

COVID-19

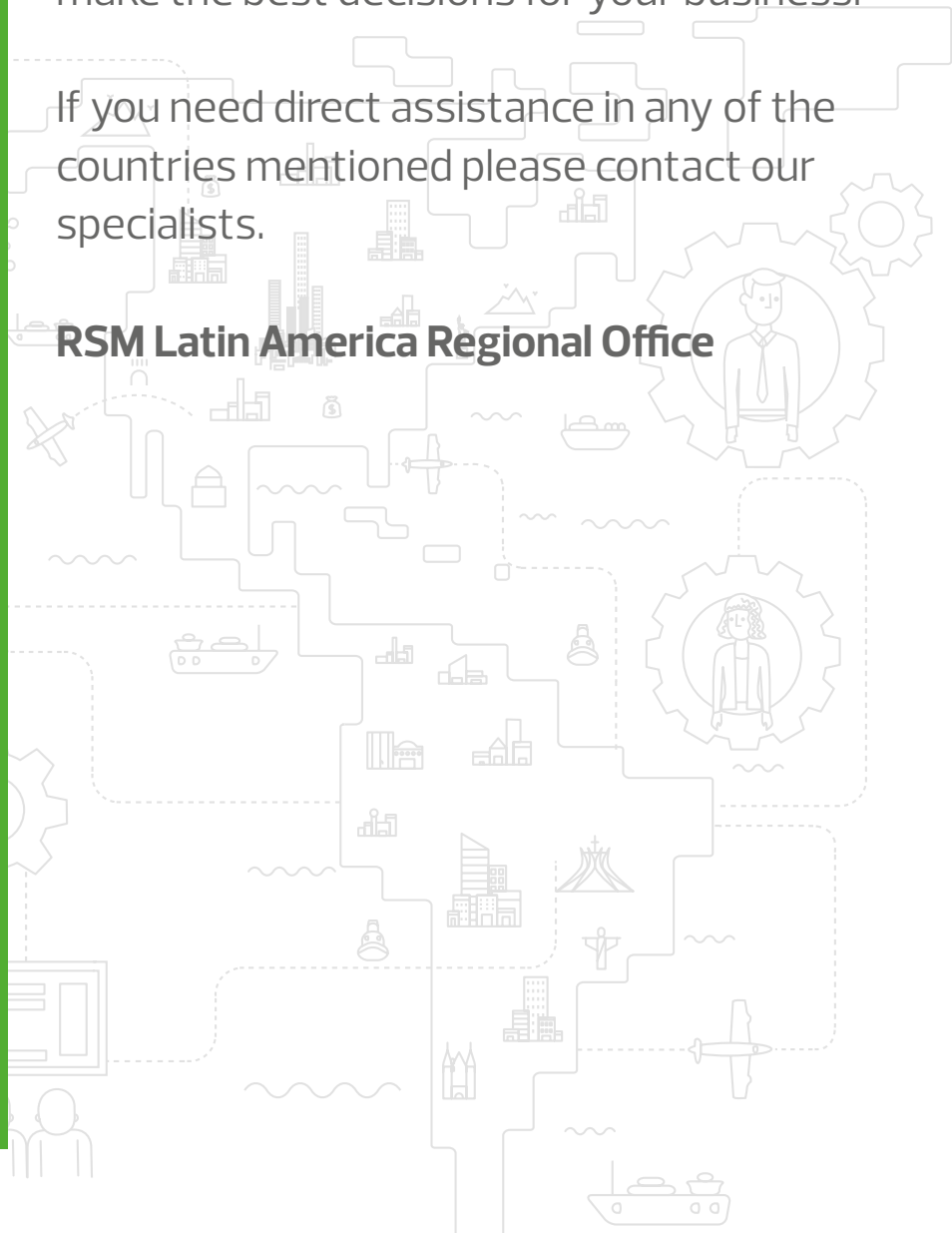
FISCAL AND ECONOMIC MEASURES

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 April 2020 and that we will be producing regular updates to help you make the best decisions for your business.

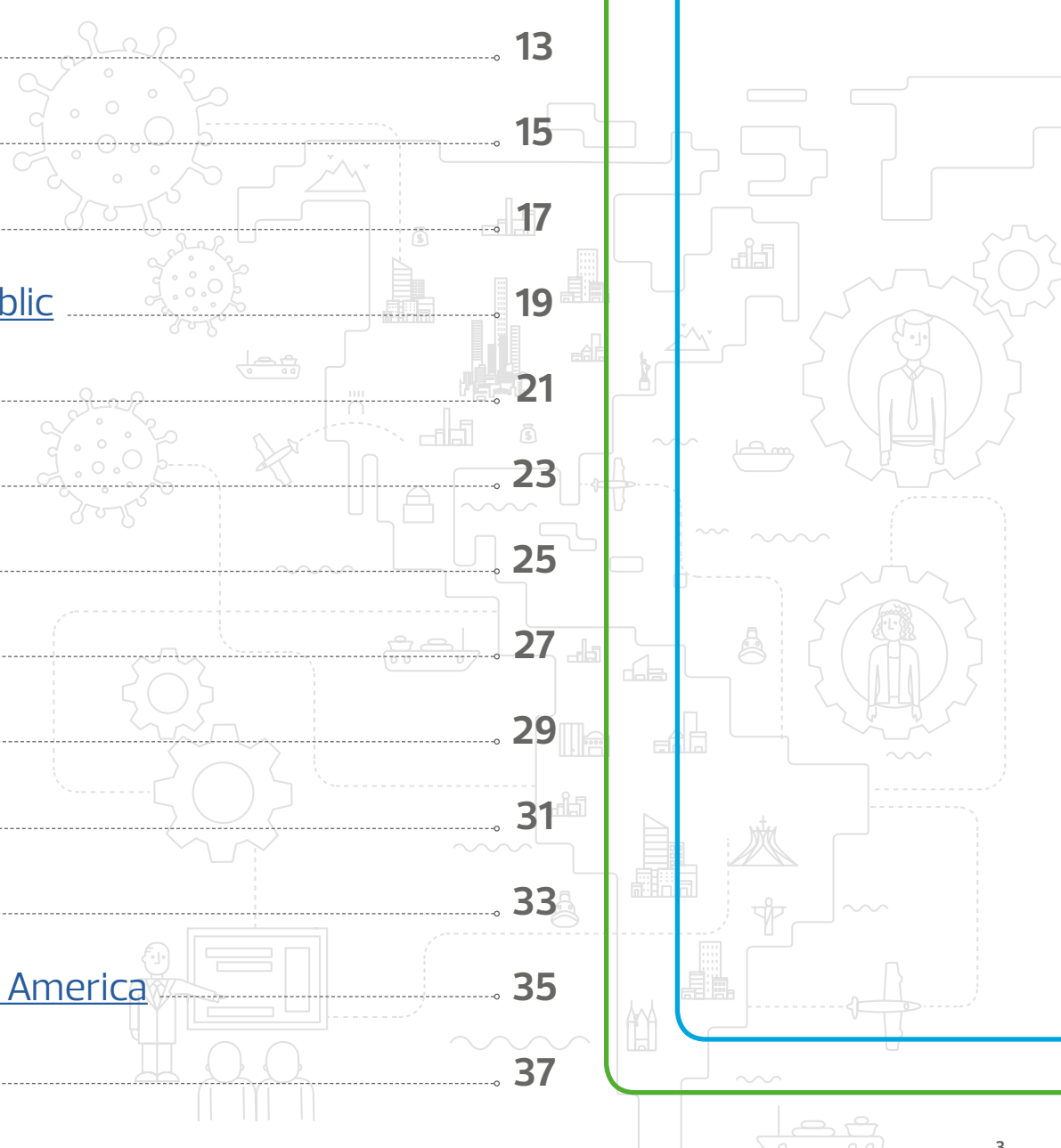
If you need direct assistance in any of the countries mentioned please contact our specialists.

RSM Latin America Regional Office

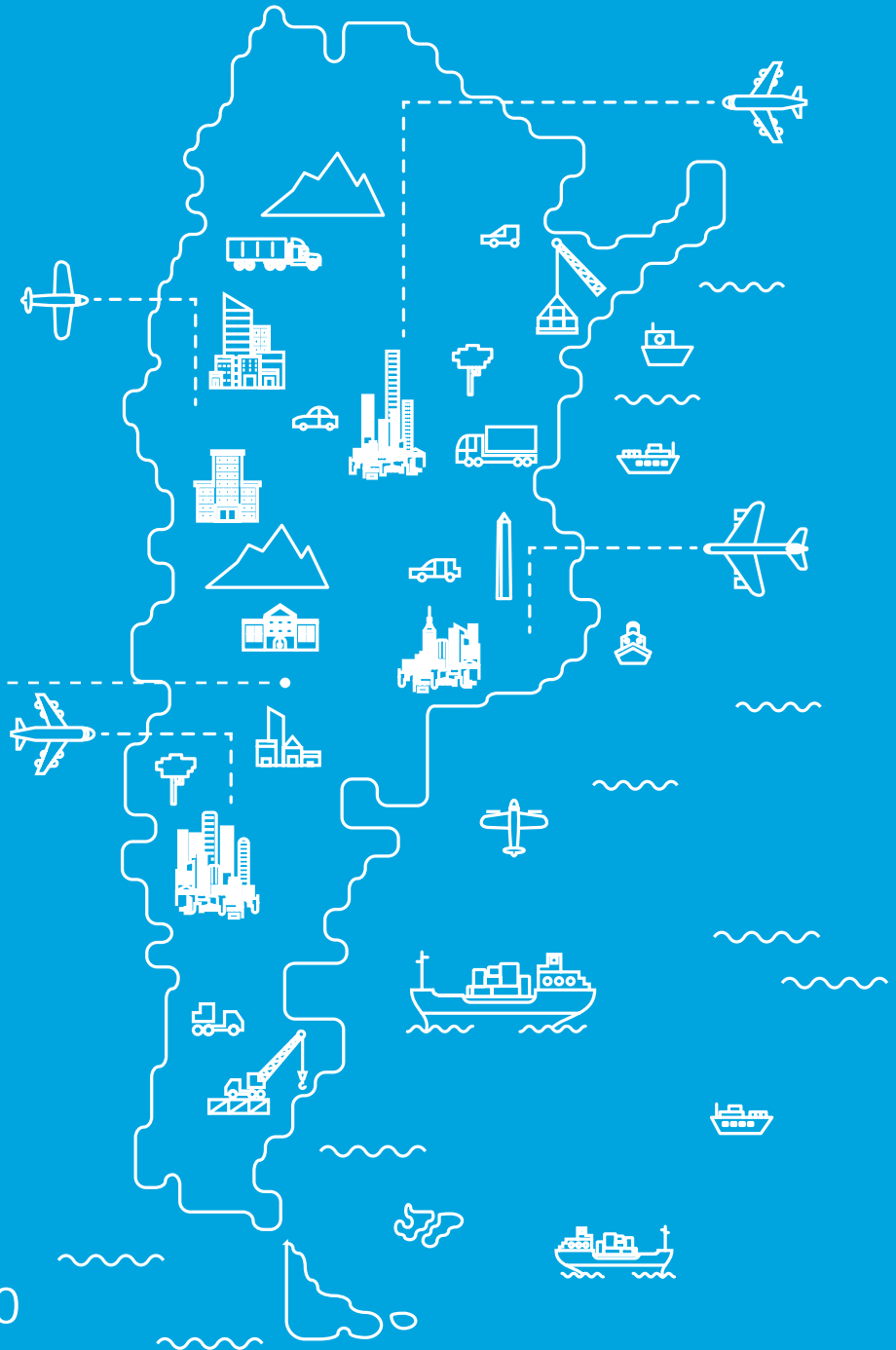


Contents

Argentina	4
Bolivia	6
Brazil	8
Canada	11
Chile	13
Colombia	15
Costa Rica	17
Dominican Republic	19
El Salvador	21
Guatemala	23
Mexico	25
Panama	27
Paraguay	29
Peru	31
Puerto Rico	33
United States of America	35
Uruguay	37



ARGENTINA



Date: 26/03/2020

Author: Jorge Pérez

Position: Partner

Email: jorge.perez@rsmargentina.com.ar

[Back to Contents](#)

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

- Extension until 30/06/20 of the instalment plan for Micro, Small, and Medium enterprises
- Suspension until 30/04/20 of attachments and similar judicial procedures for Micro, Small and Medium enterprises
- Suspension of judicial terms (Judicial recess) from 18/03/20 until 31/13/20
- Suspension of terms in administrative procedures (except for Health and another emergency related sectors)
- Extension until 30/04/20 of the term for filing F572 (report of deductions to be used in Income Tax)
- Extension until 29/05/20 of the term for filing annual return by employers because of their employees income tax obligation
- Extension until 30/06/20 to use the electronic filing service ("Presentaciones digitales") for certain procedures.
- Reduction of the Debits and Crédits on bank accounts tax for Health sector companies (and related companies) to 0.25% (credits) and 0.5% (debits)
- Temporary exemption of part of Social Security (employer's contribution) for sectors critically affected by the pandemic (public entertainment, restaurants, tourism, hotels, public transportation)
- Extra hours required by sectors considered to be essential (health, food, transportation) to guarantee continuity of the services during the pandemic have a reduction of part of Social Security (employer's contribution) of up to 95%
- Salary of those employees unable to perform home office work will not be subject to Social Security (employee and employer's)

Expert's perspective:

This measures are absolutely insufficient. An additional set of measures with additional benefits is expected.

BOLIVIA



Date: 30-03-2020

Author: Pablo Chacón

Position: Partner

Email: pablo.chacon@sayc.com.bo

[Back to Contents](#)



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

Financial support for business and individuals:

Although there is no concrete measure presented for relieving the tax burden by the Federal Government, the Ministry of Finance back in 2012 issued the Ordinance n.12/2012 that might open an interesting window for a legal discussion, as it provides that federal tax managed by the Brazilian IRS due by taxpayers domiciled in the municipalities covered by a state decree that has recognized a state of public calamity, might be postponed to the last business day of the third subsequent month. So, in view of the current scenario where several states have declared a state of public calamity through state decrees, there are legal grounds to file a law suit asking for the right of postponing the tax collection. As this matter involves legal interpretation, maybe you could discuss it with your legal advisors.

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.

We are still holding for other tax relief measures and as soon as we have it duly published, we will let you know.

Changes to labor laws & regulations:

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:

1. Home Office: Implementation with a minimum prior notice of 48 hours, without changing the individual employment agreement. It is important to mention that home office is not compatible with working period control, thus there is no overtime payment, unless defined otherwise in an individual or collective agreement.
2. Anticipation of Individual Vacation: Formal notification in writing or by electronic means is mandatory, preferably at least 48 hours in advance. The period of enjoyment may not be less than 5 calendar days. Vacation settlement can be made up to the 5th business day after its beginning. There is a possibility of anticipating unfulfilled acquisition periods, meaning that in addition to accrued vacation days, Employer and Employee may agree in writing to anticipate future vacation periods. The settlement of the additional constitutional third (1/3) can be liquidated together with the 13th salary.
3. Collective Vacation: Formal notification in writing or by electronic means is mandatory, preferably at least 48 hours in advance. The concession may be made privately, without the intervention of the Union and / or the Ministry of Labor;
4. Anticipation of Holidays: employers might grant an anticipation the enjoyment of holidays (federal, state, district and municipal non-religious), with a prior notice of 48 hours;
5. Working Period Offset (Hours Bank): In Brazil, employers can negotiate compensatory time off agreements with employees to relieve their overtime costs burden, called a "hours bank". This could be achieved on an individual basis or via collective agreements. This mechanism allows the implementation of flexible time, on which an employee can work overtime and instead of getting paid for the overtime, could get a credit to accrue hours for future time off, offsetting the overtime payments. It is allowed the interruption of Employer's activities and the establishment of a special compensation scheme for day, by means of hour bank, in favor of the employer or the employee, established through formal collective or individual agreement, for compensation within up to eighteen months, counted from the closing date of the state of public calamity.

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

6. **Periodic Examinations:** The obligation of carrying out the occupational, clinical and complementary medical examinations is suspended, which must be carried out within 60 days, counting from the date of closure of the state of public calamity. The dismissal examination may be waived if the most recent occupational medical examination was performed less than 180 days ago.
7. **Mandatory Trainings:** The obligation to conduct periodic and occasional training for current employees is suspended, as provided for in regulatory norms for health and safety at work, which must be carried out within 90 days, counting from the closing date of the state of public calamity. Training can be carried out in the distance learning modality, to ensure that activities are carried out safely. The CIPAs may be maintained until the end of the state of public calamity and the electoral processes in progress may be suspended.
8. **Deferral of the Guarantee Fund for Time of Service (FGTS):** The FGTS related to the competencies of March, April and May 2020, expiring in April, May and June 2020, respectively, is suspended. The settlement can be made at 07/07/2020 in up to 6 monthly and successive installment.
9. **Working Period Extension:** By individual written agreement, health establishments will be able to take a 12x36 day, even for unhealthy activities.
10. **Annual Allowance:** the payment of the annual social security allowance, due to those during this year received sickness allowance, accident allowance or retirement benefit, death pension or imprisonment aid, will be made in two installments, exceptionally, as follows: i) the first installment will correspond to 50% of the benefit amount due in April and will be paid together with the benefits of this competence; and ii.) the second installment will correspond to the difference between the total amount of the annual allowance and the amount of the anticipated installment and will be paid together with the benefits of the May.

Extensions to filing deadlines:

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

CBE 2020 is a report must be filed to Brazilian Central Bank (BACEN) by any individuals or companies resident in Brazil that in December 31st, 2019 had assets overseas in the minimum amount of USD 100,000. Its filing deadline originally set for April 5th was deferred to June 1st, 2020.

The Federal Revenue Service and General Attorney's Office have announced that all clearance certificates already issued by companies and individuals will have its expiring dates extended for 90 (ninety) days. General Attorney's Office has also issued rules related to the special settlement of tax disputes.

Relief from sanctions or other measures:

All federal taxes installments programs remain on course, but defaulting taxpayers will not be subject to exclusion procedures – which will be suspended until May 29th, 2020.

The Federal Revenue Service has implemented some measures to avoid taxpayers needing face-to-face service, such as postponing to May 29th, 2020 a few collection measures for individuals and its deadlines for appealing in proceedings.

Government may publish new measures to assist companies soon and also to define procedures to implement some of the measures announced.

Expert's perspective:

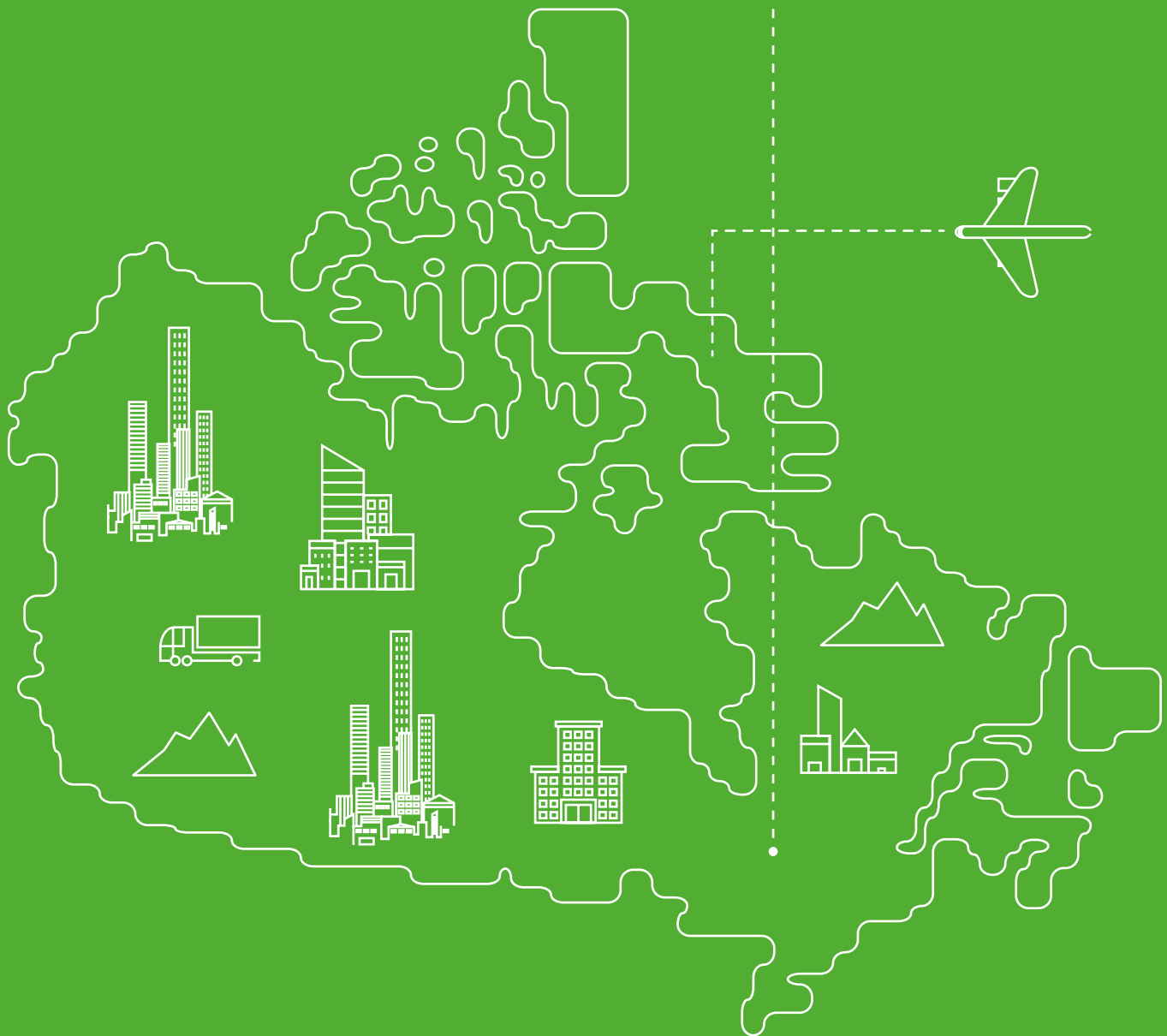
CANADA

Date: 29/03/2020

Author: Mike Zenteno

Position: Partner

Email: mike.zenteno@rsmcanada.com



[Back to Contents](#)

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.

*Note information obtained by the COVID-19 Economic Response Plan Summary dated March 20, 2020.

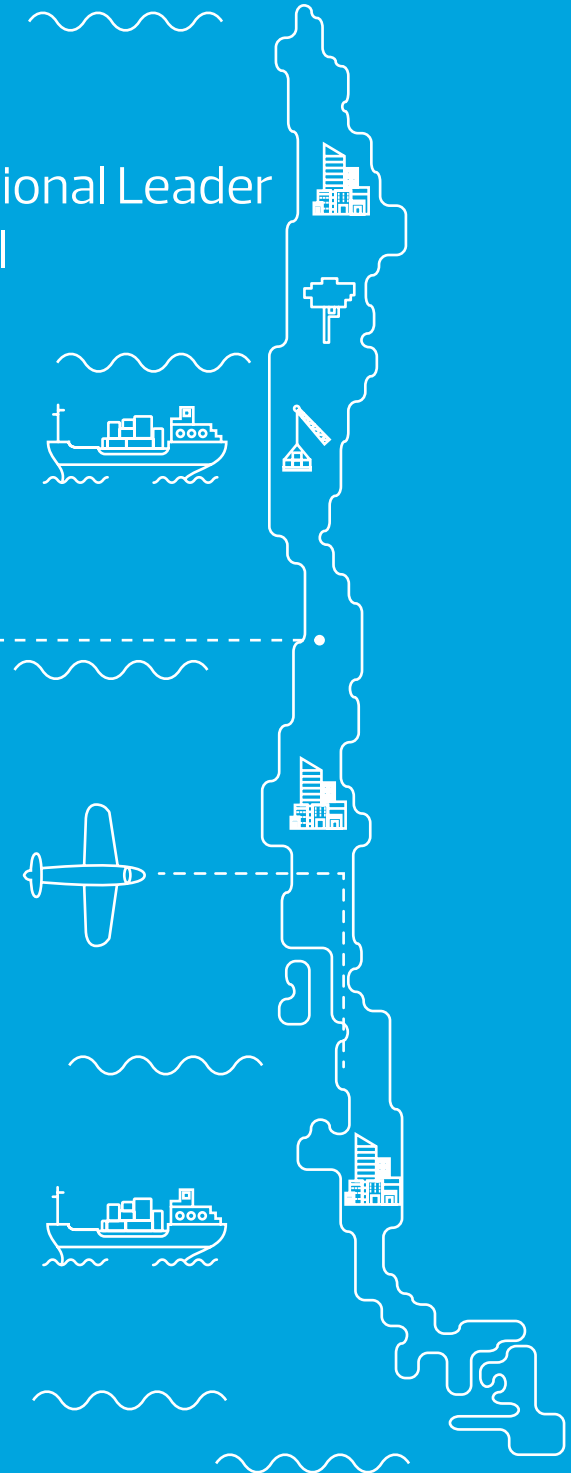
CHILE

Date: 06/04/2020

Author: Brendan Quirk

Position: RSM Latin America Regional Leader

Email: brendan.quirk@rsm.global



[Back to Contents](#)

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

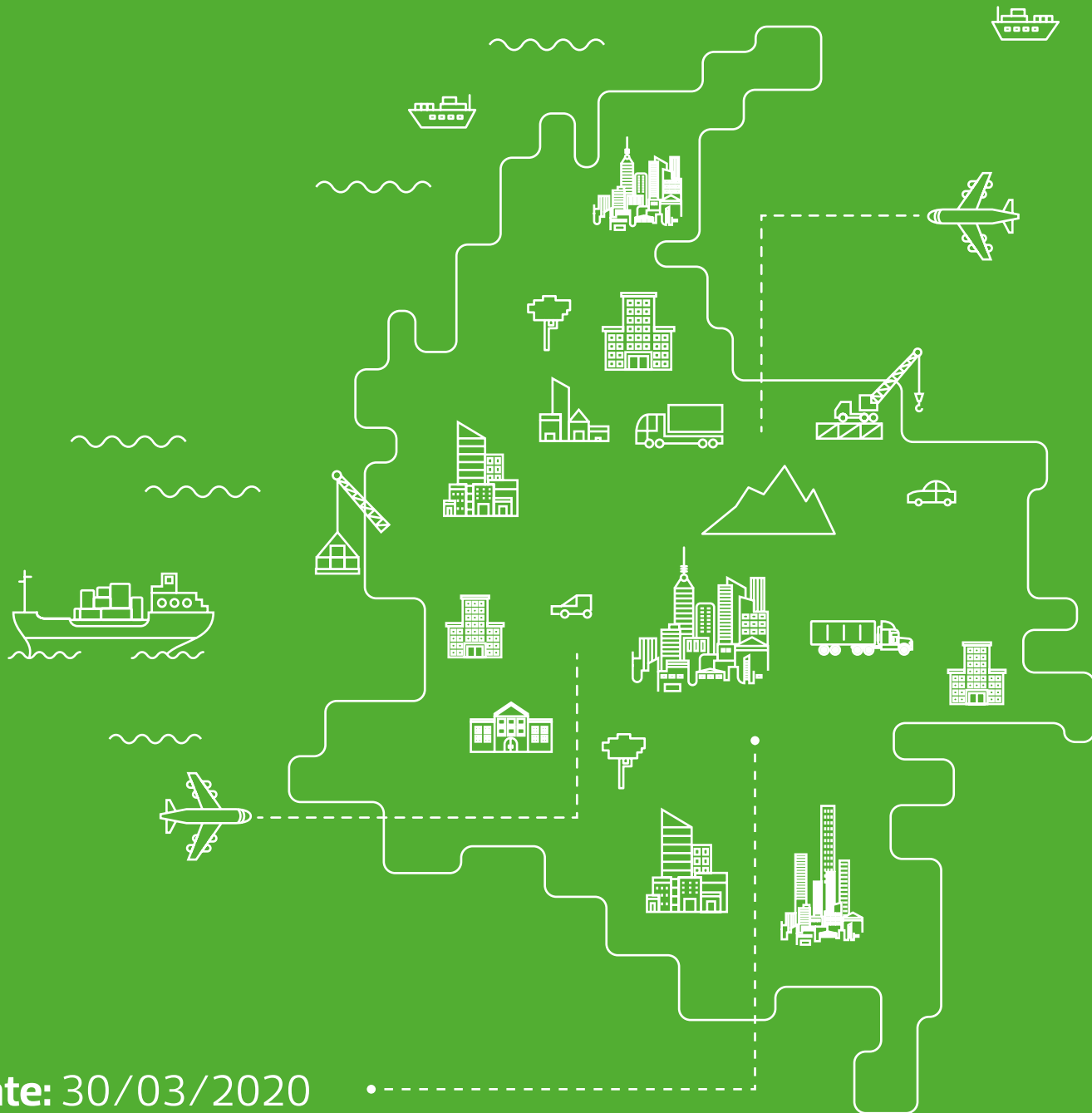
Main exceptional measures adopted to generate more cash and working capital, focusing on SMEs, and some measures for individuals.

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.

Expert's perspective:

We think that the measures taken are reasonable for the time being, nonetheless we believe that the next step it is provide tax incentives to promote investment.

COLOMBIA



Date: 30/03/2020

Author: Sergio Viveros

Position: Tax Partner

Email: sergio.viveros@rsmco.co

[Back to Contents](#)

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

1. Decree 401 of 2020 issued by the Ministry of Finance and Public Credit

The dates for the payment and filing of Income Tax and VAT returns were deferred for companies directly affected.

(For aircraft and air transport companies; hotels and hospitality industry, entertainment and spectacles industry).

The date for the filling of the Wealth Tax, Normalization Tax, and Foreign Assets was set to September 25, 2020.

2. Decree 435 of 2020 issued by the Ministry of Finance and Public Credit

The dates for the payment and filing of the Income Tax return and Foreign Assets return were postponed a week for all taxpayers.

Concerning VAT, only the deferment of payment is maintained until June 30, 2020, and companies whose corporate purpose is sale to the prepared food table, sale of prepared meals in cafeterias, other types of prepared food sale, sale of alcoholic beverages for consumption within the establishment, activities of travel agencies and activities of tour operators were added.

For the Consumption Tax a new date is established for the payment of the second two-month period: June 30, 2020

3. Decree 439 of 2020 (issued by the Ministry of Finance and Public Credit)

Transitional Tax Measures (VAT – Special Regime)

Through this Decree, transitory measures are adopted within the State of Economic, Social and Ecological Emergency against:

- Transitory exemption from VAT, conditions, and requirements: for the sale and import of certain health-related goods (24 in total) such as nebulizers, ventilators, blood pressure monitors, hospital beds, vital signs monitor, among others.
- Extension of the term for the update process in the Special Tax Regime until June 30, 2020

4. Resolution 000022 of March 18, 2020 (DIAN – Suspension of terms)

The DIAN has suspended the terms in the administrative processes and actions, in tax, customs and exchange matters between March 19 and April 3, 2020, it also indicates that before the expiration of the established suspension period, decisions on the continuity of this measure.

Additionally, it establishes that there will be no public attention in the DIAN offices.

5. District Decree 093 of March 25, 2020, Secretary of District Finance – Bogota – Territorial taxes

The District Tax Calendar was modified (Property Tax – Vehicle Tax – payment dates are discounted) and procedural terms are suspended against the SHD.

6. Superior Council of Justice – Suspension of Judicial Terms – Tax processes before the jurisdiction.

The Superior Council of Justice suspended judicial terms throughout the country initially from March 16 to March 20, 2020, and later between March 24 and April 3, 2020.

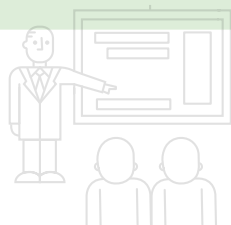
7. Decree 461 of 2020 issued by the Ministry of Finance and Public Credit

Territorial Taxes. Territorial Authorities were enabled to re-allocate the income of specific purpose to face the State of Emergency caused by COVID-19.

Territorial Authorities were enabled to re-allocate the income of specific purpose to take the necessary actions to face the State of Emergency declared by the Government and to reduce the tax rates of their territorial entities.

8. Resolution 000027 of March 25, 2020, issued by the Colombian Tax Authority – DIAN

Dates for the presentation of Magnetic Media – Exogenous Information was deferred.



COSTA RICA



Date: 30/03/2020

Author: Thomas Alvarado

Position: Partner

Email: talvarado@rsm.cr

[Back to Contents](#)

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.

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

- Payment agreements of up to 4 installments to pay VAT for the fiscal period February 2020, without the application of the compensatory interest.
- Reduction of the quotas of all the payment agreements in force as of March 21, 2020, to their current value.
- Regularization facilities for those taxpayers that have quotas overdue to date, without penalty collection.
- Extension until May 29, 2020 for the presentation and payment of the following Income Tax Affidavit:
 - » Sworn Declaration of Income Tax for Individuals with Sole Owner Business. The normal presentation and payment date was 3/31/2020.
 - » Sworn Declaration of Income Tax and Asset Tax of Legal Persons (IR-2) with closing date December 31. The normal presentation and payment date was 4/29/2020.
 - » 1st. payment fee of Tax on Assets of Individuals with Sole Owner Business. The payment date was 3/31/2020.
 - » 1st. payment fee of Tax on the Assets of Legal Entities with a closing date of December 31. The payment date was 4/29/2020.
 - » Informative Sworn Declaration of Non-Profit Institutions with closing date December 31. The payment date was 4/29/2020.
- Exemption from the payment of the Income Tax Advance on April 15 for all taxpayers, except large taxpayers, excluding those with impediments to operate during the state of emergency ordered by the Executive Power through Décret No. 134-20 dated March 19th, 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.
- Agreement to pay four equal and consecutive installments to pay the 2019 income tax, 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 April 30, 2020.
- Extension for the declaration and payment of the Selective Consumption Tax on Fossil Fuels and Petroleum Derivatives (IH) and the Special Contribution on Liquefied Petroleum Gas (LPG), with a deadline of April 9, 16 and 23 for the April 23 and 30, respectively.
- 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.

Expert's perspective:

The adopted measures eliminate doubts that merchants may have, especially when they do not want to fall into noncompliance. At the same time, the measures will provide liquidity to merchants that are not operating.

EL SALVADOR



Date: 27/03/2020

Author: José Leonet Zelaya

Position: Tax Manager

Email: lzelaya@rsmelsalvador.com

[Back to Contents](#)

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

- Extend for 1 month the payment period of the 2019 annual income tax, for those companies dedicated to tourism and whose tax payment is up to \$25,000. Normally this payment is due on April 30.
- Waive the "Special Contribution" payment (5%) to promote tourism, from March to May 2020
- Extend for 1 month the payment period of the 2019 annual income tax, for all tax payers whose tax payable is up to \$10,000.
- Extend for 1 month the payment period of the 2019 annual income tax, for those companies dedicated to generate, transmit, distribute and trade electricity and telephone, cable and internet services. Likewise, payment of advanced payment for Income Tax 2020 from March to May 2020, has also been extended for up to 6 months for these companies.

Expert's perspective:

These measures are not in line with the emerging circumstances, they are too timorous and specific. Due dates for tax returns for all tax payers should have been extended, as well as extend the presentation of Tax Audit reports done by the Audit Professionals, whose term expires on May 31.

GUATEMALA



Date: 27/03/2020

Author: Ninrod Sazo

Position: Tax, Legal & Transfer Pricing Partner

Email: ninrod.sazo@rsm.com.gt

[Back to Contents](#)



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.

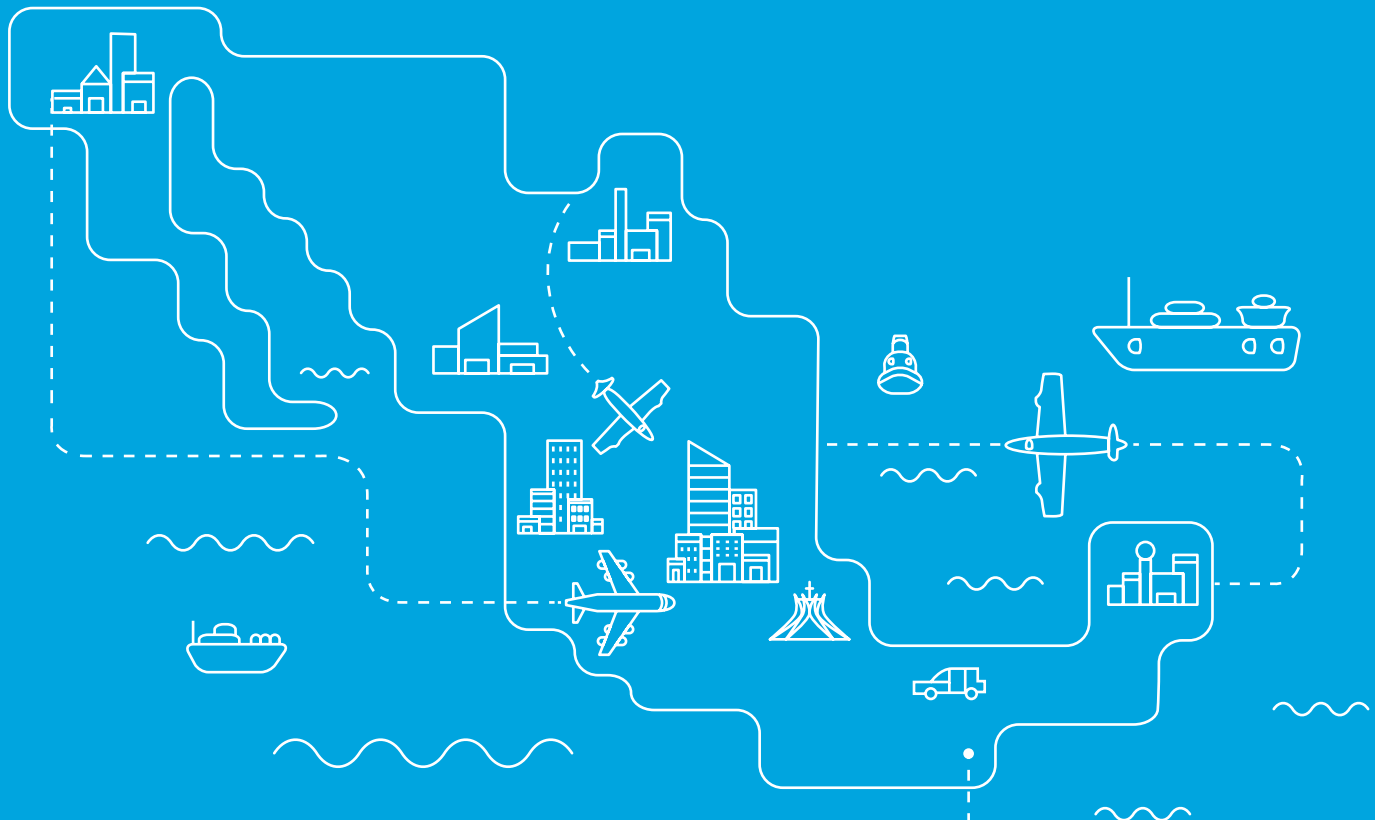
The original deadline for the previous obligations was March 31, 2020.

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: 28/03/2020

Author: C.P. José Luis Ureña Lizárraga

Position: Tax Partner

Email: joseluis.urena@rsmmx.mx

[Back to Contents](#)

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

Federal government.

- 03/24/2020. Decree by which the Agreement establishing the preventive health measures to be implemented for the mitigation and control of the health risks implied by the virus COVID-19.
- 03/25/2020. At the morning conference, the President of Mexico announced that there will be no federal tax stimuli for the COVID 19 contingency, that is, taxpayers must be pay taxes of a regular way. The income tax return 2019 and advances income tax declarations and value added tax will not be postponed; justifying that the priority is the poor people.
- The financial system has announced facilities to obtain credits at lower interest rates and grace periods for the payment of interest and principal.

State government.

- **Investment and Financing:** Mexico City, Durango, State of Mexico, Guanajuato, Hidalgo, Jalisco, Michoacán, Morelos, Nuevo León, Oaxaca, Quintana Roo, San Luis Potosí, Sinaloa, Sonora, Yucatán and Zacatecas.
- **Extension, in filing and payment of state taxes:** Baja California Sur, Mexico City, Colima, Durango, State of Mexico, Hidalgo, Jalisco, Michoacán, Morelos, Oaxaca, Quintana Roo, Sinaloa, Sonora, Yucatan and Zacatecas.
- Without fiscal measures or incentives: Aguascalientes, Baja California, Campeche, Chiapas, Chihuahua, Coahuila, Nayarit, Puebla, Querétaro, Tabasco, Tamaulipas and Tlaxcala.
- In the face of a confrontational scenario, the State of Veracruz has spoken out for unilaterally issuing its benefits and measures.

Incentives in General of the State.

- Economic programs to support the family economy.
- 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

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, as well as the lack of coordination with the Governments of the States.

Expert's perspective:

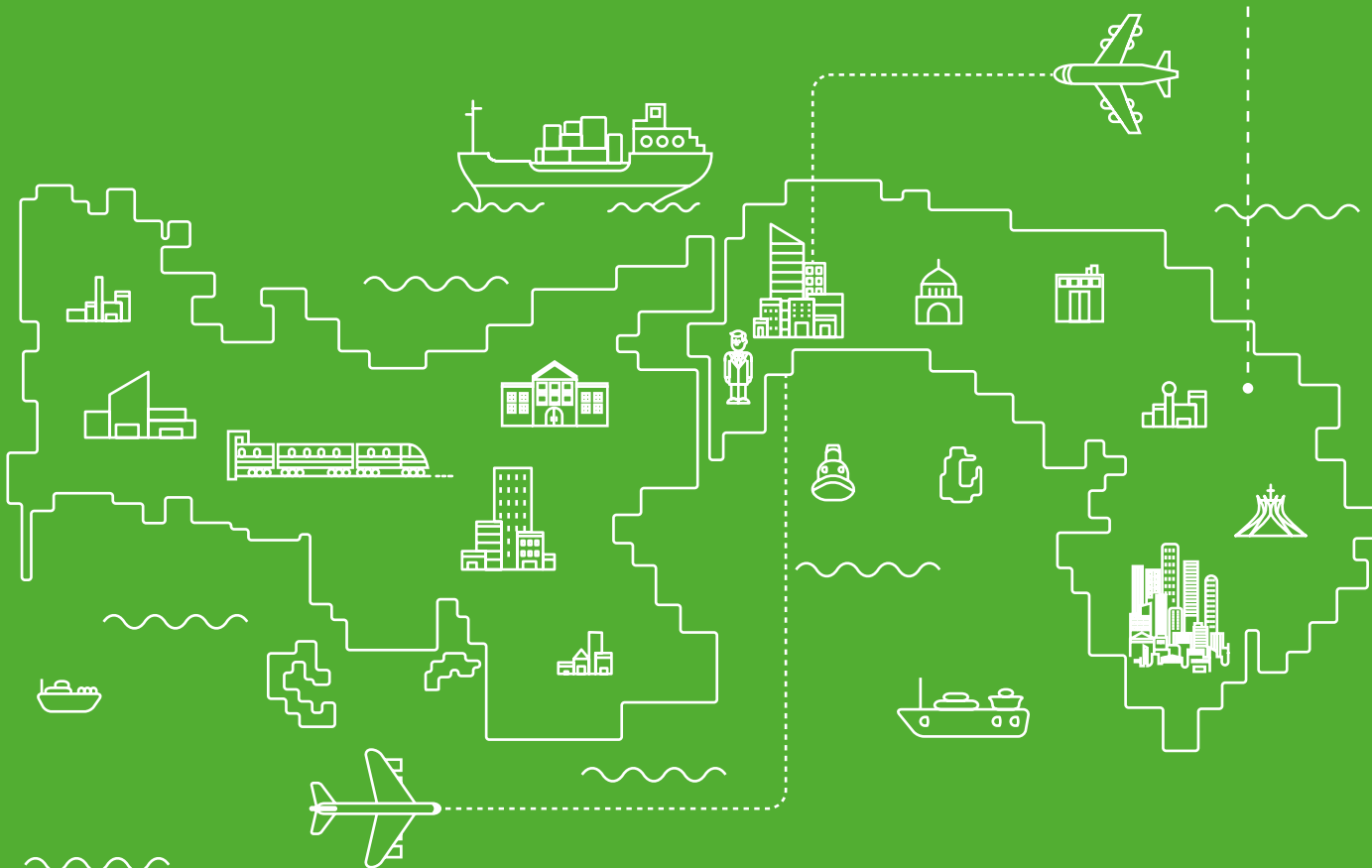
PANAMA

Date: 04/03/2020

Author: Arístides Batista

Position: Tax & Managing Partner

Email: arbatista@rsm.com.pa



[Back to Contents](#)

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.

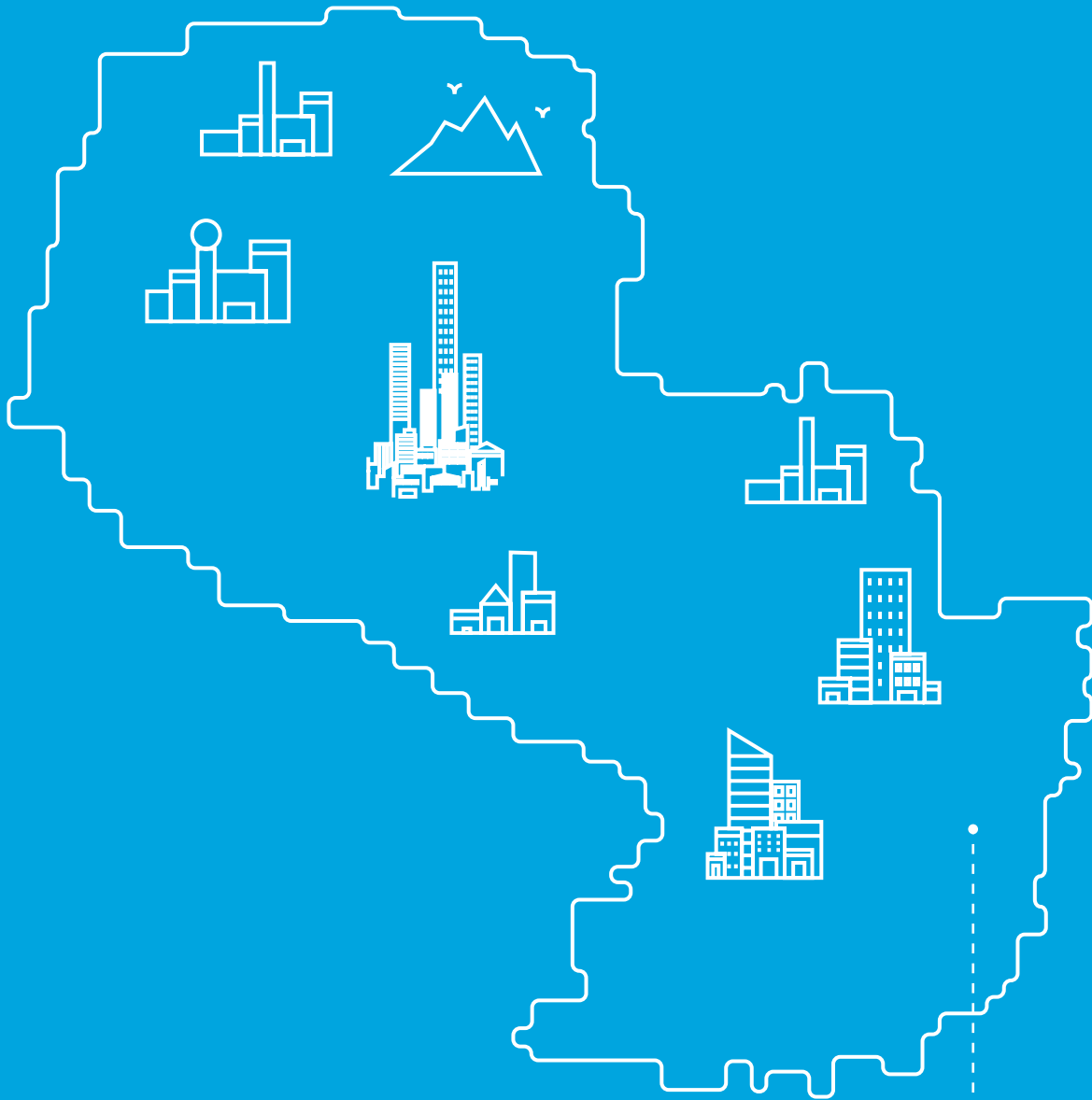
Charges to DGI and CSS: They can collect without good standing.

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



Date: 31/03/2020

Author: Lic. Mariela Verón

Position: Senior BPO

Email: mariela.veron@rsm.com.py

[Back to Contents](#)

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

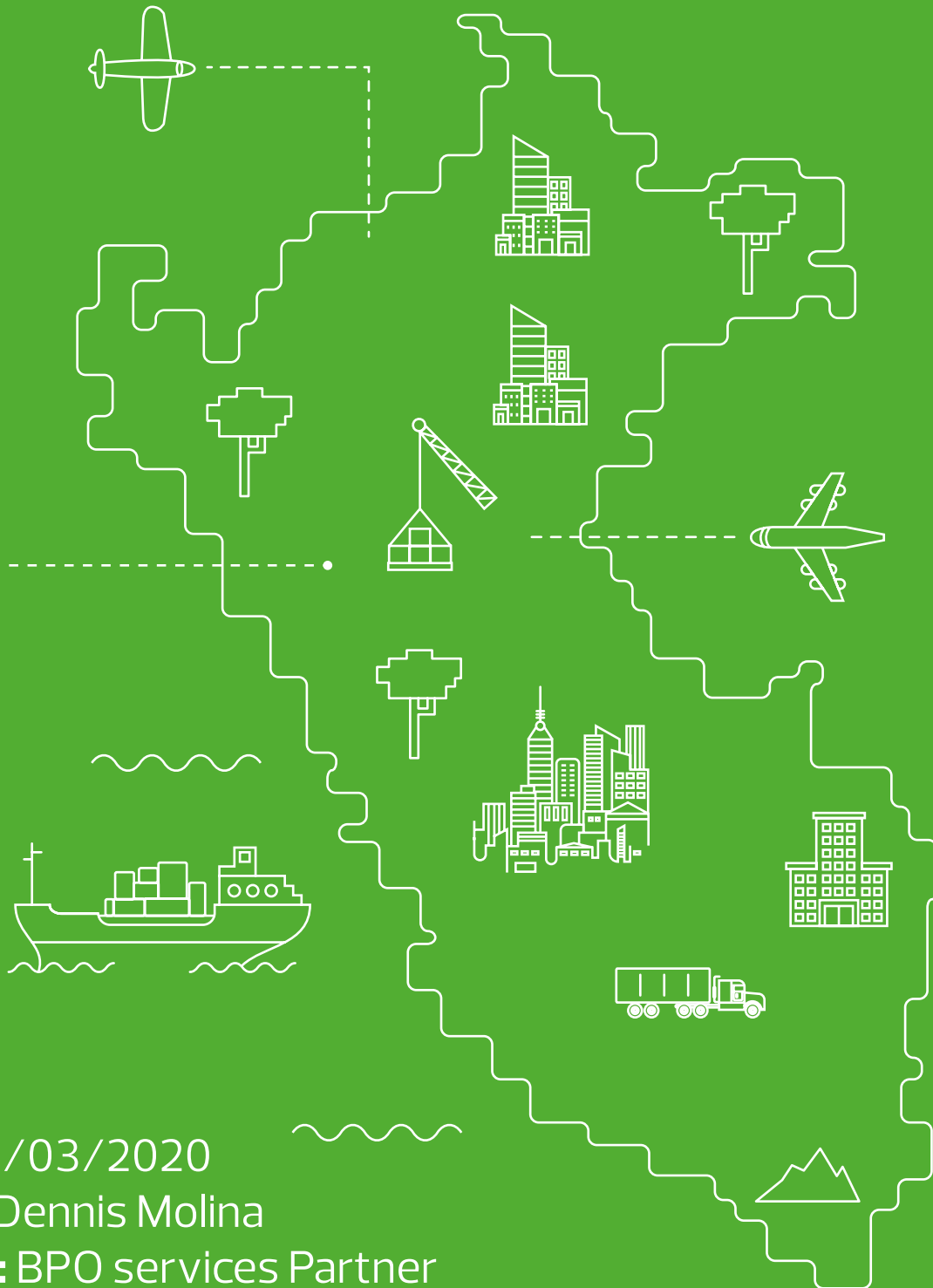
- Exceptionally extend, until November 2020, the presentation of the External Tax Audit Opinions for those taxpayers with fiscal year-end as of 12/31/2019.
- Tax Compliance Certificates issued from March 16 to June 30 will be valid for 90 calendar days.
- Establish at one hundred and fifty million guaranies (G. 150,000,000) the amount from which the presentation of the Tax Compliance Certificate, the Certificate of Compliance in controversy or the Evidence of Not Being a Taxpayer before the administrative financial entities will be mandatory including cooperatives, to obtain and renew credits.
- There will be an exceptional and transitory regime of Payment Facilities, so that the taxpayer of the Personal Income Tax (IRP) pays or regularizes this obligation, corresponding to the Fiscal Year closed on December 31, 2019 and previous years ; also for taxpayers of the Corporate Income Tax (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 case of the IRP it applies until April 30, 2020 and for the rest of taxes until May 31, 2020.
- Until June 30, 2020, no sanctions will be applied for breaches of formal duties, as contravention (fines).
- In the context 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 June 30 of this year.
- Suspend all the terms and administrative processes carried out by the Undersecretary of Taxation from Monday, March 23 to Tuesday, March 31.
- Extend, until July 2020, the due dates for the payment of the first advance of the Corporate Income Tax (IRE), corresponding to Fiscal Year 2020. In the case of the payment of the second, third and fourth advance of the same tax, for taxpayers who pay the tax by the General Regime, corresponding to Fiscal Year 2020, the payment terms are extended from July to September, from September to November and from November to December.
- Postpone the maturities of April 2020 according to the following:
 - a) The presentation of the determinative tax return and the payment of the IRACIS and the IRAGRO corresponding to the fiscal year closed on December 31, 2019 must comply in the month of June 2020.
 - b) The presentation of the determinative tax return and payment of the Presumed new Corporate Income Tax (IRE), Single Tax Maquila, VAT, General ISC, Fuel ISC and the Tobacco Derived Products Report corresponding to the fiscal period March 2020 and the corresponding Price Adjustment DJI to the fiscal period February 2020, it must be fulfilled in the month of May 2020, in accordance with the Perpetual Expiration Calendar of determinative or informative tax returns, as applicable.

Given the difficult situation worldwide and especially in the country, the Paraguayan Government has taken drastic monetary and fiscal policy interventions to prevent the negative change in supply and demand caused by the spread of COVID-19 seriously affecting employment and economy in general.

We understand that the Government has made an important effort to transfer the due dates in the presentation of the informative and determinative tax returns, establishing the non-application of fines for late filing. Companies could also finance tax payments at zero rate in these months.

Expert's perspective:

PERU



Date: 30/03/2020

Author: Dennis Molina

Position: BPO services Partner

Email: dennis.molina@rsm.pe

[Back to Contents](#)

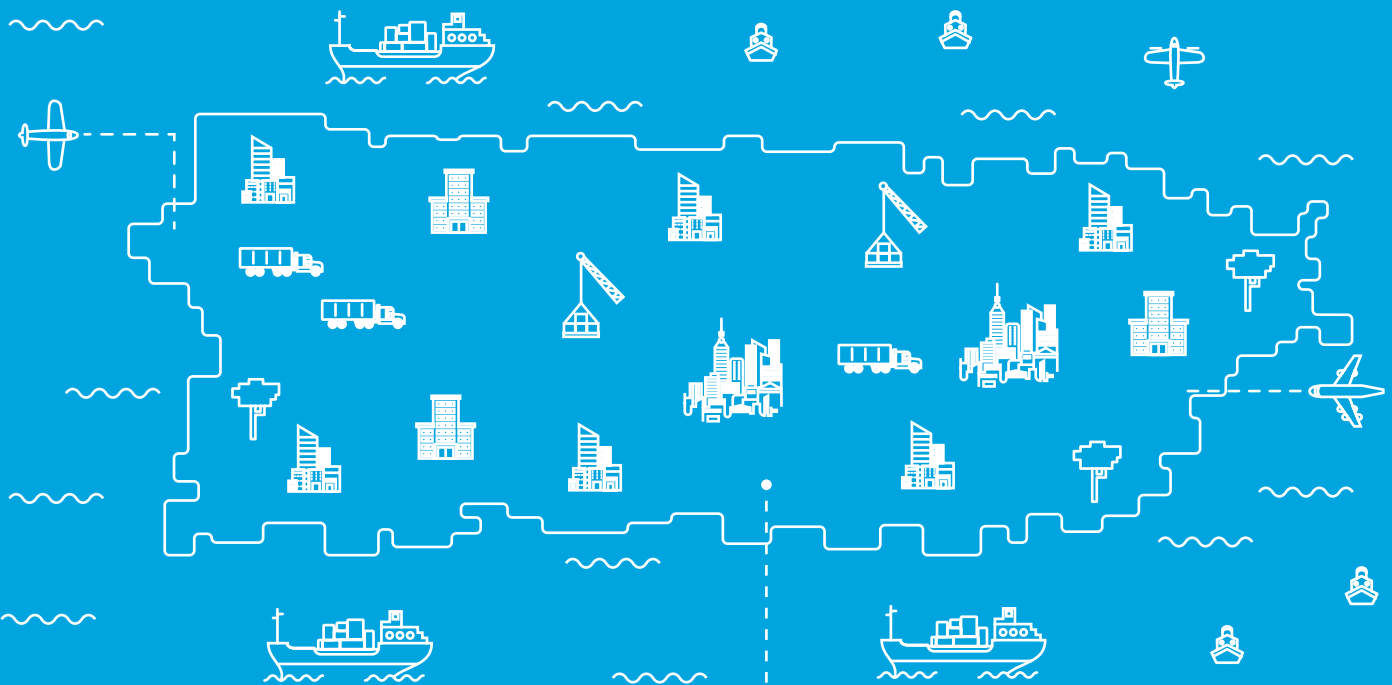
What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

1. Due dates extension granted for monthly tax obligations for the FY 2019 when the taxpayer has up to 2,300 tax units (USD 2,744,318 approx.) of net income in FY 2019.
2. No tax fines would be applied during the National Emergency State COVID-19.
3. Due dates extension granted for Income Tax return for FY 2019 when the taxpayer had up to 5,000 tax units (USD 5,965,909 approx.) of net income.
4. Employer and worker obligations are established for home office during the National Emergency State COVID-19.
5. Workers who are unable to perform home office work during the National Emergency State COVID-19 will be allowed to have paid working leaves.
6. Private pension system payments are suspended for salaries of April 2020.
7. Unemployment Insurance (CTS for the Spanish acronym) can be partially requested for workers with salaries up to USD 682 approx.
8. State subsidy of 35% of the sum of the gross monthly salaries in the payroll that do not exceed PEN 1,500 (USD 440 approx.).

Expert's perspective:

Regulations are updated daily, but insufficient for companies to continue operations. Tax regime only differs due dates but does not reduce tax burdens. Restrictive labor tax regime for the reduction of personnel costs.

PUERTO RICO



Date: 30/03/2020

Author: Rafael De Rojas Sánchez

Position: Tax Partner

Email: rderojas@rsm.pr

[Back to Contents](#)

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

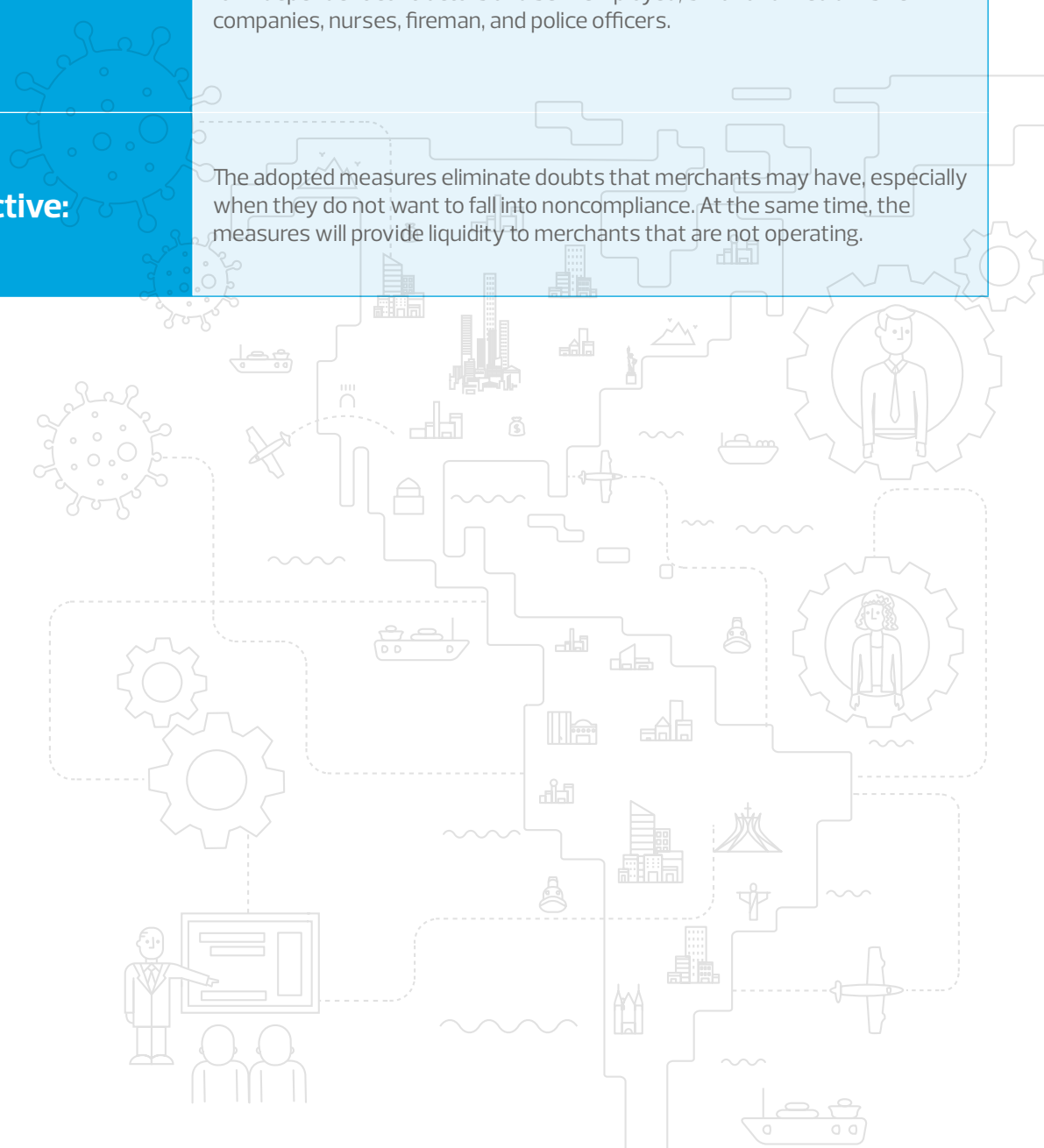
The PR Department of Treasury has extended all due dates for filing and payment of returns for different taxes. Basically, now all tax filings and payments are due between June 15 and July 15, 2020. Additionally, the Treasury has extended the date of validity of certain licenses and permits.

With the purpose of providing more cash liquidity to merchants, it eliminated the requirement for the 10% tax withholding at source on certain payments, eliminated the sales and use tax on reseller chain, and on the purchase of articles of necessity and food. Additionally, it established a program for the application of reimbursements and credits against different taxes.

The PR Treasury Department is going to also issue stimulus payments for independent contractors and self-employed, Small and Medium size companies, nurses, fireman, and police officers.

Expert's perspective:

The adopted measures eliminate doubts that merchants may have, especially when they do not want to fall into noncompliance. At the same time, the measures will provide liquidity to merchants that are not operating.



UNITED STATES OF AMERICA



Date: 30/03/2020

Author: Edgar Lopezlena

Position: International Tax Senior Director

Email: edgar.lopezlena@rsmus.com

[Back to Contents](#)

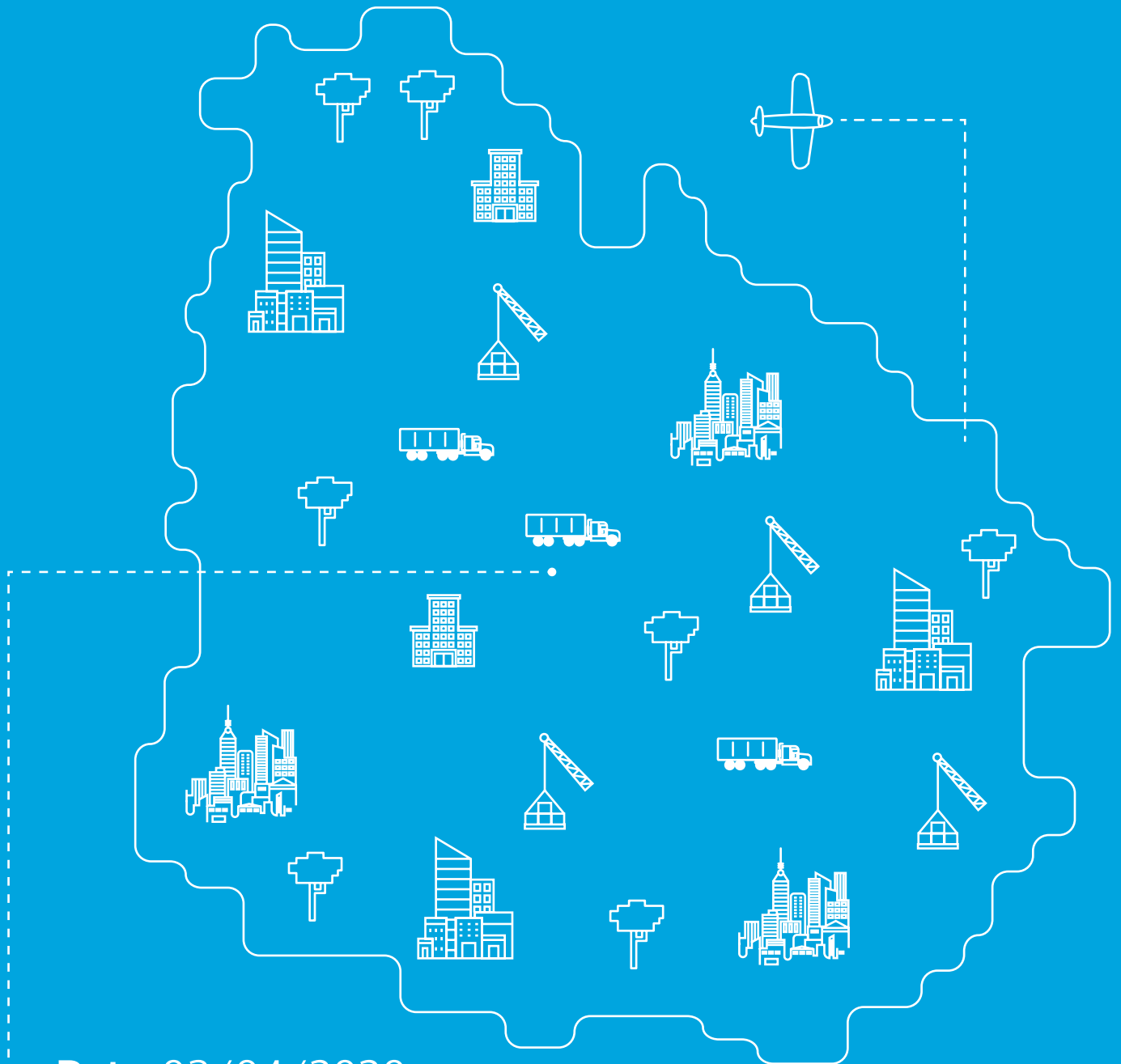
What measures has the government of your country taken to help businesses and/or the local economy during the Covid-19 situation?

- 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
- Loans of up to US\$ Million for working capital for qualifying small businesses, with certain preferential terms
- Restructuring of certain loans owed to banks of up to US\$ 10 Million
- 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, to aid state, municipal and local governments
- Certain local tax incentives and credits (vary from state to state)

Expert's perspective:

In general, the measures have been well received, albeit late

URUGUAY



Date: 03/04/2020

Author: Ana Inés Montaldo

Position: Tax Partner

Email: anaines.montaldo@rsm.uy

[Back to Contents](#)

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

- Deferred payment of the Minimum VAT (Literal E) month charge 02/2020 and 3/2020, whose maturities were March and April, which will be paid in six equal installments, consecutive and without interest payment, from the month of May.
- The payment of taxes corresponding to obligations due between March 23 and 26, 2020 is extended until March 27, 2020. Public Companies are exempt from this extension.
- A special unemployment subsidy regime is created that covers all dependent workers with fixed or variable monthly remuneration who are partially suspended due to a reduction in the number of monthly work days or a reduction in the total hours of their usual hours in a percentage of 50% or more of the legal or usual.
- It is established that those over 65 years of age who must remain in isolation for a maximum period of thirty days are included in the sickness subsidy. Those workers who can carry out or carry out their usual tasks from their home are excluded.
- 40% reduction in personal and employer social security contributions for March and April for owners of companies with less than 10 employees. A financing of the remaining 60% is established in six installments without interest, corresponding to the payment of the first installment in June 2020.
- Financial intermediation Institutions, and in general all Financial Services Companies, are authorized to extend the maturities of fixed-term credit operations or repayable loan installments, for up to 180 days, both of the principal and interest payments.
- The temporary or permanent entry or exit is authorized, free of all taxes, and subject to a simplified customs procedure, of a series of sanitary merchandise destined to help population's victims of an emergency or catastrophe situation.

Expert's perspective:

Although the Government has implemented measures, most of them for small companies, the deferral of the annual and monthly tax obligations that expire in the coming months of April and May remains.

At the time of producing this document, governments of Venezuela and Nicaragua have not announced fiscal or economic measures regarding the Covid-19. We invite you to follow closely our updates on these topics, which will be published according to the evolution of the events.

If you need advise from our specialists in these countries, please contact:

Alberto Barboza
Tax Partner
alberto.barboza@rsm.co.ve

Jorge A. Aburto M.
Tax Partner
jorge.aburto@rsm.ni

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and consulting firm each of which practices in its own right.

The RSM network is not itself a separate legal entity of any description in any jurisdiction. The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London, EC4N 6JJ.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© RSM International Association, 2020

   /RSMLatin America

rsmm.global

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

