

COVID-19

FISCAL AND ECONOMIC MEASURES

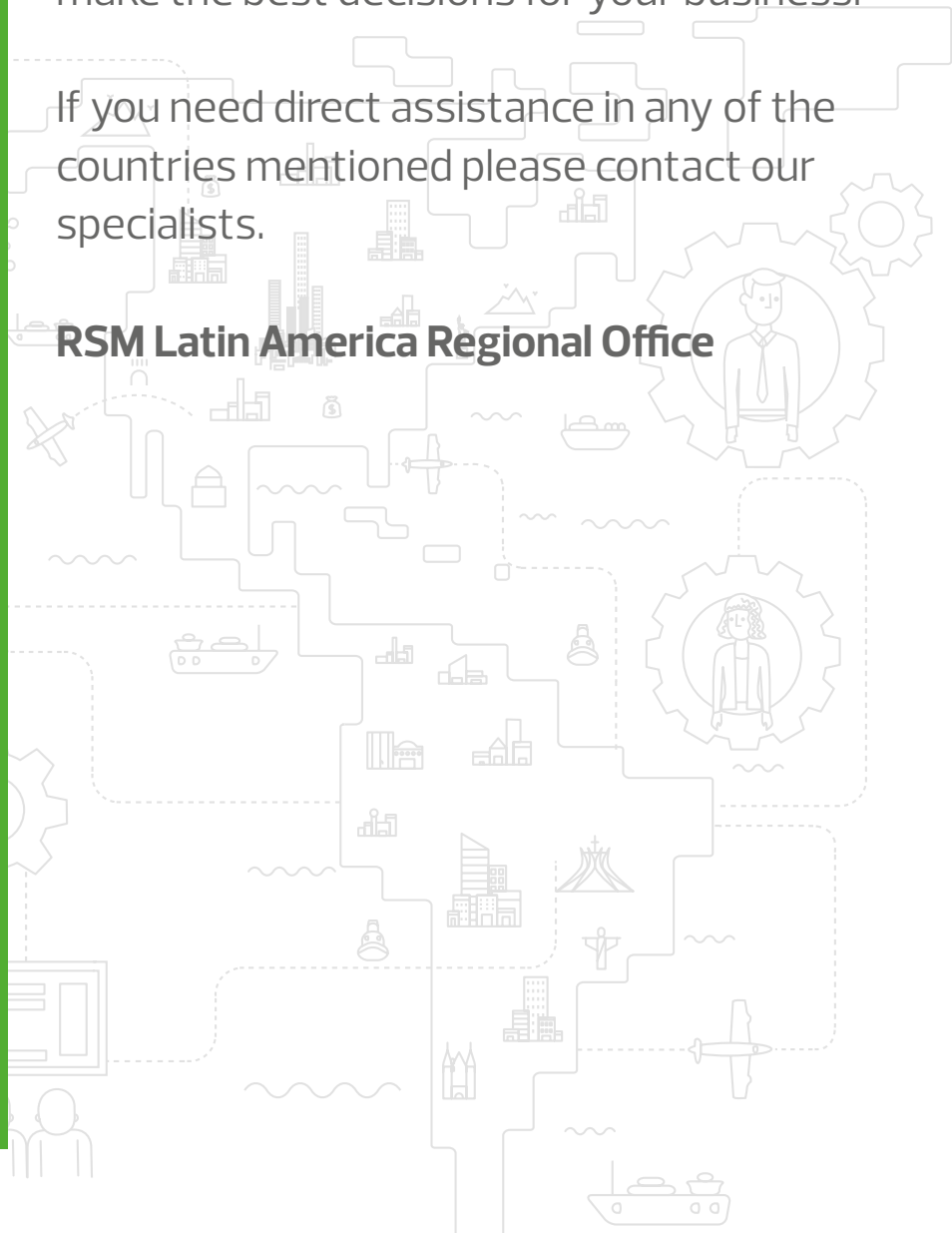
JULY 2020 UPDATE

Given the Covid-19 situation all around the world, RSM Latin America provides you a summary of the most important measures taken by the governments of the Americas to respond to the impact of the pandemic in the region.

Please note that this document is being produced in July 2020 and that we will be producing regular updates to help you make the best decisions for your business.

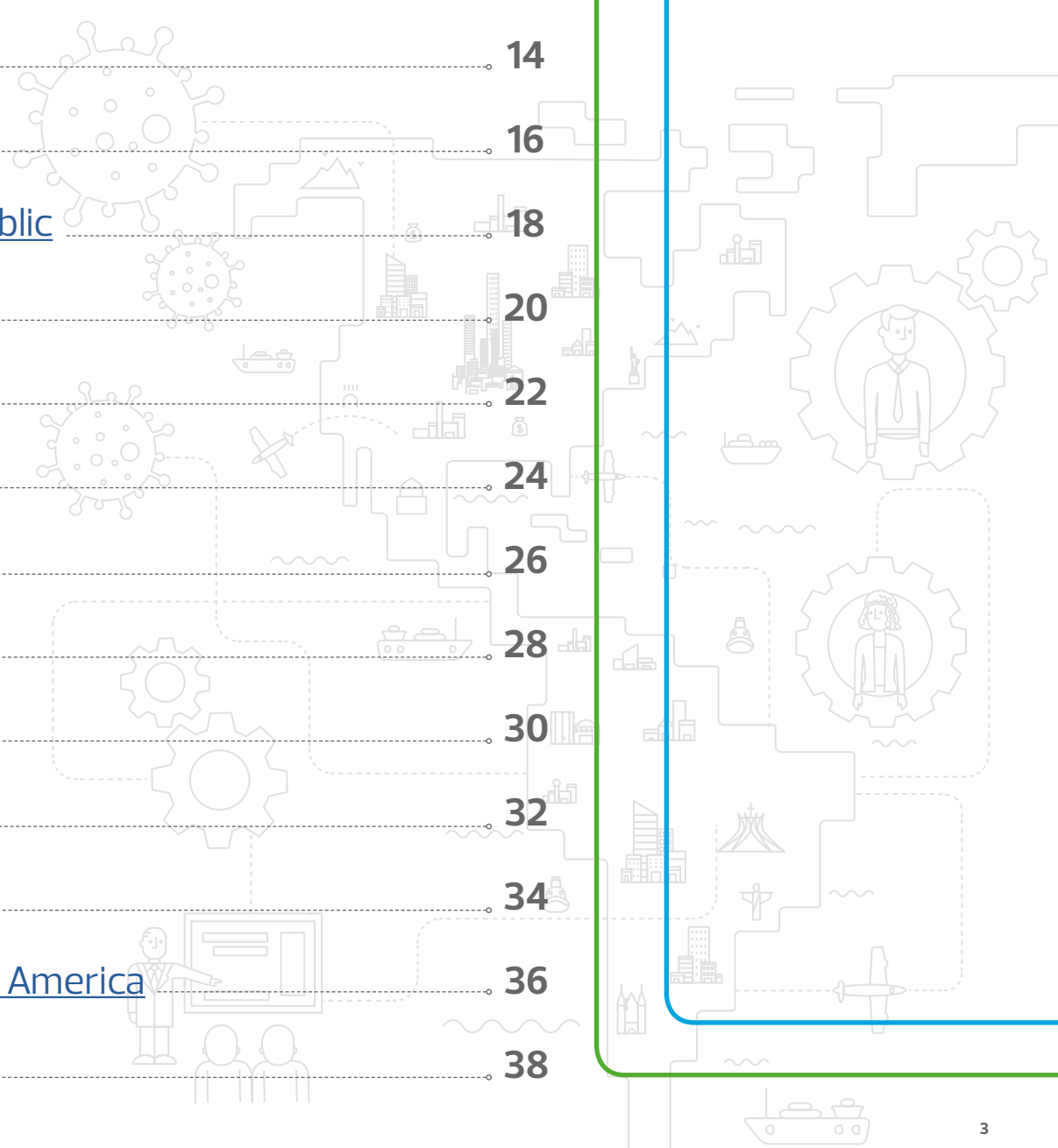
If you need direct assistance in any of the countries mentioned please contact our specialists.

RSM Latin America Regional Office

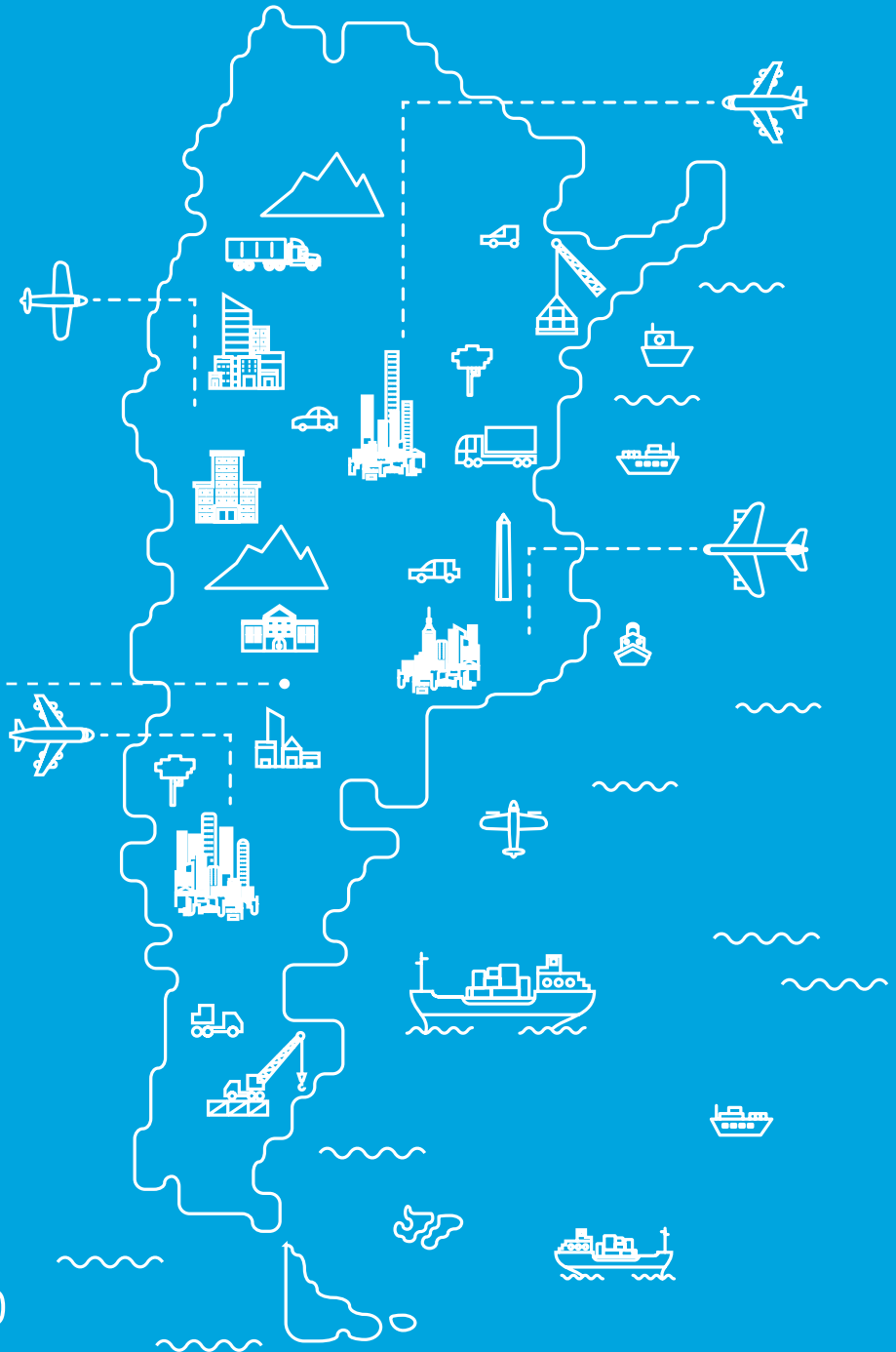


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ARGENTINA



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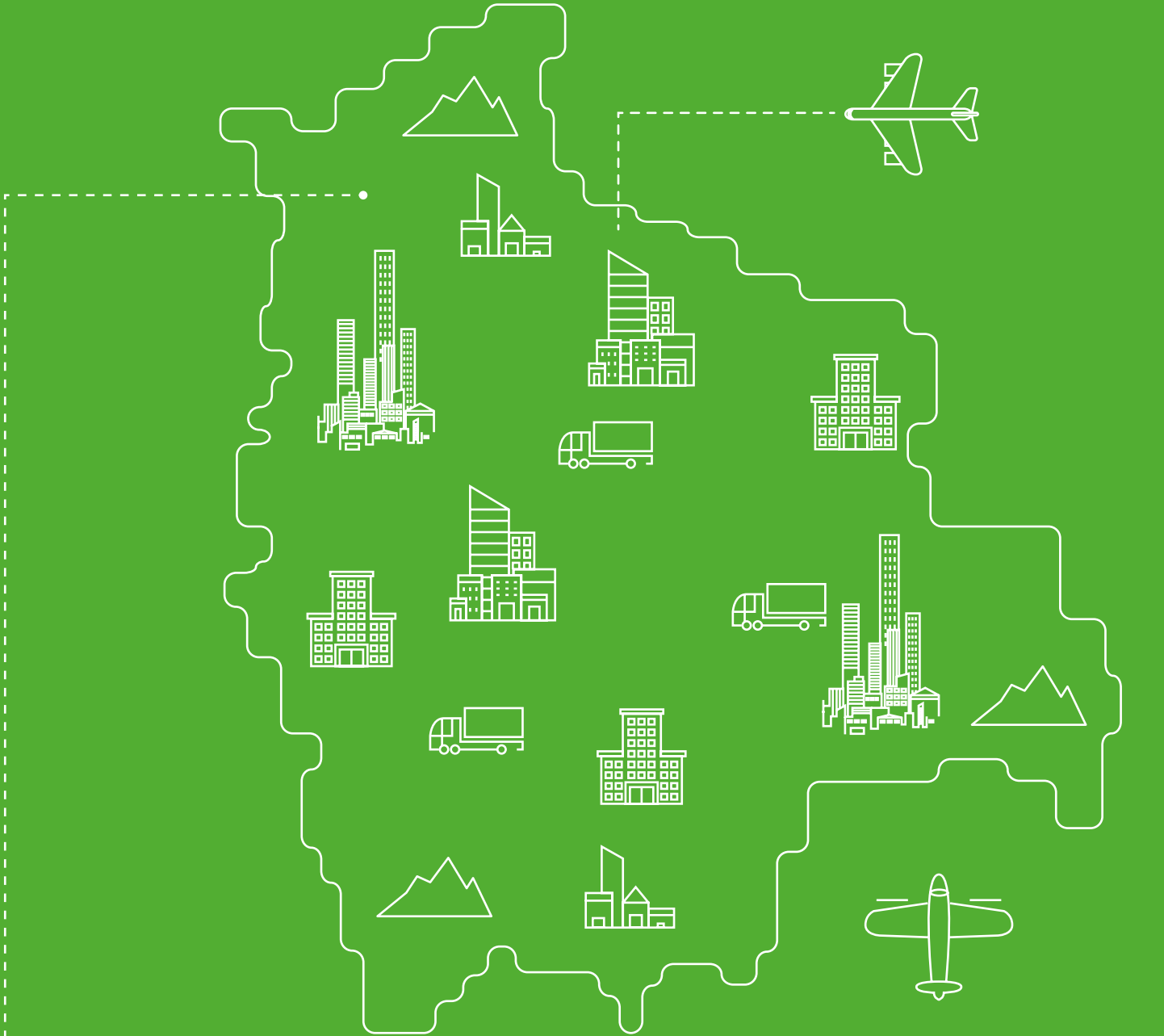
What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

- Zero-interest loans for small taxpayers and self-employed persons. Applications extended until 31/7/20
- Extension for payment or reduction of up to 95% of part of the Social Security payments
- Federal Government will cover part of all salaries paid by private sector to salaried personnel (Complementary Salary)
- Extension until 31/07/20 for the instalment plan for Micro, Small, and Medium enterprises comprising debts incurred until 30/11/19
- Extension of the term for filing and paying personal Income Tax and informative return filed by employers, until the end of July 2020
- Suspension until 31/12/20 of penalties because of issuing cheques without funds as well as the requirement to have no Social Security debts in order to obtain a Bank loan.
- Extension until 31/07/20 of the better conditions and benefits established in the Permanent Instalments' Plan
- Suspension until 30/07/20 of attachments and similar judicial procedures for Micro, Small and Medium enterprises
- Suspension of terms in administrative and judicial procedures until 17/07/20.
- Exemption from Income tax for all Health, Security and Armed Forces staff
- Reduction of the Debts and Credits on bank accounts tax for Health sector Companies (and related companies) to 0.25% (credits) and 0.5% (debits)
- Credit lines at 24% interest rate aimed for the payment of salaries
- Temporary exemption of part of Social Security (employer's contribution) for sectors critically affected by the pandemic (public entertainment, restaurants, tourism, hotels, public transportation)

Expert's perspective:

The Government has not granted many incentives at tax level. Most of the measures have been extensions for paying tax for a certain time. Biggest incentive is the payment by the Federal Government of part of the salaries of the private sector (capped in 2 minimum salaries)

BOLIVIA



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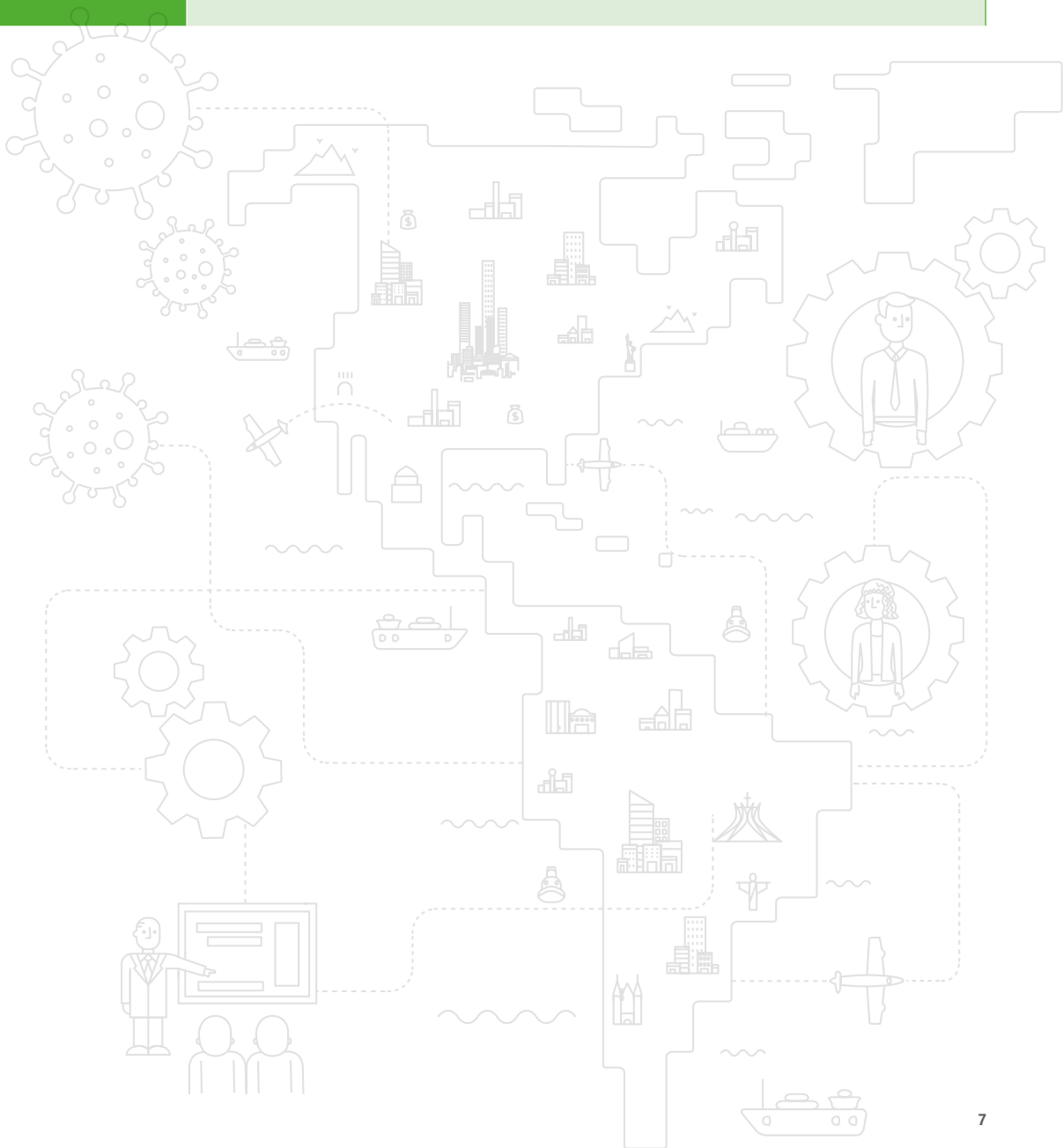


What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

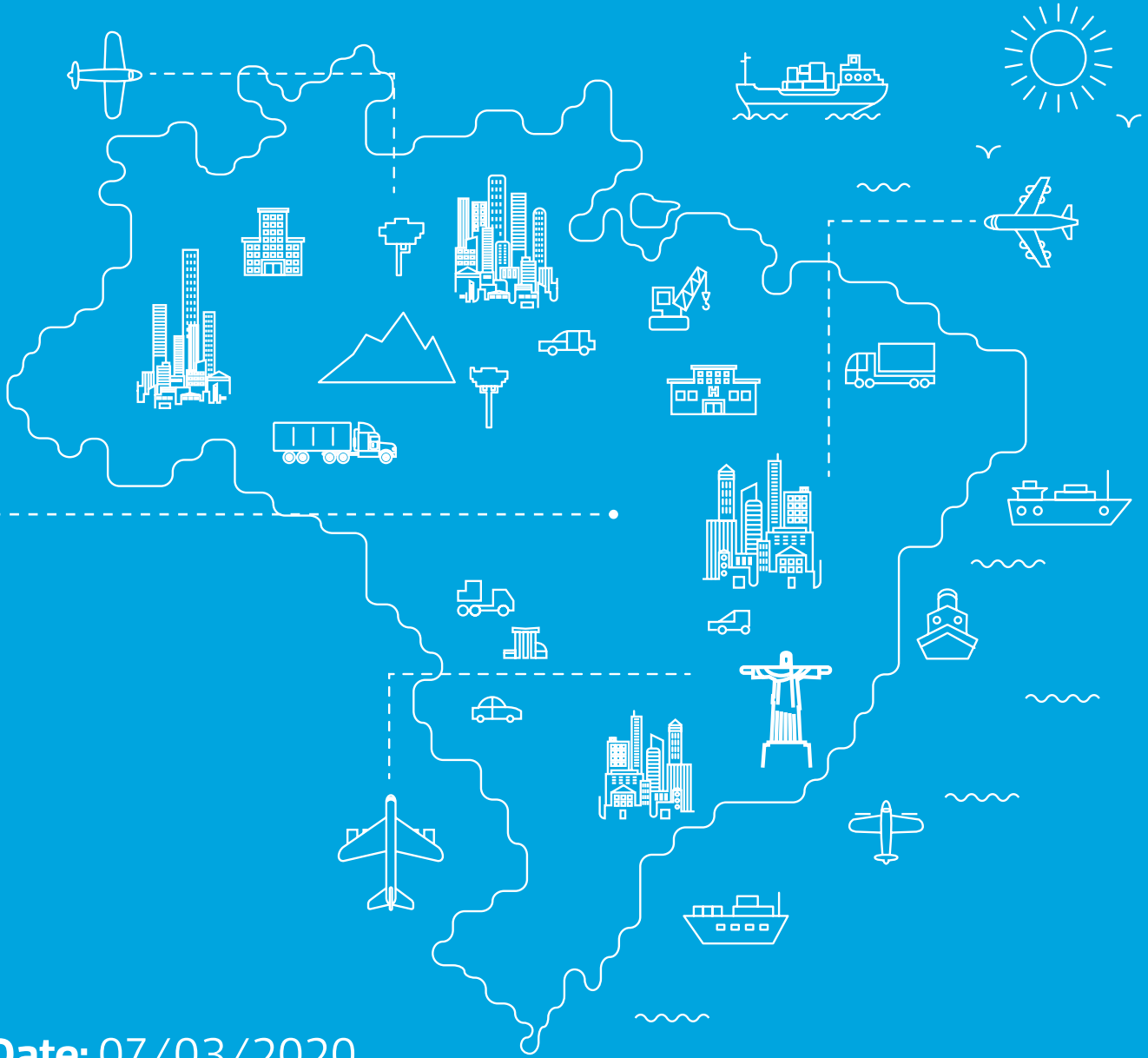
- Extend the presentation of the Financial Statements and declaration and payment of Income Tax until May 29, 2020, being its payment in installments

Expert's perspective:

These are initial measures that partially support companies. We must see what new measures could be taken these days



BRAZIL



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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

Federal Revenue Services has implemented some measures to restrict taxpayers need to require face-to-face service, such as postponing to July 31st, 2020 a few collection measures for individuals and its deadlines for appealing in proceedings.

Taxes due by companies included in the SIMPLES tax system calculation had its deadlines deferred for 6 (six) months.

The Federal Government has published the Provisional Measure n. 927/2020 that brought labor measures to allow companies to implement to its employees independent of union agreements such as (i) teleworking; (ii) vacation and future public holidays special schedules; (iii) collective vacation; (iv) hour banks; suspension of duty related to regular medical occupational examinations; (v) deferral of Severance Indemnity Fund (FGTS) deposit deadlines which may be paid in installments.

The Federal Government has also published the Provisional Measure n. 936/2020 which provides rules to allow temporary proportional suspension or reduction in employees working hours aiming to preserve employment with federal subsidy.

Also, due to Coronavirus pandemic, the Brazilian Development Bank (BNDES), has announced a financial support to Small and Medium Companies by providing a special credit line directed to its business.

Federal Government exempted several equipments and products used to combat COVID19 from IPI (tax on industrialized goods) and II (Import Tax) until September 2020.

The installments related to federal taxes installments programs and also Employer social security contributions, PIS and COFINS (contributions on revenue) due in April and May had its collection date extended to August and October, 2020.

Tax on credit transactions (IOF) was reduced to zero rate until October 2020.

Monthly tax (DCTF) and contributions (EFD-Cont) ancillary obligations to be delivered in April, May and June were extended to July.

Some of these measures may be extended.

Expert's perspective:

CANADA

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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

03/11/2020. The Prime Minister Justin Trudeau announced \$1 billion of funding to fight the Covid-19 pandemic, broken down as follows:

- \$500 million to support critical health care system needs;
- \$275 million for vaccine development;
- \$100 million for enhanced testing;
- \$50 million for communication efforts;
- \$50 million to assist other countries; and
- \$50 million for personal protection equipment.

03/13/2020. Federal Finance Minister Bill Morneau announced that \$10 billion would be available through the Business Credit Availability Program and to be administered through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC). The BDC is offering support for entrepreneurs by introducing Small Business Loans, Working Capital Loans and Purchase Order Financing containing supportive payment terms.

03/18/2020. The Prime Minister announced measures in the amount of \$27 billion of direct funding targeted to support individuals and small businesses. Which includes Employment insurance sickness benefits, work-sharing programs, emergency care benefit, and emergency support benefit. As well as enhancement to goods and services tax credits and Canada child benefits.

For small businesses, salary subsidy equal to 10% of remuneration paid to a maximum of \$1,375 per employee and \$25,000 per employer.

Tax deferrals to support Canadians with extended filing deadline until June 1, 2020. Canada Revenue Agency will allow all taxpayers to defer, until August 31, 2020, the payment of any income tax amounts that are owed on or after March 18 and before September 2020.

The Canada Revenue Agency will allow all businesses to defer, until August 31, 2020, the payment of any income tax amounts that become owing on or after March 18, 2020 and before September 2020.

Expert's perspective:

Credit markets are functioning as a result of liquidity injections described above and the Bank of Canada's decisive action to cut rates on March 4th. There is room for additional measure by the Canadian government especially since all signs indicate that we are now in a recession.

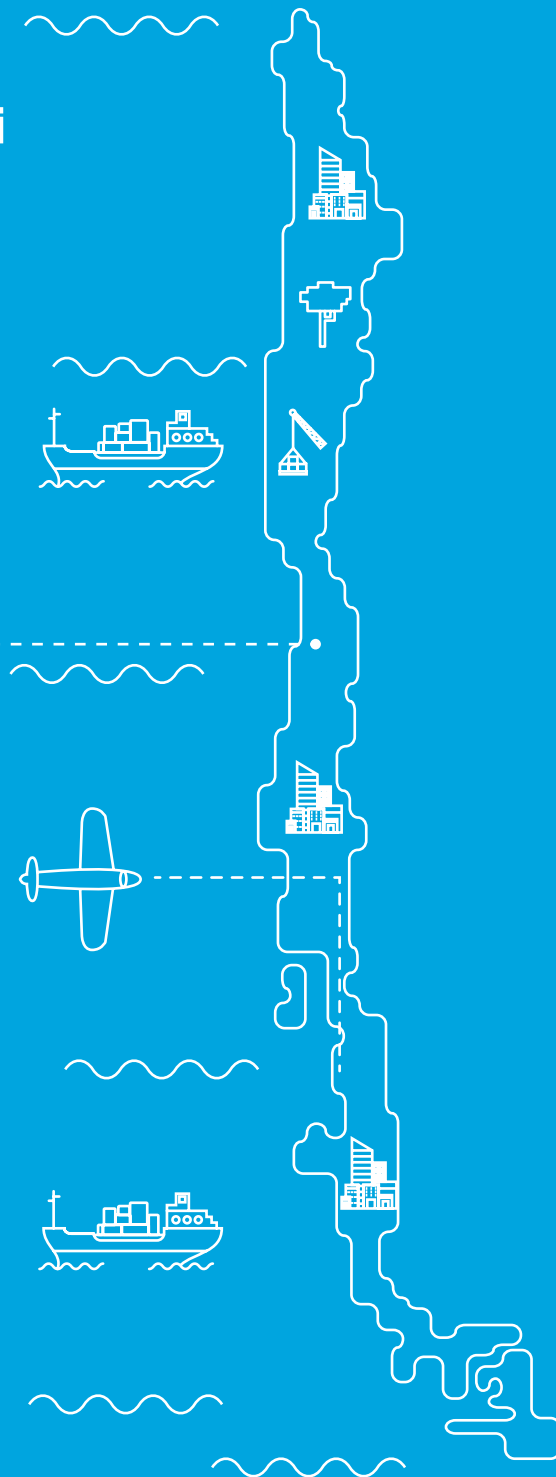
CHILE

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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

Main exceptional measures adopted to generate more cash and working capital, focusing on SMEs, and some measures for individuals. **(1)** The payment of SMEs' **Corporate Income Tax** has been postponed until July 31, 2020; the original deadline was April 30. (2019 Business year). **(2) The VAT payment** that is supposed to be declared and paid in the months of April, May and June 2020, has been deferred until July 2020 and it may be paid in 6 and/or 12 installments, depending on the revenue level of the companies. **(3) Suspension of the Monthly Advance Payments (PPM)** in April, May and June, which the taxpayers have to pay for 2020 Corporate Income Tax, this measure benefits all companies. **(4) Early tax refund payment** in April 2020 to both individuals and SMEs'. (2019 Business year). **(5)** The Tax Authority and the General Treasury have been empowered to **provide payment facilities** through special agreements and to cancel, in whole or in part, late payment interests and fines on Income Tax and Real Estate Tax payments, or when any of the tax returns are filed late **(6)** And finally, the **Stamp Duty Tax** rate was reduced to zero, with respect to the taxes due from April 1 through September 30, 2020.

The Chilean IRS has confirmed as tax expenditure, a number of amounts can be deducted in order to maintain business activities on going, especially these reductions consider: (1) Amounts incurred, voluntarily or mandatorily by taxpayers and intended to prevent, contain or reduce COVID-19 spreading; (2) Expenditures intended to reduce or mitigate its effects to protect the interests of the taxpayer's business, ensuring, among others, the maintenance or support of its employees, including salaries payments even though they have been unable to attend or present themselves at their workplaces due to unforeseen circumstances, employees relationship temporary suspension or any other cause attributable to COVID-19; (3) expenses related to strategic business plans implementation and customer loyalty program for facing the economic crisis situation, and

(4) reduce the future expenditures in order to development and maintenance the business on going.

In addition, has been instructed that taxpayers may make donations in money or in kind, subject to compliance with certain conditions, without legal ceilings currently included in law and even when the taxpayers are in a tax loss situation.

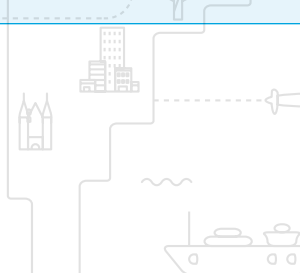
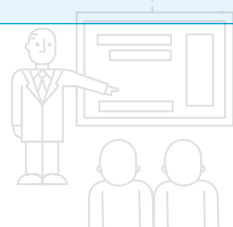
On July 3, a Supreme Decree was published in which the deadline for the payment of the The VAT that must be declared and paid in the months of July, August and September 2020 was extended. The deferred tax must be paid as of October 2020 in 6 or 12 installments depending on the income level of the companies. This benefit is available to taxpayers that have experienced a decrease of at least 30% with respect to the average of their operations declared in the same period of 2019.

In addition, the Monthly Advance Payments (PPM) to be paid in the months of July, August and September 2020 are suspended to those taxpayers whose sum of the PPM taxable bases from January to May has decreased by at least 30%, in relation to the same amount declared in those same months of 2019.

Likewise, the government has instructed the granting of special credits for independent workers who have experienced decreases in their income.

Expert's perspective:

The government maintains its line of measures focused on small and medium companies, however there is a lack of powerful signals to promote economic recovery and investment in new projects.



COLOMBIA



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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

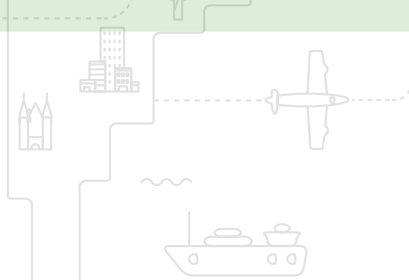
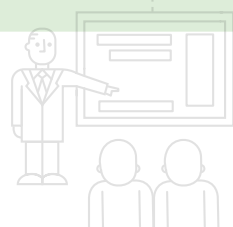
Throughout April 2020 and ongoing month, the following decrees and Official Notices were issued to control and manage the generated COVID-19 crisis:

1. **Decree 535 of April 10th, 2020: Simplified process for the refund of taxes:** The authorities created a simplified process for the refund of taxes within 15 days. The process can be done electronically. Eligible taxpayers are the ones qualified as non-risk taxpayers.
2. **Official Notice No. 000003 of April 14th, 2020: The Tax Authority will provide payment facilities for the payment of taxpayers:** The Tax Authority established the payment alternatives for taxpayers contemplated within the recent tax reform (Law 2010, 2019) and article 814 of the Colombian Tax Code.
3. **Decree No. 558 of April 15, 2020: Suspension of the individual's contribution to the Social Security System for two (2) months:** The scope of the Decree covers all public and private sector employers, dependant and independent workers, retired individuals. The relief involves a reduction of the pension contribution down to 3% only for the months of April and May, whose payments must be made in May and June, respectively.
4. **Decree 560 of April 15, 2020: Tax Benefits insolvency regime: As part of the tax benefits set forth in the insolvency regimes:** (1) Affected entities will not be subject to withholding or self-withholding at the source as Income (until Dec. 31, 2020); (2) Affected entities are not obliged to calculate presumptive income for the year 2020; (3) They will be exempt from paying income tax advance payment for taxable year 2020; (4) They will be subject to a VAT withholding tax at 50% rate; (5) Under this regime, The Colombian Tax Authority (DIAN) may reduce sanctions, interests and the tax itself.
5. **Decree No. 568 of April 15, 2020: A special contribution is created, called "COVID-19 solidarity tax", which will last from May 1 to July 31, 2020, destined for the Emergency Mitigation Fund – FOME:** The tax is triggered for wages that exceed \$10,000,000 pesos for public employees. It applies as well to pension allowances that exceed said amount.
6. **Decree No. 579 of April 15, 2020: Benefits for leases of living and commercial purpose:** Eviction actions ordered by a judicial or administrative authority are suspended between April 15 and June 30, 2020. The annual readjustment of fees that had to be paid during the period from April 15 to June 30, 2020 is deferred.
7. **Decree 551 of April 15, 2020: Exemption from VAT on medical supplies:** The exemption from sales tax -VAT is established, on import and sales in the national territory without the right to return and / or compensation of 211 medical goods and supplies additionally.
8. **RESOLUTION No. SDH-000215 APRIL 20, 2020: Measures for the payment of the industry and commerce tax in Bogota, DC:** In order to ensure efficient tax compliance of the withholding agents of the Industry and Commerce tax, the dates for the tax payment and established that taxpayers must pay by all virtual or face-to-face means in the banking entities authorized for this purpose, periods 2 and 3 (March-April, May-June) of the 2020 period, on July 17, 2020.
9. **Decree No. 639 of May 8th, 2020: Employment Support Program:** The National Government will support the payroll payment as to maintain the formal employment system functioning. The program will deliver a monthly payment for a value of COP 351.121 (which is 40% of the minimum salary) to the affected companies during May, June, and July, for each employee notwithstanding its salary status. To apply for the benefit, the requirement is to be a corporate entity that had diminish its income by 20% in comparison to 2019.
10. **Decree No. 678 of May 20th, 2020: Economic, financial and tax measures for territorial entities:** It was established a Benefit for taxpayers that had pending due taxes by May 20th, as follows (1) Up to October 31st, 2020, taxpayers will be allowed to pay 80% of due tax without penalty and late interest; (2) Between November 1st and December 31st, taxpayers will be allowed to pay 90% of due tax without penalty and late interest and; (3) Between January 1st and May 31st, taxpayers will pay 100% of due tax without penalty and late interest. The latter covers all tax obligations on discussion before the Administrative and Judicial Authorities.
11. **Decree No. 682 of May 21st, 2020: Special VAT exemption and new dispositions to promote the Colombian Economy:** The Government set in force the exemption for VAT taxable items for the following days (1) First Day: June 19th, 2020; (2) Second Day: July 3rd, 2020 and (3) Third Day: July 19th, 2020.

Covered items include, cloth and garments, electric items, household items, scholar supplies, toys, and agricultural supplies.

The exemption benefits apply to consumption tax to 0% until December 31st, 2020.

Also, no VAT will be caused to commercial leases between May 20th, until July 31st, 2020.



COSTA RICA



Date: Costa Rica maintains the same fiscal and economic measures of 03/30/2020

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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

1. Moratorium on Value Added Tax:

- a. Tax filings for the months of April, May and June 2020 must be presented on the established dates.
- b. Payment of the VAT tax can be made as follows:
 - No later than December 31, 2020
 - Enter into a payment plan with the tax authorities

2. Elimination of partial advance payments of Income Tax:

- a. Exempts from partial advance payments of Income Tax scheduled for the months of April, May and June 2020.
- b. This exemption does not include the advance payment scheduled for March 2020.
- c. Does not apply to those who must income tax during those months because they have a especial fiscal period.

3. Moratorium on Consumption Tax:

- a. Tax filings for the months of April, May and June 2020 must be presented on the established dates.
- b. Payment of the Consumption taxes can be made as follows:
 - No later than December 31, 2020
 - Enter into a payment plan with the tax authorities
- c. Beginning on January 1st, 2021, taxpayers that did not pay taxes due or do not have a payment plan approved by the tax authorities, will be subject to corresponding interest, fines and sanctions.

4. Moratorium on Customs Duties:

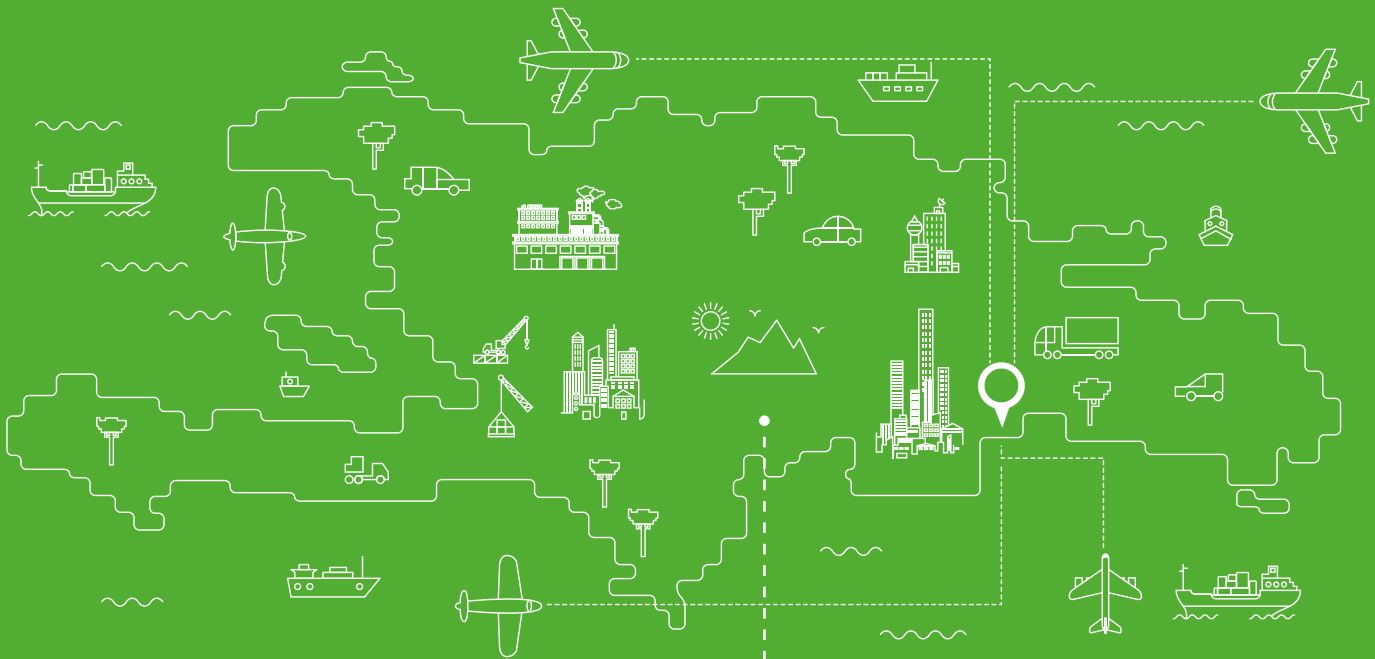
- a. Importers registered as taxpayers will be able to nationalize merchandise without the payment of duties, for the months of April, May and June 2020.
- b. Agricultural and fishing products are excluded, since they will continue under their normal exonerated regime.
- c. Payment of duties can be made as follows:
 - No later than December 31st, 2020.
 - Enter into a payment plan with the tax authorities
- d. Beginning on January 1st, 2021, taxpayers that did not pay taxes due or do not have a payment plan approved by the tax authorities, will be subject to corresponding interest, fines and sanctions.

5. Exoneration of Value Added Tax on commercial rental income:

Rent of locales used for commercial activities is exonerated of VAT for the months of April, May and June 2020, as long as both the landlord and renter are registered as taxpayers with the Tax Authorities under either the general regime or especial agricultural regime.



Dominican Republic



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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

- Reduction of the dues of all the payment agreements in force as of March 21, 2020, to their current value.
- Regularization facilities for those taxpayers who have overdue dues to date, without charging penalties.
- Postponement to four months the term of the tax debt payment agreements.
- Extension until July 29, 2020 for the presentation and payment of the following Income Tax Affidavit:
 - » Legal Entity Income Tax (IR-2), the deadline was 4/30/2020.
 - » 1st. Tax on Corporate Assets, with a closing date of December 31, the deadline was 4/30/2020.
 - » Informative Declaration of Operations carried out with Related Parties (DIOR), with closing date December 31.
 - » Personal Income Tax and Undivided Succession (IR-1), the deadline was 3/31/2020.
 - » Affidavit of Personal Income Tax, with Sole Owner Business, the deadline was 3/31/2020.
 - » 1st. Tax on Individual Assets Tax with Sole Owner Business, the deadline was 3/31/2020.
 - » Informative Sworn Statement of Non-Profit Institutions, with a closing date of December 31, the deadline was 4/30/2020.
 - » Affidavit and payment of 1st. quota for taxpayers under the Simplified Tax System (RST), in all its forms
- Exemption from the payment of the Income Tax Advance of April 15, May and June for all taxpayers, except for large taxpayers, excluding those with impediments to operate during the state of emergency ordered by the Executive Power through Decree No. 134-20 dated March 19, 2020, namely: Airports, airlines, travel agencies, Construction activities and hardware stores, Hotels, tour operators, passenger transport and complementary services, Gambling, Sale and repair of vehicles, parts and parts, Trade in household appliances, clothing, footwear, beauty articles, toys and personal property, and Entertainment services: shopping malls, cinemas, gyms and fast food.
- Exemption from the payment of the first Advance payment generated by the sworn declaration of the fiscal period 2019, provided that the total income presented does not exceed eight million seven hundred thousand Dominican pesos (RD \$ 8,700,000.00).
- Agreement to pay four equal and consecutive installments to pay the 2019 income tax of natural and legal persons, which will not be subject to the monthly compensatory interest.
- Extension for the presentation of the Informative Declaration of Operations Made with Related Parties (DIOR) with a closing date of September 30, postponing the deadline from March 30, 2020 to July 29, 2020.
- Extension until June 30, 2020 of the validity period of the ITBIS exemption card for Free Zone Companies, for those with an expiration date of March 19, 2020.
- Three (3) month extension for the presentation and payment of the Tax on Gambling Casinos, Tax on slot machines, single tax on sports banks and Single tax on lottery banks.
- Postponement of thirty (30) calendar days from the restart of its operations, for the remission of the shipping formats and presentation of the monthly sworn statements corresponding to the fiscal periods affected by the cessation of operations.

Expert's perspective:

Good measures, but they should also have given the same selective alcohol and tobacco consumption tax, as well as withholding of income tax on employees and third parties.

EL SALVADOR



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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

Decree No. 643, published in the Official Gazette No. 98 of May 15, 2020.

- The deadline for submitting the Income Tax statement for all taxpayers and the Special Tax for Citizen Security statement for Large Taxpayers, was extended until June 30, being April 30 the original deadline. Furthermore, payments of these taxes can be made in installments up to seven months, after the corresponding tax statement has been presented.
- The deadline for appointing the Tax Compliance Auditor for the year 2020 and for presenting the Tax Compliance Report was also extended, from May 31st until July 31st of this year.
- In addition, the term to present Special Reports (different forms) that have expired or expire in May, June and July 2020, is extended two months after their due date, accordingly.
- Taxpayers classified as Other or Medium size, have been exempt from the monthly tax advance payment of 1.75% on gross revenues obtained in April, May and June 2020.
- Those taxpayers who have submitted their Income Tax Statement after the legally established term but before the decree in force, and have paid fines and interest, these may be credited or deducted from the 2020 Income Tax settlement.

Expert's perspective:

Although these measures have temporarily lessened the economic impact on a large number of Taxpayers, especially concerning cashflow, these measures do not represent a substantial benefit or economic relief, since taxes will still have to be paid but in a further date, even still during this crisis. The real benefit seems to be only for those who did not comply with their substantive tax obligations within the legally established timeframe, by exempting them from paying fines or interests.

On the other hand, and in the contrary, the Government's economic impact is not being lessened but magnified, since tax collection has been considerably decreased, right in the time period when funds are most needed to face immediate expenses demanded by the Pandemic. This situation could lead them to take additional and different measures in the near future.

GUATEMALA



Date: Guatemala maintains the same fiscal and economic measures of 03/27/2020

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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

1. The deadline for submitting the following tax obligations was extended to April 15, 2020:
 - a. 2019 Annual Income Tax Declaration, together with the audit report and transfer pricing annexes (if applicable).
 - b. February 2020 monthly Value Added Tax (VAT) Declaration.

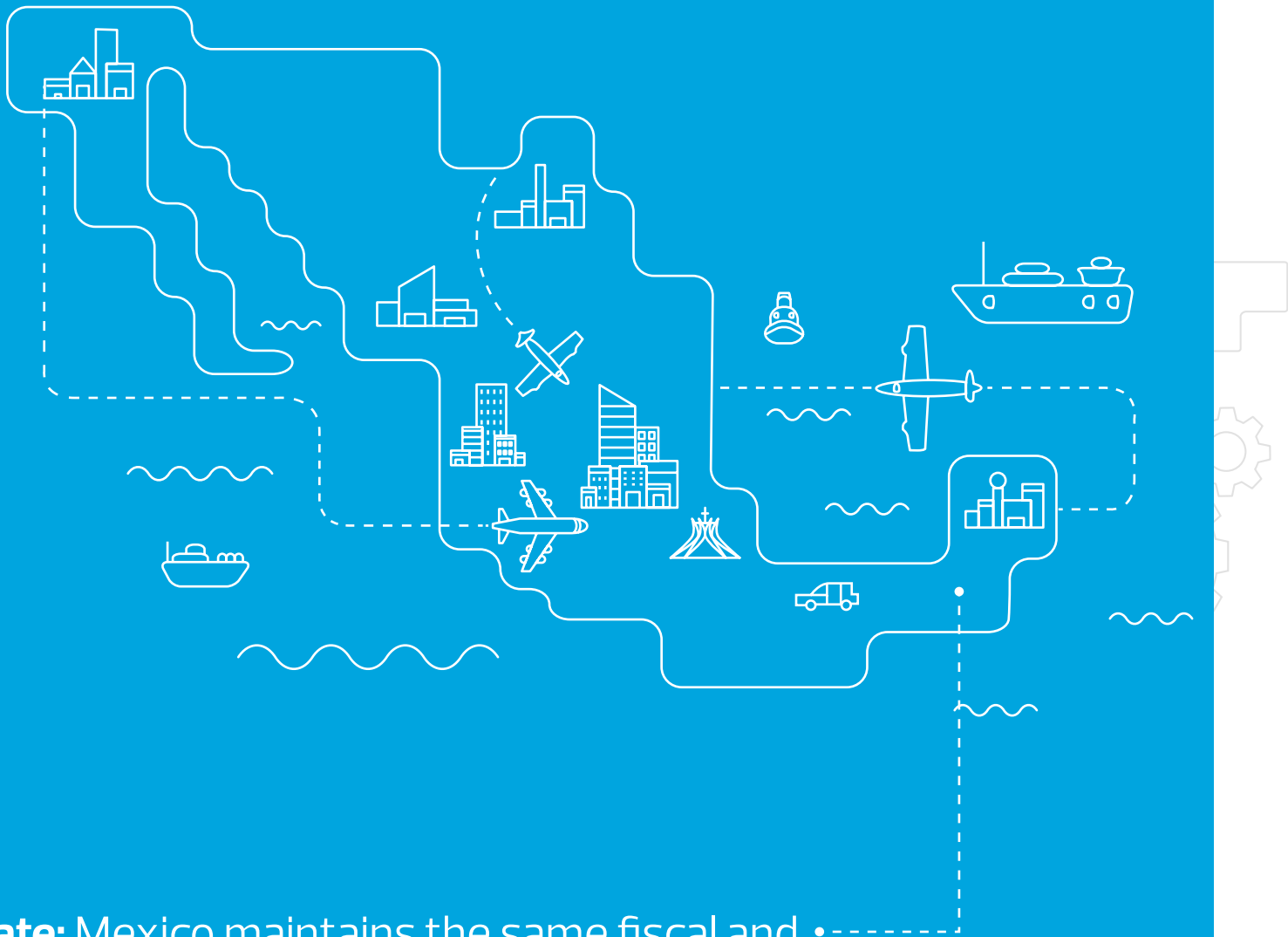
The original deadline for the previous obligations was March 31, 2020.

2. The Withholding Income Tax declarations corresponding to March 2020 were extended to April 28, 2020.
3. The Withholding VAT declarations corresponding to March 2020, were extended to May 6, 2020.
4. Audit processes, or new audits, are suspended and will resume on April 15 of the current year.
5. Calculation of deadlines to meet information requirements, evacuate hearings, present recalls and other actions before the Superintendence of Tax Administration (SAT) are suspended and will resume the count from April 15 of the current year.
6. A decree of the Congress of the Republic was approved to protect the country from the effects of Covid19; regarding the tax issue, only the 3-month deferment of the Solidarity Tax payment for the second quarter of 2020 was included on the condition that taxpayers who take this benefit cannot dismiss any employee without just cause.

Expert's perspective:

There are no bottom-line benefits; only the deadlines of the fiscal obligations were extended helping in the process of preparing the declarations with more time.

MEXICO



Date: Mexico maintains the same fiscal and economic measures of 05/05/2020

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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

Federal government.

- Economic Plan to reaffirm the construction of the three flagship projects (Santa Lucía airport, Tres Bocas Refinery and Maya Train).
- The plan to inject economic resources into PEMEX continues, as well as support for social programs, among others.
- Support for entrepreneurs and workers was limited: 1) loans of 25 thousand pesos on average to family businesses in the formal and informal sector; 2) VAT refund in a few days and 3) present an infrastructure investment plan to encourage the construction industry.
- Austerity measures in dependencies and entities of the Federal Public Administration (reduction of salaries, reduction of Christmas bonus, etc.).
- Extension of the filing of the 2019 tax return for individuals until June 30, 2020 and the possibility of paying the tax in six installments, which cause interest.
- Partial payment program with interest in social security and housing, elimination of fine and non needs to guarantee the tax credit.
- Suspension of deadlines before the initiation and conclusion of tax audits, faculties of verification for tax authorities, resolution of administrative lawsuits, amparos lawsuits, etc.

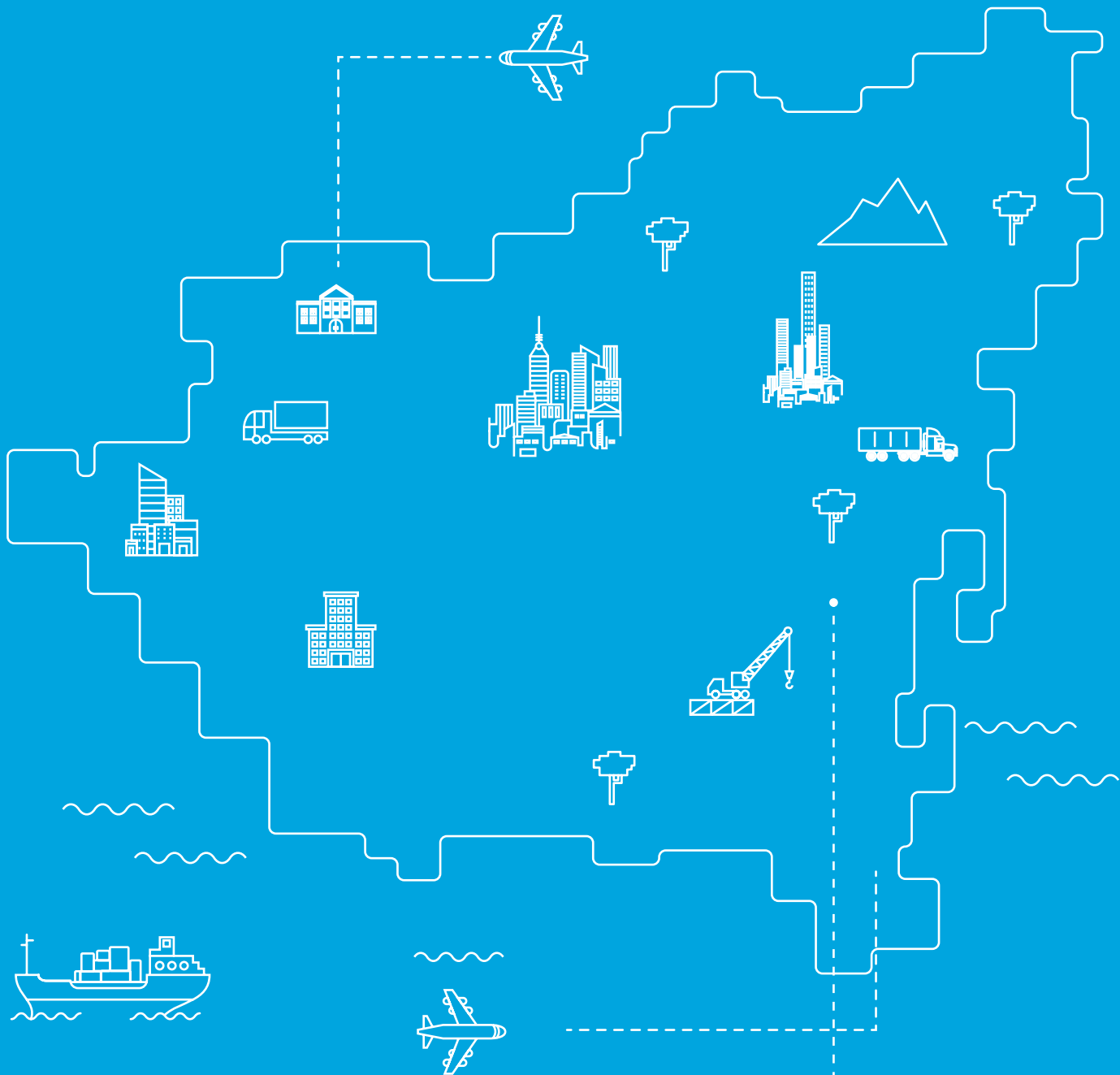
State government.

- Percentage of exemption from Payroll Tax and deferral of it's payment without surcharges.
- Percentage of exemption from the Lodging Tax and deferral of your payment without surcharges.
- Special incentive for micro, small companies to waive state and municipal tax surcharges.
- Extension to carry out vehicle verification.
- Subsidies and extensions for the vehicle ownership tax.

Expert's perspective:

Absolute disapproval of the Government's position by businessmen, professional expert unions and society in general, given the lack of proclamation of measures and economic and tax incentives to face the problem. Because all the announced measures generate a high financial cost.

NICARAGUA



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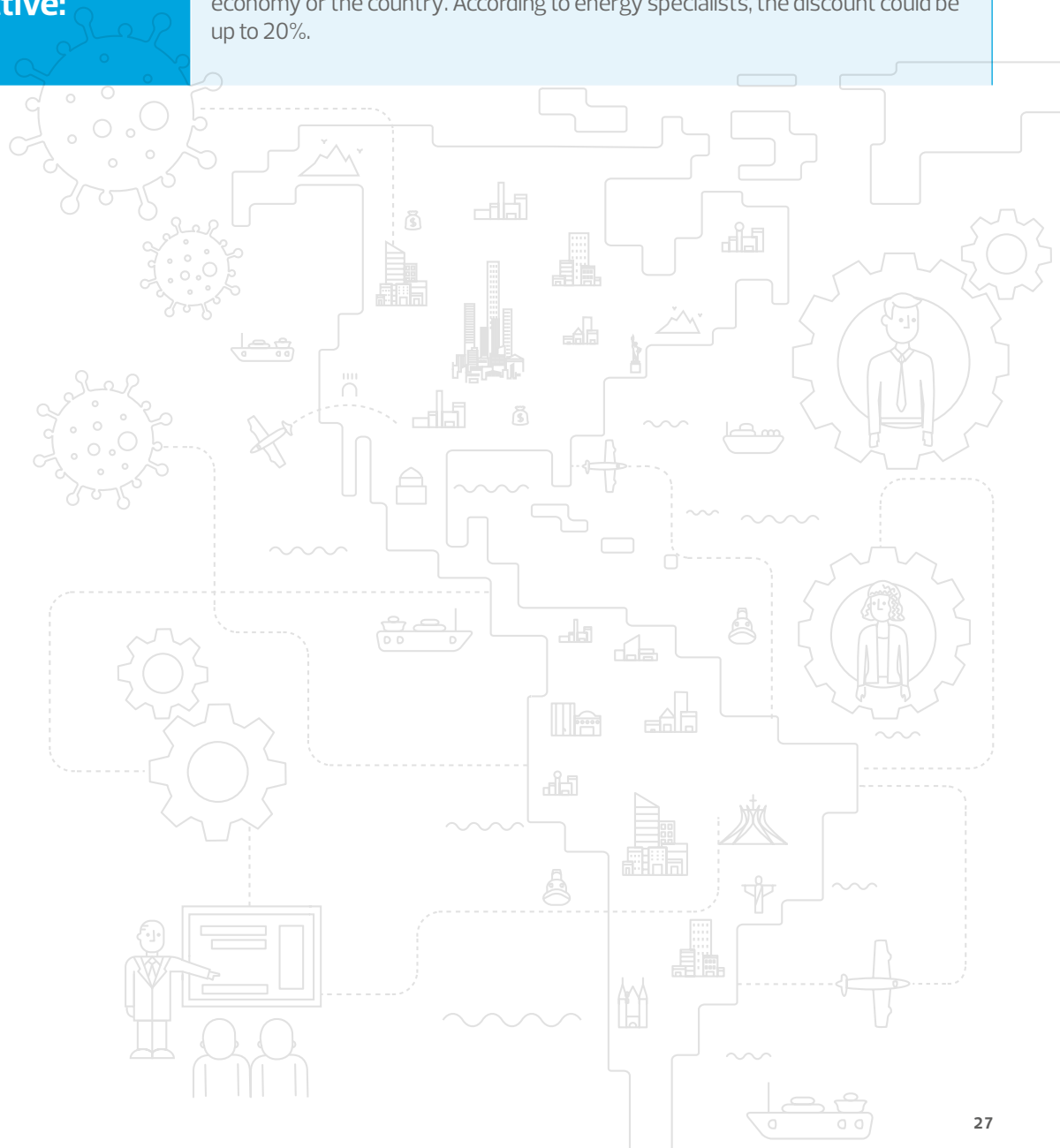


What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

- Application of 3% discount on the electricity rate.
- No application of the exchange rate in the electricity rate in the next six months.
- Some measures applicable to debts for loans and credit cards in the financial system. (debt restructuring, balance payable on cards can be converted to commercial loans with lower rates).

Expert's perspective:

These are measures that are not sufficient for the improvement of the personal economy or the country. According to energy specialists, the discount could be up to 20%.



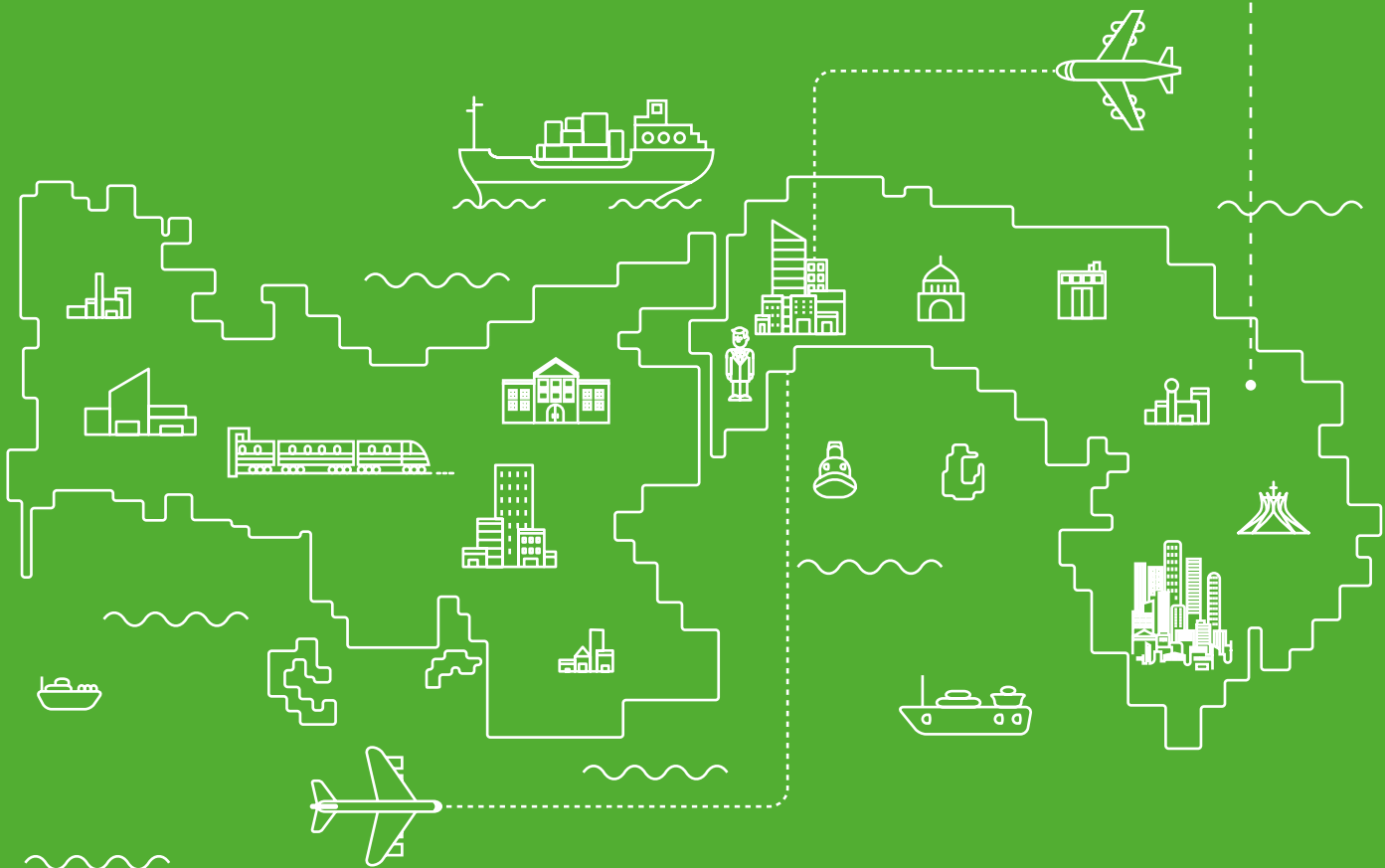
PANAMA

Date: Panama maintains the same fiscal and economic measures of 03/04/2020

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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

Presentation: Returns can be submitted until May 30th. With no need to request an extension.

Payments: All taxes can be paid until July 17, including direct and indirect ones. Excludes taxes withheld at source (Property tax withheld by banks, Dividends, Remittances, ISR employees, VAT withheld from: non-residents, by the State and by local agents).

Calculation of estimated income tax return: The amount to be estimated for the fiscal period 2020 can be not less than 70% of the tax caused (according to the 2019 income) without being subject to investigation or verification by the DGI.

Payment of estimated income tax return: In two parts: September 30 and December 31.

Small, medium and micro-enterprises under the Law 33/2000: Expiration of benefits in 2019, you are granted one more year.

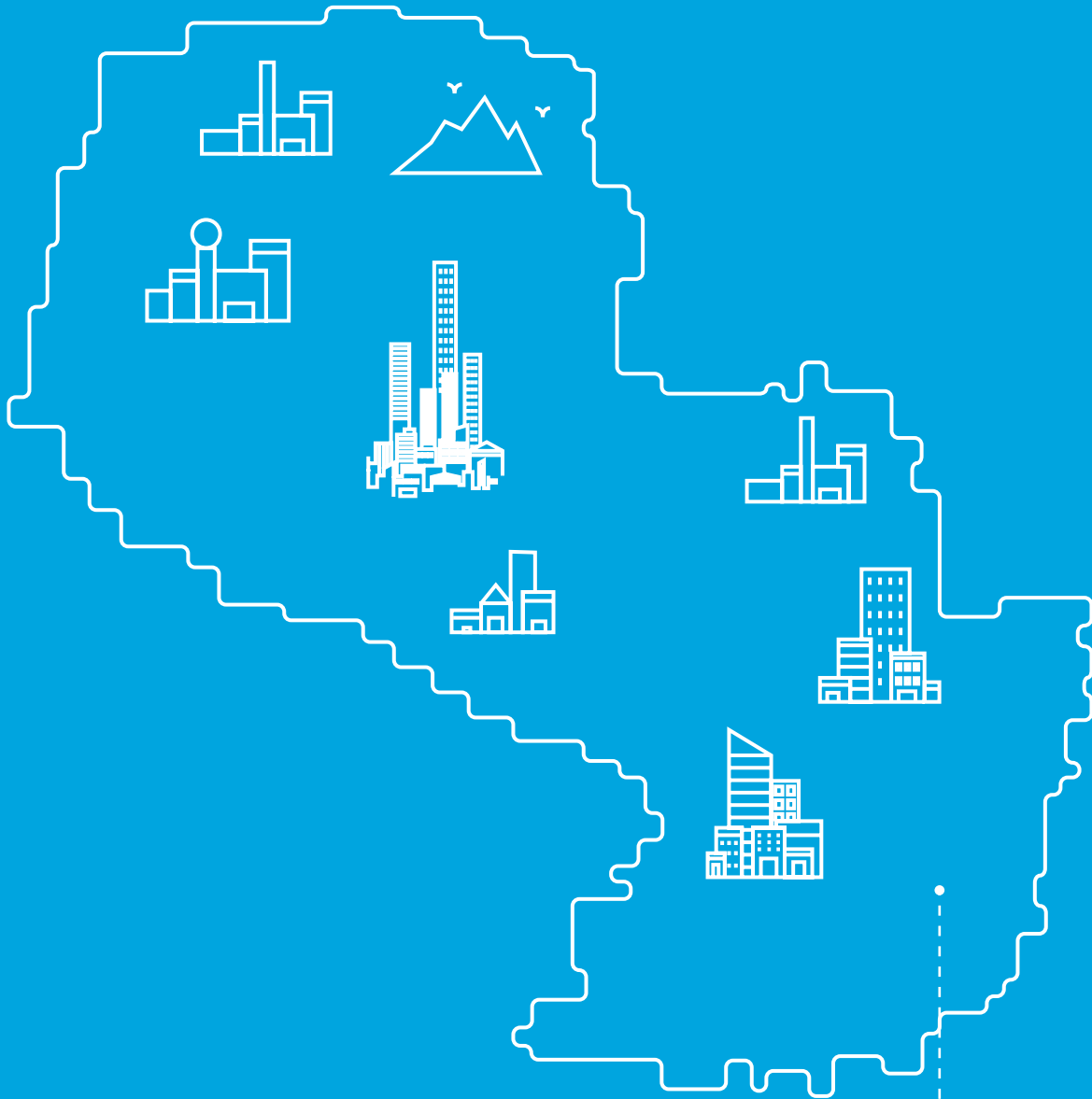
Charges to DGI and CSS: They can collect without good standing.

Formalities / Requests for applications: CAIR as an example, may be sent electronically.

Expert's perspective:

We confirm that the Tax Administration has elaborated a good plan for tax compliance, plan that provides benefits for Tax payers. Still, the plan is for the big companies, which are also tax exempted.

PARAGUAY



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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

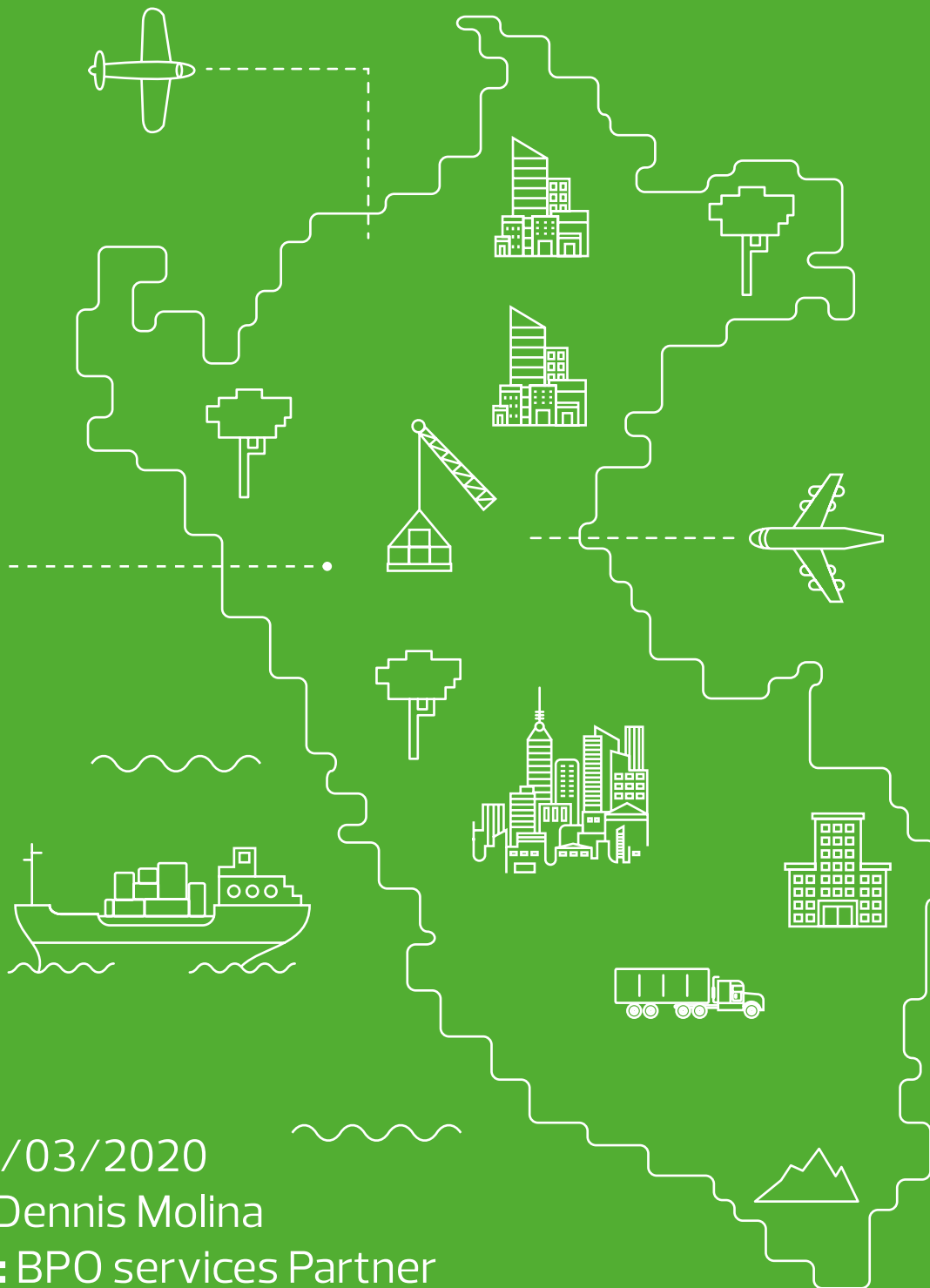
- Exceptionally extend, until November 2020, the presentation of the External Tax Audit Report for those taxpayers with fiscal year-end as of 12/31/2019.
- It is established that from one hundred and fifty million guaraníes 150,000,000 (approx. USD 22,000), the presentation of the Tax Compliance Certificate, the Compliance Certificate in controversy or the Proof of Not Being a Taxpayer before the financial institutions will be mandatory, to obtain and renew credits.
- Exceptional extension until July 31, of the term of Payment Facilities for taxpayers of the Income Tax of Commercial, Industrial or Service Activities (IRACIS) and the Income Tax of Agricultural Activities (IRAGRO) for the Fiscal Year closed on December 31, 2019. In all cases, the following rules will apply: a) Minimum initial installment equivalent to twenty percent (20%) of the debt. b) Annual financing interest rate of zero percent (0%). c) Up to five (5) monthly installments.
- In the framework of the epidemiological emergency, VAT is reduced from 10% to 5% on the import and local sale of certain goods of sanitary necessity, carried out from March 20 to December 31 of this year.
- July 31 is the deadline for communication in the Administrative Registry of Legal Entities and in the Administrative Registry of final Beneficiaries for taxpayers with termination of identification number 7, 8 and 9, for the other terminations, the term is already expired.
- The expiration or prescription periods of tax credits in favor of the taxpayer are suspended from March 27, 2020 until December 31, 2020
- Exceptional and transitory regime of payment facilities has been established until August 31, for VAT taxpayers, for operations carried out in the domestic market and imported products (VAT Customs). A minimum of 20% of the debt must be paid, the annual interest rate for financing is zero percent, up to 4 monthly installments.
- The amount from which taxpayers will be required to have an External Tax Audit Report, was updated in the amount of guaraníes 9,201,143,662 (approx. USD 1,350,000), which will be applicable to fiscal years started from 01/01/2020, 05/01/2020 and 07/01/2020, according to the taxpayer's fiscal year closing month.
- Until December 31, 2020, the presentation of the External Tax Audit report will only be mandatory from the fourth Rectifying Sworn Statement corresponding to the same obligation and period or fiscal year.
- The Executive Power, through Decree 3.605 has established until December 31, 2020, an extraordinary regime of measures for holding assemblies and meetings remotely using telematics means and / or digital and / or electronic platforms that allow their members the presence and participation for the effective and indubitable exercise of their rights and obligations, in real time and simultaneously with the other participants, on the items on the agenda. To this end, the Decree establishes a series of requirements.
- Is postponed until January 1, 2021, the entry into force of the withholding of Personal Income Tax (IRP) for income from casino prizes, sports betting, lottery game prizes, raffles, bingos and other games of luck or chance defined in Law No. 1016/1997, provided for in Article 4 of Decree No. 3184/2019.
- Is postponed until January 1, 2021, the entry into force, of the provisions regarding the mandatory withholding of Non-Resident Income Tax (INR) and Value Added Tax (VAT) to be made by banking, financial, exchange houses, cooperatives, payment processors or similar entities that mediate for the provision of digital services from foreign providers, provided for in Decree No. 3181/2019 and 3107/2019.

Expert's perspective:

To a large extent, the provisions established by the Tax Administration have helped taxpayers to meet their obligations and regularize the filings and their respective payments, reducing the values of the fines and extending the dates to request the facilities without interest.

Although there has been disagreement with regard to updating the billing amount for the hiring of External Tax Audit, the Paraguayan College of Accountants has requested that it be applied only as of 2021, quite to the contrary, taxpayers have applauded these measures as they maintain that it will help reduce costs, taking into account the negative economic impact generated by COVID-19.

PERU



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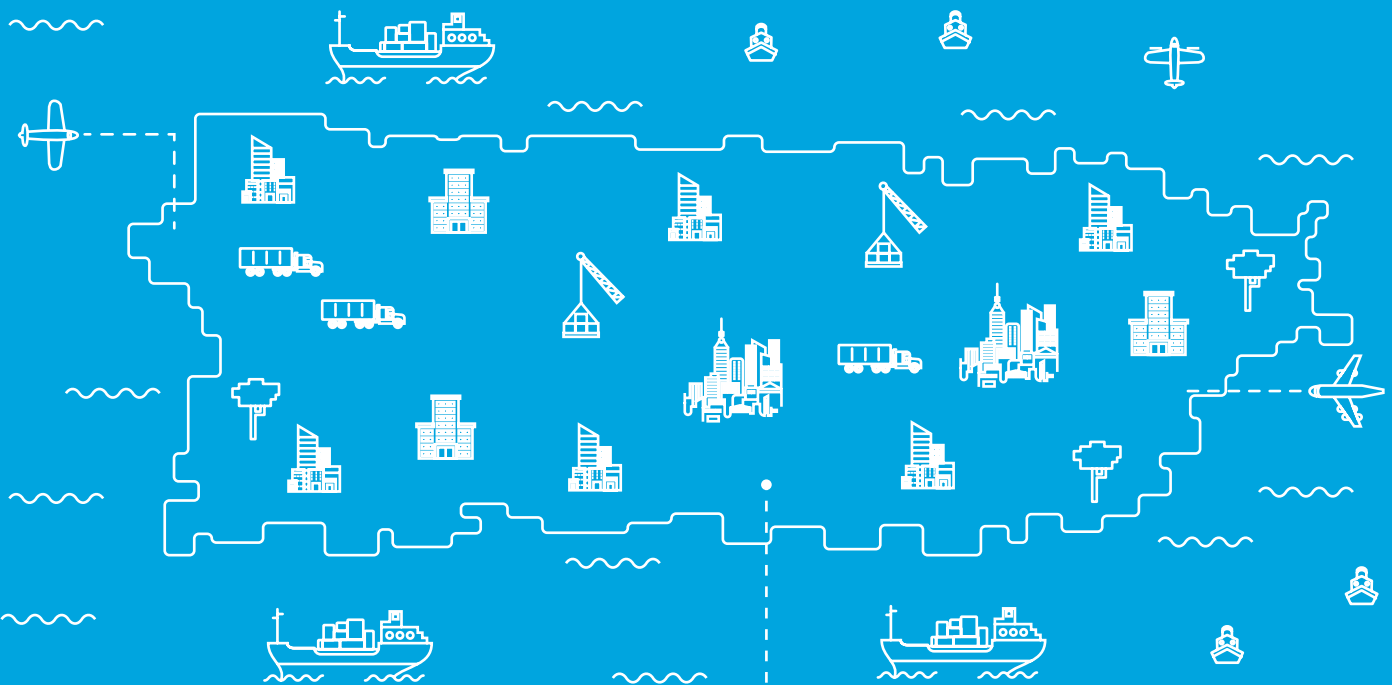
What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

1. New due dates extension granted for filing and payment of monthly tax obligations applicable to the tax periods from February to August.
2. New due dates extension granted for filing and payment of the 2019 annual income tax (from June 24th to August 7th)
3. It is restored the tax fines application (it was suspended since the beginning of quarantine)
4. Creation of new tax regime to differ and spread the tax liabilities regime ("RAF").
5. Creation of the MPV-SUNAT, making it easier for taxpayers to submit documents of tax relevance through a virtual platform.
6. New regulation about the perfect suspension of activities (temporary layoff regime) application that makes it more flexible for employers to apply.
7. New guidelines were established by the labor office authority to allow the perfect suspension of activities.
8. Resumption of Public Registry office activities.
9. Resumption of business activities.
10. The "ARRANCA PERU" program is created for economic injection to entities that execute infrastructure works.

Expert's perspective:

Peruvian government prioritize the business economy continuity. Since July there is a lifting of the general quarantine, it remains exclusively for high risk population. The tax and labor emergency regime remains in force and it has been updated in order to ease process and reduce payments from the entrepreneurs.

PUERTO RICO



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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

The Government of Puerto Rico ("Government") has continue to enact legislation in order to adopt economic measures and provide stimulus packages in order to assist the different productive sectors of our economy.

Act 57-2020

Most recently, the Governor of Puerto Rico ("Governor") signed Act 57-2020, also known as the "Complementary Act to Address the Effects of the Puerto Rico's Economy Provoked by the Emergency of the Covid-19". Some of the most beneficial provisions for merchants and individuals are summarized below:

- **Carry Back of Net Operating Losses ("NOLs")** – Losses incurred during 2020 due the Covid-19 will be able to be claimed on 2018 and 2019 tax returns.
NOLs will not be subject to the 80% or 90% limitation;
 - this tax measure will not be available for merchants with more than \$10M in revenue or Large Taxpayers;
 - taxpayers will have until the filing date of the income tax return for taxable year 2020, including extensions, to claim the NOL Carryback;
 - the maximum NOL carryback is limited to \$200,000 and the maximum refund is limited to \$50,000;
- **NOLs Carry Forward** – NOLs incurred in 2020 may be carried forward to offset taxable income if said NOLs were: (i) directly caused by the COVID-19 emergency, and (ii) incurred during taxable year 2020, the 90% limitation will not apply.
- **Sales and Use Tax** – Transactions subject to the Business to Business or Designated Professional Services 4% Sales and Use Tax during April, May and June 2020 will be exempted from such Sales and Use Tax.
- **Alternative Minimum Tax** – The minimum tax payment of \$500 will be temporary eliminated for taxable year 2019.
 - The Puerto Rico Treasury Department ("PR Treasury") will issue a publication detailing the process to request the reimbursement, for taxpayers that already paid such tax.
- **Assistance received pursuant to the CARES Act or State Laws** – Excludes from taxable income and from revenue subject to the Municipal License Tax any assistance received related to the Covid-19.
 - Allows for taxpayers to claim deductible expenses, even when such expenses were covered with monetary assistance pursuant to the above.
 - Also excludes cancellation of debt income.
- **Agreed Upon Procedures** – Eliminates the requirement of including Agreed Upon Procedures report for taxable year 2019 in order to claim certain expenses.
- **Income Tax Return due date** – All 2019 income tax returns will be due on July 15th, for all taxpayers with a filing due date between March 15th, 2020 to June 15th, 2020. Payments due with returns are also due July 15th.
- **Payment Plan** – Taxpayers that for any reason are not able to cover their tax liability for the 2019 income tax return will be able to request a payment plan, which will be repaid monthly without the application of interest, surcharges and penalties if all the balance due is paid on or before March 31st, 2021.
- **Licenses for Commercial Activities** – All licenses and bonds that were valid up to March 1, 2020 are automatically extended for 6 months.
- **Tax Exemption Decree Holders** – Merchants with a Tax Exemption Decree affected by the COVID-19 crisis will generally be considered, for taxable year 2020, as having complied with the following requirements:
 1. Creation or retention of employees
 2. Gross revenue or volume of sales
 3. Investment in machinery and equipment

Among others.

Internal Revenue Circular Letter No. 20-28 ("CL 20-28")

In addition, the PR Treasury issued CL 20-28 establishing the process through the Unified Internal Revenue System (SURI by its Spanish acronym), in which taxpayers can offset an overpayment with any other tax liability. The taxpayers that qualify for this benefit are those that claimed a refund in an income tax return for any taxable year prior to 2019 and that has not been yet received.

Internal Revenue Circular Letter No. 20-29 ("CL 20-29")

Furthermore, the PR Treasury issued CL 20-29 extending until December 31, 2020 the relief period for distributions from Puerto Rico Retirement Plans and Puerto Rico Individual Retirement Accounts ("IRA") to cover eligible expenses resulting from the COVID-19 and Earthquake emergencies.

Expert's perspective:

The Government of Puerto Rico ("Government") continues to implement measures to support taxpayers as a whole or particular classes of taxpayers affected by the COVID-19 outbreak. For individual taxpayers and businesses, the tax and economic measures have helped alleviate cash-flow issues to avoid escalating problems such as the laying off workers, temporary inability to pay suppliers and, in the worst cases, closure or bankruptcy. The objective of many of these measures is to hold off a possible recession and the serious social consequences that can result therefrom. Until now, the Government has succeeded in this endeavor, however, rather than a temporary fix the island needs to develop better economic conditions.

UNITED STATES OF AMERICA



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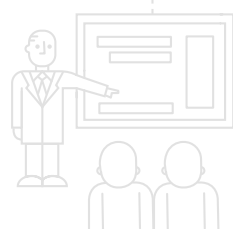


What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

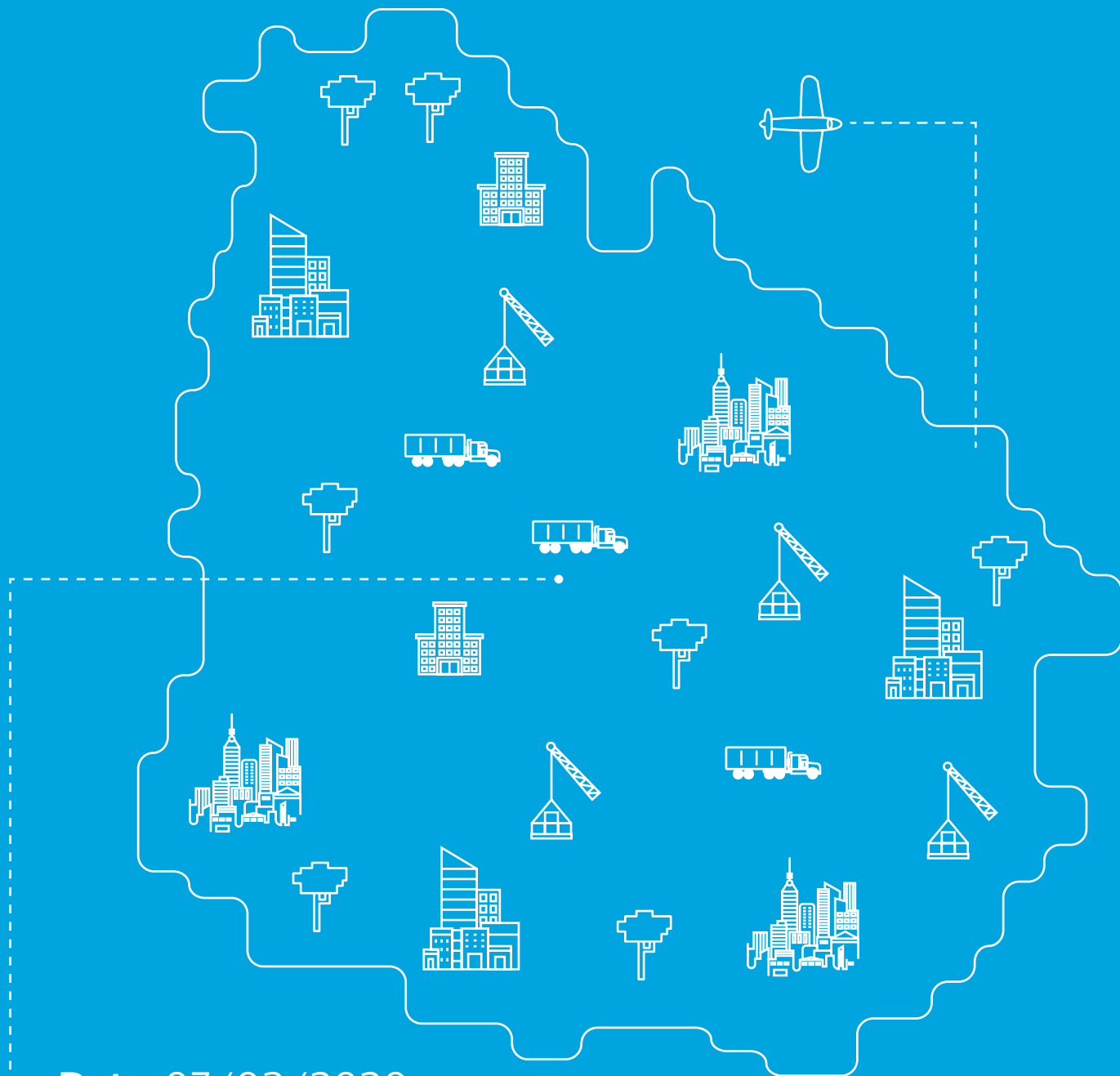
- Self-sheltering order is extended through June 1, 2020. Some states have commenced reactivations progressively
- Automatic extension to the filing due date for 2019 federal income tax returns, from April 15 to July 15, 2020. Several states have followed suit
- Deferral of the application of the Excess Business Loss of US\$ 500,000 until 2020. Certain related rules of operation have been published
- The economic assistance and stimulus package was increased by US\$ 6.7 Billion, which are destined to offer the following lending alternatives:
 - Loans for working capital of up to US\$ 2 Million, with interest rates of 3.75% for small businesses (up to US\$ 7.5 Million in revenue), and 2.75% for non-for profit organizations
 - Loan of up to US\$ 10 Million, provided it is used to pay salaries (excluding employees with annual salaries of US\$ 100 Thousand or more), as well as business-related rent or utilities. The interest rate on this loan is 1%
 - Loan between US\$ 500 Thousand and US\$ 25 Million, with preferential repayment and interest terms. This type of loan is available for certain companies with up to 15 Thousand employees, or with revenue of US\$ 5 Billion or less, obtained during 2019
- The above package is extended, being August 8, 2020 the new due date to adhere
- Payments of US\$1,500 to individuals with annual income of up to US\$ 75,000 (US\$ 150,000 for joint filers), and US\$ 500.00 per each child
- Financial aid to certain industries, such as the airline industry
- Emergency relief fund from the federal government of US\$ 500 Billion, to aid state, municipal and local governments
- Certain local tax incentives and credits (vary from state to state)
- Under certain circumstances, the term for a foreign individual to become subject to U.S. income tax is suspended, if he or she are forced to remain in the country due to travel restrictions

Expert's perspective:

In general, the measures have been well received, albeit late. There have been logistical, legislative and technological delays in the implementation of the package.



URUGUAY



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What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

- Taxpayers literal E: they are allowed to finance the monthly obligations of June, being able to pay them in six equal and consecutive installments, together with the obligations from July to December. This includes fees for payment facilities due in June.
- Expiration for submission of the annual tax return of IRAE, IP, VAT, and ICOSA has been extended for the fiscal years ended December 31, 2019, from April to May.

For certain taxpayers and depending on the level of income, quotes were granted for the payment of the annual balances of IRAE, IP and ICOSA for fiscal years ended 12/2019, 01/2020 and 02/2020. The same schedule applies to the return and payment of the paid dividends.

- The special unemployment benefit schemes created after the health emergency were extended until July 31, including unemployment insurance for partial suspension of activity and flexible unemployment insurance.
- It is established that those employees over 65 years of age who must remain in isolation, and for the period until June 30, are included in the health insurance. Those workers who can carry out their usual tasks from their home are excluded.
- For those workers who are on unemployment benefits and pay their rents with a guarantee from the General Accounting Office of the Nation, the state will make a contribution of 50% of the amount of the rent that must be withheld.
- Transitory benefits were approved for investment projects, presented under the Investment Law, and favorable special conditions for taking advantage of the income tax exemption.
- In order to attract investors, the requirements for obtaining Fiscal Residence are relaxed, reducing the necessary investment values and the number of days of presence in the country.

The Government has taken fiscal measures related to the promotion of investments, especially in the construction area. It also tries to attract more taxpayers who invest in our country and thus generate more employment.

However, the economic crisis is important and further measures will be needed to revive the economy as a whole.

Expert's perspective:

By the time this document was finalized, the government of Venezuela did not announce any specific fiscal and economic measures.

If you need advise from our specialist there, please contact

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