply are those detailed below:

Taxpayers	Range by annual gross income	Number of monthly documents
Individuals	Up to \$	200
Legal entities	1,000,000.00 USD	

- Any person who wishes to take advantage of the SFEP before the DGI, must register in the Electronic Invoicing System of Panama. This will be done through the E-tax 2.0 system SFEP affidavit form.
- To complete the aforementioned affidavit, you will need to provide the following information:
 1. Selection of service to use either FC or Qualified Update Provider (PAC)
 2. Updated data
 3. Number of Tax Teams
 4. Monthly average of invoices issued
 5. Type of business
 6. Type of Establishment

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- The submission of this form is an affidavit under the gravity of oath.
- Individuals or legal entities who submit the affidavit under the modality of the FG before the DGI, as a method of electronic invoicing, will have 15 calendar days, counted from the presentation of the affidavit to start invoicing with this method. The taxpayer as proof of filing the return will receive a certificate of receipt.
- Individuals or legal entities who submit the affidavit under the PAC modality before the DGI, as a method of electronic invoicing, will have the following deadlines for the implementation of the system:

Taxpayers	Range by annual gross income	Term
Individuals	N/A	Up to 60 calendar days
Legal entities	Less than or equal to \$	Up to 60 calendar

	1,000,000.00 USD	days
	1,000,000.01 to 2,500,000.00	Up to 90 calendar days
	2,500,000.01 or more	Up to 120 calendar days

- These deadlines will be computed from the presentation of the affidavit.
- Those persons who have been issued a response to the request for incorporation into the SFEP by Resolution, the implementation deadlines described in the previous table will be computed as of October 13, 2021. However, if the resolution authorizing this billing method is issued after October 13, 2021, the deadlines will be computed from the moment said resolution is enforceable and final.
- Any taxpayer whose implementation period has begun to be computed, must maintain their previous billing method,

until the incorporation is achieved in accordance with the deadline established in the previous table.

- As an additional requirement, any person who decides to use electronic invoicing under the PAC modality must complete the online affidavit containing the proxy application for withdrawal of electronic signature established from the E-tax 2.0. The rest of the procedure will be carried out in the National Electronic Directorate of the Public Registry of Panama in accordance with its procedures.
- Within the procedure of taxpayer affiliation-PAC confirmation, the authorized issuing user must ensure that the PAC reports through the Affiliation Web Service, so that it is enabled as an issuer of electronic invoice. After this step, the taxpayer must enter the E-tax and make the confirmation of PAC affiliation, a method under which the condition of issuing user of electronic invoice will be perfected and in turn will confirm to the

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DGI, the information regarding the PACs with which it is working.

- **Persons who submit the affidavit of adoption of SFEP as a billing method, under the PAC modality, may maintain the current billing mechanisms only during the fulfillment of the deadlines established in the previous table.**

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Contacts:

Michelle Martinelli

Tax and Legal Partner
mmartinelli@deloitte.com
Phone +(507) 303-4100

Yira Cobos

Tax Partner
ycobos@deloitte.com
Phone +(507) 303-4100

Desiree Esaa

Senior Tax and Legal Manager
desaa@deloitte.com
Phone +(507) 303-4100

Juan Mendoza

Senior Transfer Pricing Manager
jumendoza@deloitte.com
Phone +(507) 303-4100

Tania Aguilar

Senior Tax Manager
tanaguilar@deloitte.com
Phone +(507) 303-4100

Lisandro Becerra

Tax Manager
libecerra@deloitte.com
Phone +(507) 303-4100

Katiushca Navarro

Tax Manager
kanavarro@deloitte.com
Phone +(507) 303-4100



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