

The procedure to benefit from a differentiated payment arrangement by the State of National Emergency is established.



Taking into consideration the state of emergency in which the Republic of Panama was facing, in order to allow taxpayers to extend the time to comply with their tax obligations, Law 208 of April 6, 2021 was promulgated, modified by article 34 of the Law 337 of November 14, 2022 (the "Law 337"), which extends the term to pay taxes or enter into payment agreements.

Thereafter, **Resolution 201-2946 of April 5, 2023 (the Resolution)**, is published in the **Official Gazette on April 28, 2023**, which establishes the procedure for requests for differentiated payment arrangements by the State of National Emergency (the "State of Emergency").

The Resolution states that, taxpayers interested in requesting the differentiated agreement by the State of Emergency, must submit their request, through a legal brief, accompanied by different documents and addressed to the following email address: dgi.apd@mef.gob.pa.

In the same way, taxpayers may submit the requests for a differentiated payment

arrangement in the Single Registry of Tax Procedures (by its abbreviation in Spanish "RUTT").

When considering the request, the General Directorate of Revenue will take into consideration the following parameters:

1. Amount and corresponding period to the debt reflected in the account statement;
2. Debt amount, payment terms and proposed terms; minimum amount of **B/.2,000.00** for natural persons, and **B/.5,000.00** for legal entities.

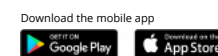
It is important to mention that, taxpayers who maintain an amnesty and/or regular payment arrangement that have been arranged as of October 2019, may withdraw from said arrangement, and take advantage of a

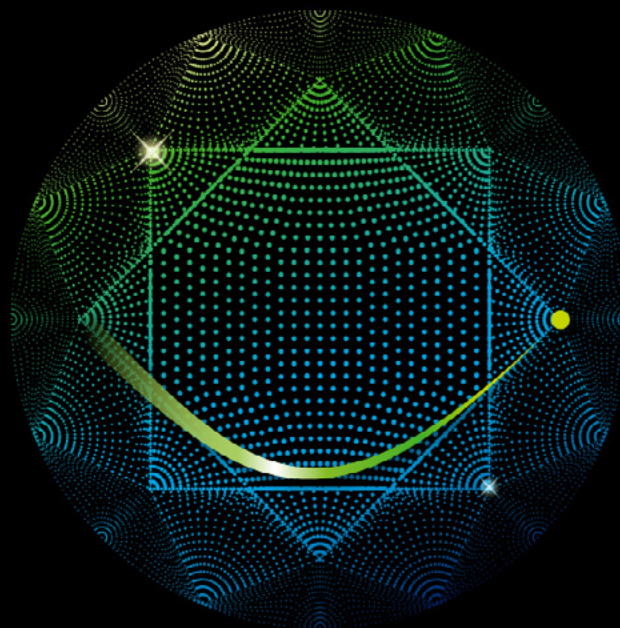
payment arrangement that allows flexible initial payment percentages according to the amount of the debt, waiving interest of up to forty-eight (48) months to cancel the arrangement, in accordance with the provisions of article 34 of Law 337 and, in these cases, the payments previously made will be considered as a credit to the balance defaulter

On the other hand, those taxpayers who have been arranged before October 2019, may also withdraw from the arrangements with amnesty, to benefit from the provisions of article 34 of Law 337.

In these cases, the taxpayer must make the payment of twenty-five (25%) according to the amount of the debt.

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