



TAXES

- March 16 **General Resolution No. 45/20**: the validity periods of the Tax Compliance Certificates ("**CCT**") issued between March 18 and June 30, are extended for a period of 90 days. The deadlines for submitting the Purchase and Sales Books through the "*Hechauka*" system for the months of March, April and May were also postponed.
- Decree No. 3457/20**: an exceptional and transitory regime for payment of personal income tax payment (*Impuesto a la Renta Personal* or "**IRP**") is set forth, as well as a regularization period for complying with tax obligations of previous fiscal years (2019 or earlier). Hence, the following rules shall apply:
- a) Minimum initial payment of an equivalent to 20% of the debt, which must be made within 2 days from the day of filing the request for ease of payment.
 - b) Annual financing interest rate of 0%.
 - c) Up to 5 monthly installments.
- It is also established that until June 30, no penalty shall be applied for non-complying with formal obligations. Furthermore, until said date, the fines provided for in General Resolution No. 13/19 shall not apply to taxpayers who comply lately with their tax obligations.
- March 20 **Decree No. 3477/20**: provides a special Value Added Tax ("**VAT**") regime for the import and sell of basic products set forth in the COVID 19 prevention protocols. Products of the following tariff nomenclatures: 2828.90.11, 3808.94.19, 3808.9429, 4015.11.00, 6210.10.00, 6307.90.10, 6307.90.90 and 9020.00.90 for products derived from sodium hypochlorite (chlorine), clogged for surgery felt or unwoven fabric, felt caps, unwoven fabric cover, non-woven fabric cover and other cover caps, will enjoy a reduction in VAT application. Importers of the above products shall pay VAT at the Paraguayan customs authority (*Dirección Nacional de Aduanas* or "**DNA**") applying the 10% rate on the customs value of the product. This represents a direct VAT cost of 5% for imports. Those who sell the products on the local market will apply the 10% rate on a taxable basis of 50% of the value of the product, representing a direct tax cost of 5%. The seller must document the transaction issuing a legal invoice and entering 50% of the value of the product in the exempt column and 50% in the tax column.
- March 23 **Decree No. 3.480/20**: sets forth an exceptional and temporary regime of payment facilities for the 2019 fiscal year so that taxpayers of IRACIS and IRAGRO can comply with their fiscal obligations. This Decree will be in force until May 31st, 2020 and contains the following provisions:
- a. requires a minimum payment of 20% over the debt. The initial payments must be entered within the first 2 (two) calendar days counting from the following day of the submission of the request;
 - b. interest rates of 0% for the installments; and,
 - c. up to 5 (five) monthly installments.
- Furthermore, the first payment in advance of the Corporate Income Tax ("**IRE**") is postponed until July 2020 for the 2020 fiscal year.
- General Resolution No. 47/20**: the financial intermediation entities and cooperatives shall require the CCT, Certificate of Compliance in Dispute ("**CCC**") and the Certificate of Not Being



a Taxpayer ("CNSC") only for new credits or renewal of credits that amount at least PYG 150,000,000 (approximately USD 22,500).

In the cases of payment for tax obligations, the period of accrual of unpaid installments is extended to 6 (six) and/or 180 days of delay for the cases of payment to be ineffective in relation to the unpaid amount, in which case the taxpayer may request a new ease of payment if the ones in force were void.

The issuance of debt certificates in the ongoing procedures for collection of tax debts is suspended, as well as the initiation of new collection processes.

These measures will be in force until June 30.

March 26

Law 6524/20:

- ✓ **Formalization of Micro, Small and Medium Size Enterprises:** Formalization through a registration and data update process with the SET.
- ✓ **Extension of tax maturity periods:** Extension of tax maturity periods corresponding to sworn declarations and total and partial payments of all taxes that are settled according to Law 6380/19, from January 1, 2020, and all those taxes of the fiscal year 2019 pending settlement. This will not be applicable for the settlement of withholdings and earning, which must continue to be paid in a monthly basis on the established due date.
- ✓ **Suspension of new filings:** new filings for tax credit returns and resolutions that in process are suspended, except for the accelerated regime, during the validity of the state of emergency (for this year fiscal). The State of Emergency Law does not clarify if this suspension also covers the expiration period of credits, nor if credits will be returned with interest for those cases in which the taxpayer has ongoing processes.
- ✓ **Extension to call a meeting that approves the distribution of dividends:** an exceptional extension of the term is given to call a shareholders' meetings, so that these can be held within the first 6 months at the end of the fiscal year.
- ✓ **Extension for dividend distribution tax:** Regardless of the date of the shareholders' meeting that approves the distribution of dividends, taxpayers affected by the Dividend and Profit Tax ("IDU" for its Spanish acronym) will have until August 31 2020 to report and make the corresponding withholdings through the Marangatu System.

April 1

General Resolution No. 49/20: The SET has determined to that the due date for the submission of the *declaraciones juradas determinativas e informativas* and the payment of tax obligations be reassigned according to the following details:

- ✓ The filing and payment of the tax obligations for the month of February 2019 for taxpayers with RUC No. ending in 7, 8 and 9 which have been initially extended by General Resolution No. 46/2020, may be submitted on the 4th, 5th and 6th of May respectively.
- ✓ The filing of the IRACIS and IRAGRO Affidavits for the fiscal year ended December 31, 2019 must be fulfilled in June 2020 in accordance with the current perpetual calendar.
- ✓ The submission of the *Declaración Jurada Determinativa* ("DJI") and the payment of the IRE *Presunto*, Tributo Único Maquila, IVA, ISC General, ISC Combustibles and the



Informe Productos Derivados del Tabaco for the fiscal period of March 2020 must be fulfilled in May 2020 in accordance with the current perpetual calendar.

- ✓ The DJI for price adjustments for the fiscal period February 2020, must be fulfilled in May 2020, in accordance with the perpetual calendar in force.
- ✓ Taking into account the provisions of Article 16 of Law 6524/2020 where the call to shareholders' meetings is exceptionally extended for the first 6 (six) months at the end of the fiscal year, taxpayers who decide to distribute their profits, dividends or returns in 2020 will be able to issue virtual tax withholding receipts for the *Impuesto a la Distribución y Utilidades* ("IDU") from August 01 to 31, 2020. Payment of the IDU can be made until 13 September 2020.
- ✓ For taxpayers who have already paid their owners, partners or shareholders by August 01, 2020 must issue the tax withholding receipt and make the payment in accordance with the provisions of General Resolution No. 31/2019.
- ✓ Exceptionally, extend the maturity for payments of *Impuesto a la Renta Empresarial* ("IRE") advances. Payment must be made taking into account the current perpetual calendar in accordance with the maturity dates:
 - IRE advance with maturity date in May will be due on July;
 - IRE advance with maturity date in July will be due in September;
 - IRE advance in September will be due in November;
 - IRE advance in November will be due in December.

April 7

General Resolution No. 50/20:

A special procedure to register in the RUC is established for micro and small individual enterprises for the Corporate Income Tax under the Simplified Regime for Small Enterprises ("RESIMPLE").

The documents required for this are the following:

1. Valid Identification Document; and,
2. Any invoice of public or private services (such as public water, electric energy, fixed-line telephony o mobile, cable television) or bank statement or of cooperatives, settlement of the tax on property, rental agreement or any other documents where the location of the domicile is stated. In every case, the date of expedition of the invoice for services or of the documents will not surpass ninety (90) business days, at the time of the submission of the request.

When the request is approved, the taxpayer will have the chance to download the "proof of registration in the RUC" and the "Taxpayer Identification Document" through the webpage of the SET in the section "Services online without access password", "consultations"/"consult taxpayer identification document, proof of the RUC". It is possible to access through the mobile application "PYTYVO".



If the data or documents annexed by the taxpayer are not in accordance with the provisions of the resolution, the SET will reject the request submitted and will notify the taxpayer through the email declared with the submission, in order to file a new request when this corresponds.

The SET will gradually summon taxpayers within five days from the call, for them to present the physical documents submitted, subscribe the request of inscription in the RUC under the IRE RESIMPLE, as well as the document to record the will to obtain the user access code.

The form No. 601 “Request to register in the RUC under the IRE RESIMPLE” is authorized, the format will be available in the webpage of the SET.

April 13

General Resolution No. 51/19

The measures provided for in General Resolution 48/19 are extended until the National Government determines the end of preventive isolation.

Once the preventive isolation is over and the SET resumes public attending, within 5 business days, the persons who applied for RUC registration will be called up to submit the required documentation, sign the registration request and the minutes of intention to obtain their access key and register their biometric data.

The filing of IRACIS and IRAGRO taxpayer financial statements with fiscal year-end December 2019 is extended to July. Taxpayers with the fiscal year ends of April 2020 and June 2020 will not suffer any changes in the maturity for their financial statements.

The submission of taxpayers’ agrochemicals inventory as of 31 December 2019 is extended to July 2020.

May 03

General Resolution No. 52/20: which establishes the following:

- **Resumption of administrative deadlines:** the deadlines related to determination processes, application of sanctions, administrative summaries referring to the return of tax credits and reconsideration appeals, which were suspended by General Resolution No. 43/2020 and its modifications will be resumed as of from May 06.
- **Tax credit refund processes in favor of the taxpayer:** The expiration and prescription periods of these credits are suspended from March 27, 2020 to December 31, 2020. Likewise, the credit refund processes that are in process will continue its course until its resolution. In the event that there are amounts to return to the taxpayer, these will be credited as of January 1, 2021.
- **Face-to-face procedures in the SET offices:** while the health emergency lasts, these will be carried out only through previously scheduled appointments. In this case, the SET will send the call to the email address declared in the RUC or in the respective application for processing.
- While the health emergency lasts, the following procedures before the SET must be carried out in accordance with the following:
 1. **Registration in the RUC:** applications will only be received electronically through the SET website. Later, when it comes to:



- Legal entities: the SET will summon the legal representative who must appear at the SET offices in order to sign the necessary documents.
- Individuals: these must approach the SET offices, personally or through a third party via courier or other delivery system, the necessary documents duly signed, attaching a copy of the current identity card.

Once all the documents have been verified, the SET will manage the granting of the User Confidential Access Code.

2. Data update: those requests that require the face-to-face approval set out in the Annex to General Resolution No. 77/2016, will be managed virtually after analysis, without the need for the taxpayer's presence except for the change of email address and the change of legal representative.
3. Cancellation of the RUC: they will be exclusively managed electronically. In the event that the taxpayer does not have their confidential access code, they must submit their request through the SET page. Subsequently, the SET will send the taxpayer's email the cancellation form and will communicate the user to approach the SET Offices with the signed form and their current identity card. In the case of legal entities, the legal representative must be personally approached by prior appointment.
4. Required Initial Documentation (DIR): The presentation of the physical documentation of the DIR approved during the validity of General Resolution No. 43/2020, as well as the return of the documents corresponding to the requests for tax credits, will be made in accordance with the provisions of article 1 of this Resolution.
5. Execution of the Bank Guarantee: When a difference arises in favor of the Treasury in relation to the tax credits requested by the Accelerated Regime, it will be charged by the SET through the Execution of the bank guarantee, in which case the notification to the applicant It will be carried out through the Marandu Tax Mailbox and the Guarantor Entity through the email address that is declared in the RUC or in which it had declared for this management, the latter must proceed in accordance with the provisions of article 21 of General Resolution No. 25/2019.
6. Administrative Summaries and Reconsideration Resources: To access the physical background, present paper documentation or carry out some face-to-face procedure before the Tax Planning and Technique Directorate, you must contact through the email address corresponding to the department in order for them schedule an appointment to carry out the corresponding procedure.
7. Other procedures: to carry out other procedures, you must contact via email, from the address declared in the RUC, to the email address corresponding to the SET Regional Office to which it corresponds according to the declared address. Attached must be documents established for each case in pdf format. ([see list here](#))



May 06

Decree No. 3583/20: establishes an exceptional and transitory regime of payment facilities for the taxpayers of the VAT for operations conducted in the internal market and for the importation of goods, that generate the import VAT, in order to ease the compliance of fiscal obligations. This regime will be in force until August 31st, 2020 and establishes the following provisions:

1. It is required a minimum initial payment of 20% of the debt. The initial payments must be entered within the term of 2 (two) calendar days, counting from the day following the submission of the request;
2. Yearly interests rate for financing of 0% (zero per cent); and,
3. A maximum of 4 (four) monthly installments.

The taxpayers who wish to apply for this transitory regime will be able to obtain at the same time, more than 2 (two) payment facilities in force and more than 6 (six) for import operations.