



# Transitory measures for tax recovery and abbreviated auditing are created

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On Monday, October 9, Law 401 of 2023 was published in the Official Gazette, which creates transitory measures for tax recovery and a special transitory treatment of abbreviated tax audit, management, and tax debt.

The rule declares prescribed the debts in respect of tax obligations with the General Directorate of Revenue (DGI) that are charged to the current account since the entry into force of the law and correspond to the fiscal years of 2015 or prior; this in relation to income tax, educational insurance and operation notice.

For these purposes, it is mandatory that taxpayers maintain regular compliance with the formal and tax obligations corresponding to the tax periods of 2016 onwards, that they are not subject to investigation or conviction for tax evasion or tax fraud and that they are not subject to ongoing auditing processes or appealed in any instance. The law provides exceptions.

Another of the issues addressed by Law 401 is a transitory procedure of abbreviated audit that applies to persons who at the entry into force of the regulation are subject to an audit or petition of a party related to income tax, educational insurance and operation notice.

Considering the provisions of the law, taxpayers wishing to avail themselves of the abbreviated procedure will have to submit a formal request to the DGI, which will be accompanied by a certification countersigned by an authorized public accountant, where the preliminary verification of the taxpayer's full compliance with the tax legislation in force in all the taxes administered by the DGI must be stated.

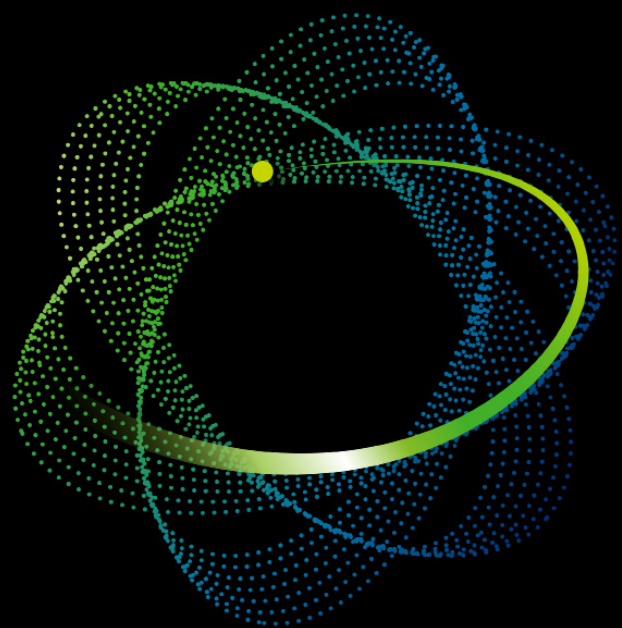
Law 401 also establishes other general tax regularization rules, among which the following stand out:

- Discount rate of 25% to taxpayers who upon the entry into force of the law and before November 30, 2023, pay 100% of the property tax corresponding to the tax period 2024.



- Discount rate of 25% for taxpayers who upon the enactment of the law and before November 30, 2023, pay 100% of the single tax corresponding to the 2025 tax period.
- Condonation of 50% of all fines charged or not in the e-tax 2.0 system to taxpayers who pay the remaining 50% of the fines as from the entry into force of the law and until November 30, 2023.
- Exoneration of the fines applied by the DGI to the taxpayers who had filed late the return of Form 03 for the fiscal period of 2022.
- Regularization period until November 30, 2023, for individuals or legal entities that pay the total of the nominal balances owed.
- Extension until December 31, 2023, applicable to withholding agents that maintain delinquency for taxes withheld from installments inherent to periods up to June 2023 for income tax and educational insurance.

Finally the law adds modifications to other national laws which can be viewed in full, as well as the entire content of the Law 401 of 2023, by clicking on this [link Law 401 of 2023](#).



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