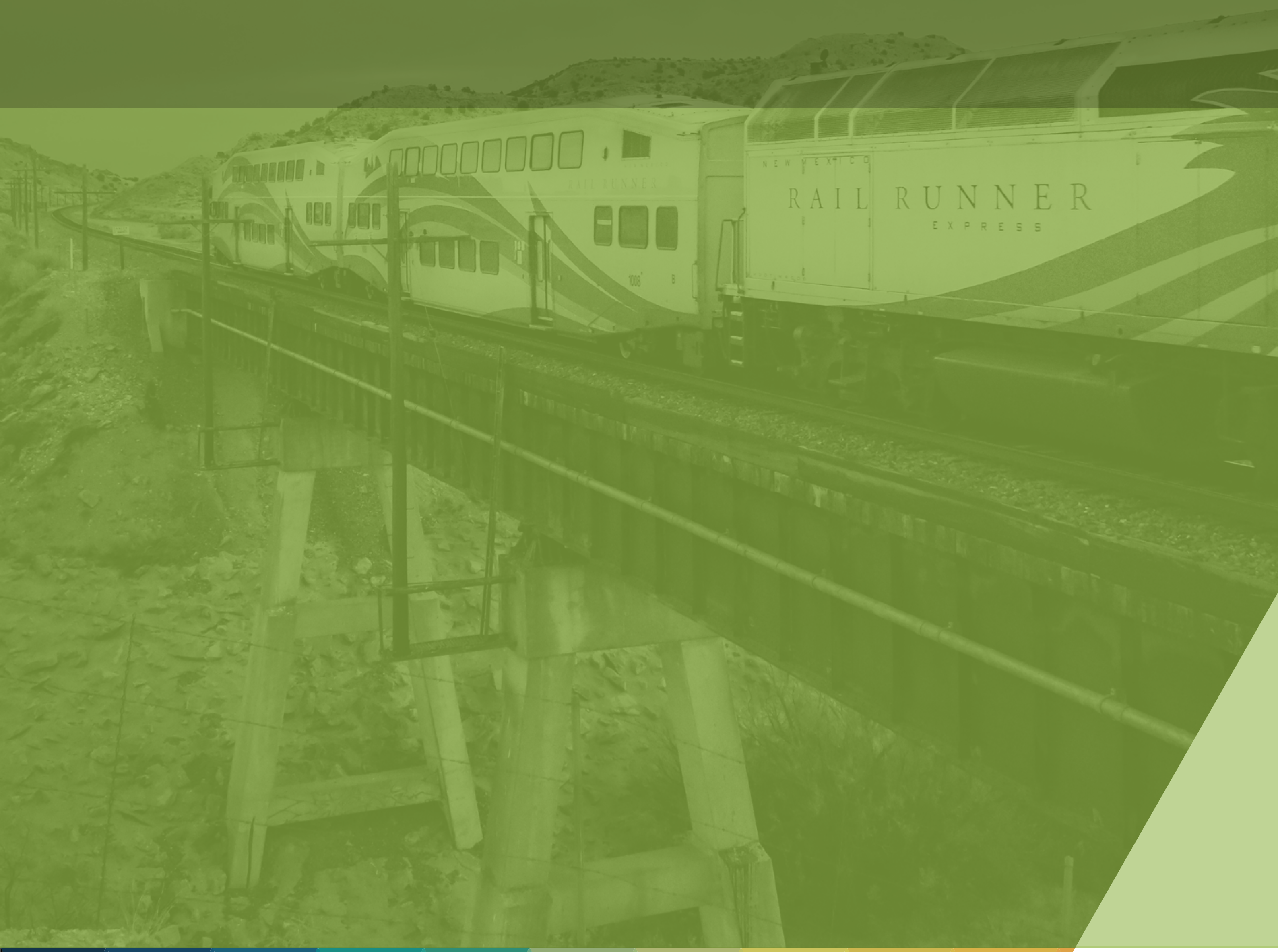
Tax Cards | 2026

A summary of tax facts of countries in the Central and South America region



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AGN International - Americas

BOLIVIA

Tax Card 2026 (Bolivian Bolivianos Bs)

1. General aspects	a. Housing Promotion Unit (UFV): Bolivia uses the UFV, a reference index updated daily based on inflation (CPI). It is used for updating tax debts, calculating fines, and maintaining the value of assets and equity. (Value approx. Bs 2.5x per UFV). b. Tax Identification Number (NIT): Mandatory for any individual or legal entity performing economic activities. c. Tax Administration: National Tax Service (SIN). For imports, the National Customs of Bolivia (ANB). Statute of limitations is generally 8 years. d. Exchange Control: While free negotiation of currency exists legally, there are currently de facto restrictions on USD availability, creating a parallel market gap from the official rate (Bs 6.96).
2. Corporate income tax (IUE)	Rate: 25% on annual net profit. Applicable to public and private companies, sole proprietorships, and professionals. Paid annually (120 days after fiscal year-end). IUE paid is creditable against the Transaction Tax (IT) of the following period.
3. RC-IVA (complimentary regime to VAT)	Rate: 13%. Taxes income of individuals. Employees can offset this by presenting personal purchase invoices. Independents pay on rent, interest, or director fees.
4. Value added tax (VAT)	Nominal Rate: 13%. (Effective rate for internal calculation: 14.94%). Applies to sales of goods, services, and imports. Exports are rated at 0% (with right to tax refund via CEDEIMs).
5. Transaction tax (IT)	Rate: 3% on gross income from any lucrative or professional activity. Paid monthly.
6. Financial transaction tax (ITF)	Rate: 0.30% on foreign currency operations (USD) or local currency with value maintenance. Local currency accounts (Bolivianos) are exempt.
7. Foreign beneficiaries (IUE-BE)	Effective Rate: 12.5%. Applied when a Bolivian company remits profits or pays for services to entities/persons abroad.

8.
Property tax (IPBI / IPVA)

Annual municipal taxes on Real Estate (IPBI) and Motor Vehicles (IPVA).

9.
Labor regime

1. National Minimum Wage (2025): Bs 2,750 (D.S. 5383).

2. Monthly Contributions Table

Concept	Employer Contribution	Employee Contribution
Short-term Social Security (Health)	10.00%	-
Old Age (Retirement)	-	10.00%
Risk (Common/Professional)	1.71%	1.71%
Solidarity Contribution	3.50%	0.50%
Housing (Pro-vivienda)	2.00%	-
Management Commission	-	0.50%
TOTAL	17.21%	12.71%

3. Social Benefits: Christmas Bonus (1 salary), Severance (1 salary per year), Annual Premium (up to 25% of profit), Seniority Bonus (based on scale), and Vacations (15-30 days).

4. National Solidarity Contribution: Applies to total earnings above Bs 13,000 (1.15%), Bs 25,000 (5.74%), and Bs 35,000 (11.48%).

CHILE

Tax Card 2026

1. Main taxes in Chile

All taxes in Chile are levied at the national level, which means that there are no provincial or regional taxes, unlike elsewhere in the region.

The main sources of tax revenue are:

- Corporate income tax and personal income tax.
- Value added tax (VAT).
- Customs duties.
- Stamp tax.
- Municipal Licenses.
- Mining Royalties
- Green Tax.
- In addition, the Chilean tax system includes a real estate tax, an inheritance and gift tax, and other minor taxes.

Each citizen pays taxes in relation to his or her economic power. This is based on three parameters or indicators.

Wealth **Income** **Spending** (or Consumption)

In general terms, the Ability-to-Pay Theory establishes that **those who should pay more are those who:**

Have **more wealth**

Earn **higher income**

Consume **more** goods and services

Source: https://www.sii.cl/

The Chilean tax system is relatively simple, which applies equally to local companies and foreign investors.

2. Tax authority

The Internal Revenue Service (SII- Servicio de Impuestos Internos) is the tax authority in charge of the application and administrative control of Chilean taxes and tax provisions.

The General Treasury of the Republic (TGR- Tesorería General de la República) is the institution in charge of the custody, collection and remittance of fiscal funds from taxes, among others.

As part of a process promoted by the Ministry of Finance that seeks to strengthen formalization, as of 2 January 2026, it will be mandatory to formalize the start of activities with the Internal Revenue Service (SII) for those who carry out economic activities on a regular basis (whether individuals or companies). This requirement will be enforced not only by public agencies, but also by digital platforms, electronic payment providers, marketplaces, and financial institutions. It will also be required in order to access tax and financial benefits.

3.
Income tax

As a rule, individuals and entities domiciled or resident in Chile are subject to income tax on their worldwide source income. The income tax requirement in Chile is based on two elements: the place of residence of the taxpayer and the source of the income.

Individuals or legal entities, resident or domiciled abroad, pay taxes only on their Chilean source income, that is, income derived from assets located in Chile from activities carried out in Chile.

Foreigners established in Chile are only taxed on their Chilean source income during the first three years of residence. After this period, they are subject to taxation in Chile on their worldwide income. This last period may be extended. Income tax is determined annually on income obtained within the period from January 1 to December 31 of each year, which must be declared and paid in April of the following calendar year.

4.
Tax domicile and residence

Regarding individuals, a person is considered domiciled in Chile if he/she resides in Chile, with the real or presumed intention to remain in the country. Any person who remains in Chile, uninterruptedly or not, for a period or periods that in total exceed 183 days (6 months approx.), within any 12-month period. With respect to legal entities, companies incorporated in the country are considered residents.

5.
Taxes

Income tax is levied on different types of income through different taxes:

- Capital income (business income) is subject to the **First Category Tax.**
- Labor income (remunerations) is subject to the **Second Category Tax.**
- Income obtained by a person domiciled or resident in Chile is subject to **Global Complementary Tax.**
- Income obtained in Chile by a non-resident is subject to **Withholding or Additional.**

Taxpayers in Chile are classified as First or Second Category taxpayers according to the type of income they obtain. According to the Income Tax Law, which distinguishes two categories:

a. **First Category**: Income from capital and from commercial, industrial, mining and other companies.
b. **Second Category:** Income from work.

a. First Category Taxpayers:

This tax is imposed on individuals and legal entities on income derived from the conduct of business activities, including income generated from capital invested in commercial, industrial, mining, and other business entities.

Established in the Income Tax Law (LIR), the General Regime has a single tax rate of 27% since January 2018. It is determined on the basis of the net income obtained, i.e. on the income accrued or received, deducting expenses from the taxable base. In order for expenses to be accepted for tax purposes, in a company declaring on an effective income basis, they must meet a series of requirements, including being an 'expense necessary to generate the income'. The tax is declared annually in April of each year for all income for the year.

5. Taxes (cont.)

Taxpayers opting for the 'Pro-SME Regime', who will be taxed at a reduced corporate income tax rate of 25%. Unlike the General Regime, the Corporate Income Tax actually paid can be used in full as credit by the shareholders or partners of the company against the Final Taxes levied on withdrawal of profits.

To qualify for the application of this regime, certain requirements must be met. The benefits: reduced corporate tax rate, the option of simplified accounting, keeping a reduced number of tax records, the rights to be exempted from applying monetary correction and to depreciate its physical fixed assets instantly, among others.

'Pro-Pyme Transparent Regime' This is the Tax Regime focused on small and medium-sized enterprises (SMEs), whose owners are final taxpayers (natural persons with or without residence in Chile or legal entities with residence abroad). In this case, the SME company will be exempt from the First Category Tax and its owners will have to pay their final taxes as determined by the company.

In general, the tax is levied on the effective income determined for accounting purposes, except for some taxpayers in the agricultural, mining and transport sectors, who may be taxed on the basis of presumed income.

The First Category Tax paid by the company is reduced as a 'credit', in accordance with the mechanism established for the preparation of the Taxable Profits Fund (also known as FUT), from the Global Complementary or Additional Taxes that affect the owners, partners or shareholders of the companies or societies, for the profits withdrawn (in cash or in kind) or for the dividends distributed.

b. Second Category Taxpayers: are those who obtain income from their work.

The Second Category Tax is levied on income from dependent work (such as wages, salaries, allowances, bonuses, participations, pensions, representation expenses, or fees), except those from foreign sources, which are obtained as income from the exercise of liberal professions, lucrative occupation, etc. They are classified by the Income Law as Second Category income, applying a tax different from that indicated for the First Category, and with its own calculation procedures.

It is a tax that is applied progressively on income from dependent work, from a value greater than 13.5 UTM or Monthly Tax Units (as of February 2026, the value of 1 UTM is equivalent to approximately $82 USD).

The tax is capped at a marginal rate of 40% on income received in the development of an employment activity carried out in a dependent manner, i.e. under an employment contract.

It is a monthly declaration and liquidation tax, which is withheld and paid to the Treasury by the employer or payer of the income. The calculation of this tax is made on the remuneration of the work, deducting previously the payments corresponding to health and social security.

5. Taxes (cont.)	Independent Second Category Tax: income from the exercise of liberal professions or any other lucrative profession or occupation not included in the first category or not subject to the Single Second Category Tax, income obtained by brokers who are natural persons and whose income comes exclusively from their work or personal activities, without using capital, and income obtained by professional partnerships that provide exclusively professional services and consultancy, will be subject to Global Complementary Tax or Additional Tax (final taxes), depending on whether they are domiciled or resident in Chile or not. These persons are subject to a withholding or provisional payment of 10% of the gross income at the time of receiving it. This withholding is deducted as a credit against the aforementioned personal taxes, and they may request a refund of the excess resulting from the annual liquidation carried out, in the cases that correspond in accordance with the Law. In 2019, compulsory contributions began to be paid by workers who issue fee slips, incorporating them into the social protection schemes and granting them the same coverage as those who work as employees. By law, as of 1st January 2026, the withholding tax on fee slips increases from 14.5% to 15.25%. This percentage will continue to increase until it reaches 17% in 2028, affecting net income and the calculation of mandatory social security contributions, as well as the obligation for entrepreneurs to prove that they have started their business activities.
6. Global complementary tax	The Global Complementary Tax is a personal, global, progressive and complementary tax that is determined and paid once a year by individuals with domicile or residence in Chile on income received in the First or Second Category. It affects taxpayers whose overall net income exceeds 13.5 UTA. The rate increases progressively as the taxable income increases. It is applied, collected and paid annually, in April of the year following the year in which the income is obtained. The rates and brackets are the same as for the Second Category Tax, but on an annual basis. For its determination, persons receiving dividends, together with such income, must include in the taxable base, an amount equivalent to the First Category Tax that affected such income. On this base, the Global Complementary Tax rate scale must be applied to determine the tax to be paid. The taxpayer is entitled to deduct as a credit, the First Category Tax paid by the company and which was included in such calculation.
7. Additional tax	The Additional Tax is applied to individuals or legal entities, who have no residence or domicile in Chile, when the income is available to the person residing abroad, from Chile. It is applied at a general rate of 35% and operates in general on the basis of attributed income, withdrawals, distributions or remittances of income abroad, which are of Chilean source. Lower rates are applied for some types of income: Dividends and remittances: 35% rate Dividends distributed by corporations, joint stock companies and limited partnerships incorporated in Chile.

7. Additional tax (cont.)

Shares or rights: Rate 35%. Income derived from the alienation of shares or social rights. They may be subject to First Category Tax as a single tax.

Trademarks and patents: Rate 30% Amounts paid for the use, enjoyment or exploitation of trademarks, patents, formulas, and other similar benefits.

Invention patents: Rate 15% Amounts paid for the use, enjoyment or exploitation of invention patents, utility models, industrial designs and drawings, layout-designs or topographies of integrated circuits, and new plant varieties. In cases qualified by law, the rate may be 30%.

Computer programs: Rate 15% Amounts paid for the use, enjoyment or exploitation of computer programs, understood as the set of instructions to be used directly or indirectly in a computer or processor, to carry out or obtain a certain process or result, contained in a support. In the cases qualified by law, the rate may be 30%.

Film and television: Rate 20% Payments abroad to foreign producers or distributors for materials to be exhibited through film and television projections.

Publishing rights: Rate 15% Amounts paid for the use of publishing rights or book copyrights.

Interest: General rate. 35% - Rate 4% For interest paid to foreign banks or financial institutions that comply with the requirements established by law.

Services rendered abroad: Rate 35% Remuneration for services rendered abroad.

Engineering work abroad: Rate 15% Amounts paid for engineering or technical work and for those professional or technical services rendered by a person or entity knowledgeable in a science or technique through a consultancy, report or plan, rendered in Chile or abroad.

Scientific, cultural or sports activities: Rate 20% Remunerations derived exclusively from the work of foreign individuals who have developed scientific, cultural or sports activities in Chile / Rate 22% Insurance premiums contracted with companies not established in Chile / Rate 2% for reinsurance / Rate 5% Maritime freights from or to Chilean ports carried out by foreign companies / Rate 20% Rental, sublease and chartering of foreign vessels / Rate 35% Rental of capital goods (a rate of 5% is presumed for each installment).

This tax is accrued in the year in which the income is attributed, withdrawn or distributed by the company. Taxpayers subject to this tax are entitled to a credit equivalent to the First Category Tax paid/ or percentage paid, by the companies on the income attributed, withdrawn or distributed, depending on the tax regime for which the company has opted.

To avoid double taxation, Chilean law generally allows taxpayers to use amounts paid abroad due to foreign laws or regulations (including taxes) as tax deductions for local income tax purposes. In the latter case, double taxation avoidance treaties with treaty countries must be considered.

8. Value added tax (VAT)	The Value Added Tax has a fixed rate of 19% and is levied on the amount of transfers of goods and services for consideration and other agreements on movable and immovable property, on a "habitual" basis. In the latter case, the habitual nature is presumed with respect to sales pertaining to the line of business of a company. This tax is levied on the taxable base of sales and services, which is established by the respective law. In practice it has few exemptions, the most relevant being the one that benefits exports.
9. Import taxes (foreign trade)	Import taxes are subject to an ad valorem duty that varies according to the type of merchandise, with an average of around 6%. It is calculated on their CIF value (cost, insurance and freight). VAT (19%) is then levied on the CIF value, plus the ad valorem duty, followed by any other excise duty. In some cases, depending on the nature of the goods, e.g. luxury goods, alcoholic beverages and others, excise duty is required. Used goods, in cases where their importation is authorized, pay an additional surcharge of 3% on their CIF value, (the seller is responsible for transportation and insurance to the port of destination), in addition to the taxes to which they are subject, depending on their nature. In the case of goods originating in a country with which Chile has signed a trade agreement, the ad valorem duty may be free or subject to a percentage reduction. Chile adopts the Harmonized System of Classification. Virtually all imports are subject to a most favored nation (MFN) duty of 6% ad valorem. The entity in charge of controlling these operations and the payment and collection of taxes on foreign trade is the National Customs Service.
10. Tax on sumptuary products	The first sale or import, habitual or not, of articles considered by the Law as sumptuary products pay an additional tax at a rate of 15% on the value at which they are sold. The law considers as "sumptuary"; articles of gold, platinum and ivory; jewelry and precious stones; fine furs; carpets, tapestries and any other article of similar nature, qualified as fine by the SII; self-propelled house-rolling vehicles; caviar preserves and substitutes; air or compressed gas weapons, their accessories and projectiles, except those for underwater hunting. Pyrotechnics, such as fireworks, firecrackers and the like, shall pay a 50% tax. In the case of gold, platinum and ivory objects; jewelry and precious stones; and fine furs, they are subject to the same 15% rate for subsequent sales, applying the same general rules of the Value Added Tax. Law N°21.420, establishes an annual tax rate of 2% on the current market price (PCP): • Helicopters PCP higher or equal 122UTA. • Aircraft PCP greater than or equal to 122UTA. • Yachts PCP greater than or equal to 122UTA. • Automobiles PCP greater or equal 62UTA

11. **Tax on alcoholic beverages, non-alcoholic beverages, and similar products**	The sale or importation of alcoholic beverages, non-alcoholic beverages and similar products pay an additional tax, at the rate indicated in each case, which is applied on the same taxable base of VAT. Rates in force for this tax: a. Natural or artificial non-alcoholic beverages, energizing or hypertonic, syrups and in general any other product that substitutes them or that serves to prepare similar beverages, and mineral or thermal waters to which coloring, flavor or sweeteners have been added, a rate of 10%. In the case that the indicated species present a nutritional composition of high sugar content, a rate of 18%. b. Liquors, piscos, whiskey, brandies, and distilled spirits, including liqueurs or flavored wines similar to vermouth, at a rate of 31.5%. c. Wines intended for consumption, including aerated wines, sparkling wines or champagne, fortified or sunny wines, chichas and ciders intended for consumption, whatever their container, beers and other alcoholic beverages, whatever their type, quality or denomination, a rate of 20.5%.
12. **Tobacco tax**	Cigars pay a tax of 52.6% on their sale price to the consumer, including taxes. Manufactured tobacco, whether in strands, tablets, pastes or ropes, granulated, chopped or pulverized, pays 59.7%, on its sale price to the consumer, including tax.
13. **Tax on legal acts (stamps and stamp tax)**	The Stamp Tax is a tax levied mainly on documents or acts that show a money credit operation. Its taxable base corresponds to the amount of the capital specified in each document.
14. **Double taxation avoidance treaties**	Countries in agreement: Argentina, Australia, Austria, Belgium, Brazil, Canada, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, France, India, Ireland, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway, Paraguay, Peru, Poland, Portugal, Russia, South Africa, Spain, Sweden, Switzerland, Thailand, United Arab Emirates, United Kingdom, United States of America, United States of America and Uruguay. Chile currently has 33 Trade Agreements in force with 65 markets, giving it access to more than 67% of the world's population (equivalent to 88% of the world's GDP). Depending on the degree of international trade dimensions that the trade agreements cover, they are classified into four different categories: I. Strategic Partnership Agreements. II. Free Trade Agreements. III. Economic Complementation Agreements. IV. Partial Scope Agreements.

14. Double taxation avoidance treaties (cont.)	**I.- Strategic Association Agreements:** It is a bilateral agreement of intermediate scope between a free trade agreement and an agreement of partial scope, since in addition to opening markets through tariffs, it may address agreements on other related issues not directly related to trade, such as cooperation in scientific, technological, social and educational matters. **II.- Free Trade Agreements:** It is a bilateral agreement that seeks to create a free trade zone that guarantees the free circulation of goods, services, and capital, through a harmonization of relevant policies and legal norms. These should ensure comparable or common competitive bases in areas that are not directly commercial, but which may have a highly competitive impact (environment, health and phytosanitary, technical barriers to trade, intellectual property, dispute settlement, legal security, etc.). **III.- Economic Complementation Agreements (ECA):** This is the name used by Latin American countries in the bilateral agreements they enter into with each other to reciprocally open their merchandise markets, which fall within the legal framework of the Latin American Integration Association (ALADI). The ECAs aim at greater integration objectives of market opening than the partial scope agreements. **IV.- Partial Scope Agreements:** This is the most basic type of bilateral agreement in tariff matters that seeks to partially free trade in limited lists of products. It is normally conceived as a first stage in a process of greater openness in the long term. * Source: www.sii.cl; www.subrei.cl; www.tgr.cl.

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COLOMBIA

Tax Card 2026 (Colombian Peso)

1. Tax ID – RUT	The Taxpayer Identification Registry (Registro Único Tributario – RUT) is the registration system through which individuals, legal entities, and other persons subject to tax obligations administered by the National Tax and Customs Directorate (DIAN) are registered. It serves as the official mechanism for identifying, locating, and classifying taxpayers and other entities with tax obligations in Colombia. Abecé Inscripción al RUT (dian.gov.co).
2. General directorate of taxes	The Dirección de Impuestos y Aduanas Nacionales" (DIAN)** is the agency responsible for ensuring Colombia's fiscal security and protecting the national economic order. It oversees the management and control of tax, customs, and foreign exchange obligations, as well as operational rights and administrative expenses related to games of chance.
3. Exchange control regime	The exchange market or regulated currency market in Colombia is made up of all the currencies that must be channeled through the Exchange Market Intermediaries authorized for this purpose or through the compensation mechanisms (Compensation Accounts) and by the currencies that despite being exempt from this obligation, they are channeled voluntarily. The Colombian exchange market is managed solely and exclusively through two legally authorized channels: • The channel provided by foreign exchange market intermediaries. • The channel of Compensation accounts registered with the Banco de la República. The currencies that must be channeled through the exchange market are those that originate in: • Import and export of goods. • Foreign debt operations entered into by residents of the country, as well as the financial costs inherent to them. • Foreign capital investments in the country, as well as the returns associated with them. • Investments of Colombian capital abroad, as well as the returns associated with them. • Financial investments in issued securities and in assets located abroad, as well as the returns associated with them, except when the investments are made with currencies from operations that must not be channeled through the exchange market. • Guarantees and guarantees in foreign currency. • Derivative operations. The Colombian exchange regime requires compliance with obligations derived from it that require specialist attention. Preguntas frecuentes sobre control cambiario (dian.gov.co).

4. Colombian source income

Article 24 of the Colombian Tax Code expressly contemplates which income is from a national source and which is from a foreign source.

National source income is considered to be income from the exploitation of tangible and intangible assets within the country and the provision of services within its territory, permanently or temporarily, with or without its own establishment. Income from a national source is also those obtained from the sale of tangible and intangible assets, under any title, that are within the country at the time of their sale. Domestic source income includes, but is not limited to, the following:

a. Capital income from real estate located in the country, such as leases or censuses.
b. Profits from the sale of real estate located in the country.
c. Those from personal property that are exploited in the country.
d. Interest produced by credits owned in the country or economically linked to it. Interest from transitory credits originated in the importation of merchandise and in overdrafts or bank overdrafts are excepted.
e. Work income such as salaries, commissions, fees, compensation for cultural, artistic, sports and similar activities or for the provision of services by legal persons, when the work or activity is carried out within the country.
f. Compensation for personal services paid by the Colombian State, regardless of the place where they have been provided.
g. The benefits or royalties of any nature from the exploitation of all kinds of industrial property, or "Know how", or from the provision of technical assistance services, whether these are provided from abroad or in the country.
h. Likewise, the benefits or royalties from the literary, artistic and scientific property exploited in the country.
i. The provision of technical services, whether these are provided from abroad or in the country.
j. Dividends or shares from Colombian companies domiciled in the country.
k. Dividends or participations of resident Colombians, that come from foreign companies or entities that, directly or through others, have businesses or investments in Colombia.
l. The income originated in the life annuity contract if the beneficiaries are residents of the country or if the price of the rent is economically linked to the country.
m. Profits from the exploitation of farms, mines, natural deposits and forests, located within the national territory.
n. Profits from the manufacture or industrial transformation of merchandise or raw materials within the country, regardless of the place of sale or disposal.
o. The income obtained in the exercise of commercial activities within the country.
p. For the contractor, the total value of the respective contract, in the case of so-called "turnkey" contracts and other contracts for material work.
q. Reinsurance premiums ceded by Colombian insurance entities to foreign entities.
r. Income from the sale of goods and/or provision of services by non-residents or entities not domiciled in the country with a significant economic presence in Colombia, in favor of clients and/or users located in the national territory.

**5.
Corporate income tax**

Taxpayer	Rate
National and similar companies, permanent establishments of foreign entities and foreign legal persons with or without residence in the country.	35%
Income obtained by industrial and commercial companies of the State and mixed economy companies of the Departmental, Municipal and District order, in which the participation of the State is greater than 90% that carry out monopolies of luck and chance and of liquors and alcohols.	9%
Insurance and reinsurance entities, stock brokerage firms, agricultural brokerage firms, exchanges of agricultural, agro-industrial or other commodity goods and products, and stock market infrastructure providers that have a taxable income equal to or greater than UVT 120,000.	40%
Publishing companies whose corporate purpose is book publishing.	15%
Hotel entities of theme parks, ecotourism and/or agrotourism, that meet requirements.	15%
Taxpayers whose main economic activity is the generation of electrical energy through water resources, who in the taxable year have a taxable income equal to or greater than 30,000 UVT.	38%
Offshore ZF, industrial users of special permanent free zones, industrial users of special permanent ZF whose main corporate purpose is the refining of fuels derived from petroleum or industrial biofuels; industrial users of services that provide logistics services and operator users.	20%
Occasional income tax rate.	15%

**6.
Income tax on dividends**

In Colombia, the dividend tax is generated with the development of a progressive rate, the higher the value of the dividend, the more tax is paid; likewise, it is necessary to define if the person who will receive the dividend is a resident or non-resident and also to know if the dividend to be received is taxed or not taxed.

As it is a progressive rate that depends on the development of an arithmetic formula, we present some approximate dividend tax rates below:

Person	Taxed	Not taxed
Resident	33%	15%
Non-Resident	38%	20%

7.
Withholding income tax (withholding tax)

To establish whether a payment abroad is subject to withholding at source for payments abroad, it is necessary to consider the following:

a. That the payment is made to a company or natural person not resident in Colombia.
b. That the payment constitutes a national source income in accordance with the rules established in article 24 of the Tax Code.
c. Establish whether the beneficiary's country of residence has signed an agreement to avoid double taxation withColombia.

Some of the most significant withholding rates for foreign payments are the following:

Concept withholding tax	Rate
Payments or account credits for interest, commissions, fees, royalties, leases, compensation for personal services, or exploitation of all kinds of industrial property or know-how, provision of services, benefits or royalties from literary property, artistic and scientific, exploitation of cinematographic films and exploitation of software.	20%
Payments or account credits for consultancies, technical services and technical assistance, provided by non-residents or non-residents in Colombia.	20%
Payments or account credits for financial returns, made to non-residents or persons not domiciled in the country, originating in credits obtained abroad for a term equal to or greater than one (1) year or for interest or financial costs of the Leasing fee originated in leasing contracts that are entered into directly or through leasing companies with foreign companies without domicile in Colombia.	15%
Payments or credits into account, originated in leasing contracts on ships, helicopters and/or aircraft, as well as their parts that are held directly or through leasing companies, with foreign companies without domicile in Colombia.	1%
Any concept that constitutes taxable income.	35%

8.
Tax on capital gains or occasional gains

In Colombia the occasional income tax is applied to the following income:

a. Profit on the sale of fixed assets held for two or more years.
b. Profits originated in the liquidation of companies.
c. Income received by management, legacies, and donations.
d. Income from lotteries, prizes, raffles, bets and the like the tax rate for occasional income, national or foreign, has a rate of 15%. Some of these incomes are susceptible to the application of tax exemptions to reduce the tax burden.

9. Personal income tax	The income tax for natural persons has as a generating event the obtaining of income that generates an increase in wealth. In Colombia, the income statement for natural persons is settled depending on the type of income received: income from work, fees, services, commissions, leases, interest, dividends, among other income, must be classified properly to find the taxable base to which it is applied. the corresponding rate will apply. The income tax rate for natural persons is progressive, the more income is generated, the higher tax is paid. The marginal rate starts at 19% up to 39%.
10. Tax residence	**For people**: Tax residence of the natural persons who remain continuously or discontinuously in the country for more than one hundred eighty-three (183) calendar days, including days of entry and exit from the country, during any period of three hundred sixty-five (365) are considered consecutive calendar days, in the understanding that, when the permanence continues or discontinues in the country falls on more than one year or taxable period, the person will be considered a resident from the second year or taxable period. **For companies:** Tax residents are considered to be legal entities incorporated under Colombian law and that have the material means of management and administration within Colombian territory. A permanent establishment is defined as a fixed place of business located in the country, through which a foreign company, whether a corporation or any other foreign entity, or a natural person without residence in Colombia, as the case may be, carries out all or part of its activity.
11. VAT tax	The events generating VAT correspond to: a. The sale of movable and immovable tangible assets, with the exception of those expressly excluded. b. The sale or assignment of rights over intangible assets, solely associated with industrial property. c. The provision of services in the national territory, or from abroad, with the exception of those expressly excluded. d. The importation of tangible assets that have not been expressly excluded. e. The circulation, sale or operation of games of luck and chance, with the exception of lotteries and games of luck and chance operated exclusively over the Internet. The VAT regime in Colombia classifies income as taxed, exempt, excluded and not taxed, each of these incomes with different tax treatments. The general sales tax rate is 19%.
12. Limitation periods	As a general rule, the prescription of tax obligations in Colombia is 3 years from the filing date. There are some special rules where this period increases or decreases.

13. **Treaties to avoid double taxation**	Colombia has signed treaties to avoid double taxation with the following countries: Spain, Chile, Switzerland, Canada, India, Korea, Portugal, Czech Republic, United Kingdom, Italy, France, Japan, Ecuador, Peru, Bolivia.
14. **List of reportable jurisdictions for the 2025 period**	Páginas - Intercambio Internacional de Información (dian.gov.co).

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COSTA RICA

Tax Card 2026 (in Colones Costarricenses)

1.
Fiscal plan 2019

During the period 2019, a tax plan for the improvement and sanitation of Costa Rica's Public Finances took effect, this plan includes 3 main axes:

a. Modification of the Sales Tax Act to become a Value Added Tax
b. Amendment to the Income Tax
c. Act one chapter regarding public service regulations in terms of wages and others.

For companies or investments in Costa Rica, the main effects have been related to points a) and b) above.

2.
Value added tax

As of July 2019, Costa Rica adopted value added tax, with major changes in:

a. Rent taxes (Income) for both room and commercial; with the following exceptions:
  - Room rentals under 1.5 Base wages are not taxed.
  - Wages Commercial rents under 1.5 Base Wages are not taxed, as long as the company is registered as SMEs (Small and Medium Entity).
b. Services in general are taxed with 13%, with specific exceptions in some categories, are taxed at 1%, 2% and 4%.
c. These statements are filed on the 15th of each month.

3.
Income tax

With the entry into force of the Tax Plan, some amendments were made to the Income Tax Act, among the main ones are:

- Capital gains are taxed and capital losses become income tax deductible.
- All companies that in a fiscal period obtain loss results; may defer these losses within 3 years and use them as deductible expenses (5 years in agricultural companies).

Income tax rates are defined on a staggered basis, directly related to income obtained by Companies or Individuals; with this, income tax rates range from 10% to 30%, from the tax base in each period.

As part of the existing changes, as a result of the Tax Plan, all companies become fiscal, equal to the calendar year (previously the tax close in Costa Rica was September 30 of each year); However, subsidiaries whose parent company or holdings of their shares are located outside the country may request special periods at their convenience.

This declaration is filed on March 15 of each year.

There are also regulations for wages of persons working for entities, where amounts of income tax on wages must be with a staggered basis; and that must be retained by the Patrons, and reported and cancelled to the Tax Administration on the 15th of each month.

3. **Income tax (cont.)**	All entities, affecting income tax, must make partial payments of income tax, under the bases established by the Ministry of Finance of Costa Rica, at least three times per year, in the months of June, September and December; as a preview of the final payment of Income Tax.
4. **Generality**	From 2018 to date, Costa Rica has enabled the electronic invoicing system, as part of tax control measures, and so all commercial activities must be carried out by electronic invoices; the billing process communicates directly to the Tax Administration of each of the invoices issued by a taxpayer, allowing the improvement of controls. All taxation systems in the country are electronic and payments are made from any of the countries banking platforms; thus generating important facilities in the processes of declaration and cancellation of taxes.

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ECUADOR

Tax Card 2026 (In US Dollar)

1. Single taxpayer registry (RUC)

It is an instrument whose function is to register and identify taxpayers for tax purposes and provide this information to the Tax Administration.

Once the RUC registration has been completed, taxpayers can issue sales receipts, file the tax return and present the respective tax payment, as well as demand their rights as a taxpayer.

2. Internal revenue service

The Internal Revenue Service (SRI) is the institution in charge of collecting taxes at the national level, timely compliance with tax obligations, and combating tax evasion, fraud and avoidance.

3. Exchange control regime

In Ecuador there is no exchange control regime in foreign currency. The legal currency is the dollar.

4. Types of taxpayers

- Natural people.
- Legal persons.

Taxpayers, natural persons, carry out economic activities and may or may not be required to keep accounting. Natural persons declare their taxes under the following regimes:

- General Regime.
- Simplified Regime for Entrepreneurs.
- Simplified Regime for Popular Businesses.

RIMPE - Entrepreneurs	RIMPE – Popular Businesses
Natural and legal persons with annual gross income of up to USD 300,000.	Natural persons with annual gross income of up to USD 20,000.

General Regime
Natural persons who have not been categorized in the previous regimes.

5. Income tax

To calculate the Income Tax that a taxpayer must pay, the following must be considered: refunds, discounts, costs, expenses and deductions attributable to such income will be subtracted from the total taxable income. This result is called “Tax base”.

5. Income tax (cont.)	Additionally, compliance with banking requirements must be considered for the deductibility of costs and expenses for Income Tax purposes. Payments exceeding USD 500.00 that are not properly processed through the financial system will not be deductible in determining Income Tax liability. The following income will be considered taxable income for purposes of determining income tax a. Income received from different activities received in Ecuadorian territory. b. Those received by Ecuadorians and foreigners for activities carried out abroad, coming from natural persons, from national or foreign companies domiciled in Ecuador, or from entities and organizations of the Ecuadorian public sector. c. Profits from the sale of real estate or personal property located in the country. d. Profits from the direct or indirect disposal of shares, participations, or other rights representing capital or other rights. e. Benefits or royalties of any nature, coming from copyrights, as well as industrial property, such as patents, trademarks, industrial models, trade names and technology transfer. f. Profits or dividends distributed by companies incorporated or established in the country. g. Those coming from exports are carried out whether they are carried out directly or through special agents, commission agents, branches, subsidiaries, or representatives of any nature. h. Interest and other financial returns paid or credited by natural persons, national or foreign. i. Those coming from raffles, bets, lotteries and similar, promoted in Ecuador. j. The provisions made to cover the payment of employer retirements or eviction that have been used as a deductible expense. k. Those coming from inheritances, legacies, donations and discovery of assets located in Ecuador; and, l. Any other income received by companies and national or foreign individuals residing in Ecuador, including unjustified capital increases. The following will be considered exempt income: those who are not subject to paying taxes: a. Dividends and profits, calculated after payment of income tax, distributed by national companies resident in Ecuador. b. Obtained by state institutions and by public companies regulated by the Organic Law of Public Companies. c. Exempted under international conventions. d. Those of legally constituted private non-profit institutions. e. Interest received by natural persons for their savings deposits paid by entities of the country's financial system. f. Those received by the beneficiaries of the Social Security Institute. g. Those received by state higher education institutes, covered by the Higher Education Law. h. Per travel expenses given to officials and employees of State institutions. i. For scholarships to finance studies, specialization or training in higher education institutions. j. Obtained by disabled workers, as an eviction bonus and compensation for untimely dismissal.

5.
Income tax (cont.)

k. Also those coming from non-monetary investments made by companies that have signed contracts to provide services for the export and exploitation of hydrocarbons.
l. Income generated from the occasional sale of real estate.
m. Those obtained from commercial trusts, as long as they do not develop business activities.
n. Income and benefits obtained by individuals and companies resident or not in the country, from fixed-term deposits in national financial institutions
o. Compensation received for insurance, except for those arising from loss of profits.
p. Interest paid by workers on loans made by the employing company for the worker to acquire shares.
q. Financial compensation for the living wage.
r. Transfers direct non-refundable economic benefits.

6.
Income tax rate for natural persons

To settle the income tax of natural persons and undivided estates, the rates contained in the income tables corresponding to each fiscal year will be applied to the tax base.

Tax base of income from work in a dependency relationship

It is constituted by taxed income less the value of personal contributions to the Ecuadorian Social Security Institute (IESS), except when these are paid by the employer.

INCOME TAX 2025			
Basic Fraction (USD)	Excess up to (USD)	Excess up to (USD)	Excess Tax (%)
0	12,208	–	0%
12,208	15,549	–	5%
15,549	20,188	167	10%
20,188	26,700	631	12%
26,700	35,136	1,412	15%
35,136	46,575	2,678	20%
46,575	62,005	4,965	25%
62,005	82,679	8,823	30%
82,679	109,956	15,025	35%
109,956	And above	24,572	37%

7. Income tax for companies

To settle the Income Tax in the case of companies, the 25% rate will be applied to the tax base.

- The 25% tax rate will be plus three (3) percentage points when:
    a. The company has shareholders, partners, participants, constituents, beneficiaries or similar, regarding whose corporate composition said company has failed to comply with its duty to report in accordance with the provisions of this Law; either,
    b. Within the chain of ownership of the respective rights representing capital, there is a resident owner, established or protected in a tax haven, lower tax jurisdiction or preferential tax regime and the beneficial owner is a tax resident of Ecuador.
- Regular exporting companies, as well as those dedicated to the production of goods, including those in the manufacturing sector, that have 50% or more of a national component and those incoming tourism companies, as determined by the Regulations to this Law, that reinvest their profits in the country, may obtain a reduction of ten (10) percentage points of the income tax rate on the amount reinvested in productive assets.
- Companies that have the status of micro and small businesses, as well as those that have the status of habitual exporters, will have a reduction of three (3) percentage points in the income tax rate. For regular exporters, this rate will be applied whenever employment is maintained or increased in the corresponding fiscal year.
- Taxpayers who are administrators or operators of a Special Economic Development Zone will have an additional reduction of ten (10) percentage points in the income tax rate, which will be applicable for a period of ten (10) years counted from from the end of the period of total exemption from said tax.

8. Deadline for submission

The deadlines for submitting the declaration vary according to the ninth digit of the identification number or RUC, according to the type of taxpayer:

Ninth digit RUC/CEDULA	Deadline for Natural Persons	Deadline for Companies
1	March 10th	April 10th
2	March 12th	April 12th
3	March 14th	April 14th
4	March 16th	April 16th
5	March 18th	April 18th
6	March 20th	April 20th

**8.
Deadline for submission (cont.)**

Ninth digit RUC/CEDULA	Deadline for Natural Persons	Deadline for Companies
7	March 22nd	April 22nd
8	March 24th	April 24th
9	March 26th	April 26th
10	March 28th	April 28th

**9.
Income tax RIMPE-entrepreneur**

- To calculate the tax base, the gross taxable income from the activities covered by this regime will be considered and the returns or discounts will be subtracted; Additionally, generation and/or reversal adjustments due to the application of deferred taxes will be added or subtracted.

- The filing and payment of Income Tax will be made annually, according to the following table:

Lower limit (USD)	Upper limit (USD)	Tax on the basic fraction	Marginal rate (%)
-	$ 20.000,00	$ 60,00	0%
$ 20.000,00	$ 50.000,00	$ 60,00	1%
$ 50.000,01	$ 75.000,00	$ 360,00	1,25%
$ 75.000,01	$ 100.000,00	$ 672,50	1,50%
$ 100.000,01	$ 200.000,00	$ 1.047,50	1,75%
$ 200.000,01	$ 300.000,00	$ 2.797,52	2%

**10.
Income tax RIMPE – popular business**

The declaration and payment of Income Tax will be carried out annually.

INCOME TAX TABLE RIMPE POPULAR BUSINESS		
Fraction basic	Excess until	Tax
0,00	2.500,00	0,00
2.500,01	5.000,00	5,00
5.000,01	10.000,00	15,00
10.000,01	15.000,00	35,00
15.000,01	20.000,00	60,00

11. Foreign exchange outflow tax (ISD)	The generating event of this tax is the transfer, shipment or transfer of foreign currency that is carried out abroad, whether in cash or through the writing of checks, transfers, withdrawals or payments of any nature with the exception of compensations made with or without the intermediation of institutions of the financial system. Additionally, the generating event of this tax is constituted by two types of presumptions: The first related to any payment made from abroad. The second presumption establishes that the ISD is incurred in the case of exports, the tax is presumed to be incurred 6 months after the goods arrive at the port of destination. The foreign currency carried by non-resident foreign citizens at the time of entry into the country is exempt from the payment of ISD, provided that the stay in the country of the natural person does not exceed 90 calendar days and that the amount has been informed to their Entrance to the country. The rate for 2026 is 5%. However, the Government applies reduced rates for the import of specific goods: 2.5% for productive sectors and 0% for the pharmaceutical sector.
12. Expiration of tax obligation	Art. 94 – Statute of Limitations.- For taxes that, by law, must be self-assessed by the taxpayer, the tax authority's power to determine the tax obligation shall expire, without requiring prior notice, within four years from the date on which the tax return was filed. In the case of taxpayers who fail to submit a tax return, the statute of limitations period shall be six years.
13. Treaties to avoid double taxation	Ecuador has signed agreements with the following countries to avoid double taxation: Germany, Argentina, Belarus, Belgium, Brazil, Canada, Chile, China, Korea, United Arab Emirates, Spain, France, Italy, Japan, Mexico, Qatar, Romania, Russia, Singapore, Switzerland, Uruguay.
14. Income tax for inheritances, legacies and donations	Beneficiaries of income from inheritances, legacies, donations, discoveries and any type of act or contract by which free ownership of goods and rights is acquired, will pay the tax, applying to the tax base the rates contained in the income tables, corresponding to each fiscal year.

14.
Income tax for inheritances, legacies and donations (cont.)

INHERITANCES, LEGACIES AND DONATIONS 2026			
Basic Fraction (USD)	Excess up to (USD)	Tax Fraction (USD)	Tax Surplus Fraction (%)
0	78,527	–	0%
78,527	157,053	–	5%
157,053	314,108	3,926	10%
314,108	471,193	19,632	15%
471,193	628,268	43,195	20%
628,268	785,321	74,609	25%

Basic Fraction (USD)	Excess up to (USD)	Tax Fraction (USD)	Tax Surplus Fraction (%)
0	78,527	–	0%
78,527	157,053	–	5%
157,053	314,108	3,926	10%
314,108	471,193	19,632	15%
471,193	628,268	43,195	20%
628,268	785,321	74,609	25%
785,321	942,353	113,873	30%
942,353	And forward	160,982	35%

15.
Single income tax

For the Agricultural sector, the Single income tax for agricultural activities and the single income tax for banana production activities.

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GUATEMALA

Tax Card 2026 (In US Dollars)

1. Basis of taxation	Income is taxed on territorial basis, in other words, tax is chargeable on income accrued in or derived from Guatemala origin, for Guatemalans and Foreigners. Foreign sourced income is exempt. **Tax Payers Registry** Every person or corporation of any kind, Guatemalan or foreigner, tax contributor responsible of the tax payment must be registered at the Registro Tributario Unificado (RTU). **Tax Authority** In Guatemala the Tax Authority in charge to collect taxes for the Central Government is Superintendencia de Administración Tributaria (SAT). **Exchange Control** In Guatemala there is not an exchange control of foreign currency. The exchange rate for purchase or sale operations of foreign currency is established by the free offer and demand of currencies.
2. Guatemalan source income	Domiciled tax payers are subject to income tax on the all taxable income that they obtain without considering the nationality of the individuals, the place the companies are established and neither the place of the generation of the income. Non-Domiciled tax payers, such as branches, agencies and other permanent establishments of entities constituted abroad are subject to income tax on the Guatemalan source income.
3. Corporate tax	All income originated in Guatemala is subject to Income Tax. It doesn´t matter the nationality of the persons, place of constitution of corporations or the place of establishment of the production source. All income produced by goods, services, capitals, rights, investment in Guatemala are considered income on Guatemalan basis. The current corporate tax is 25% over profit of the year. In addition, the distribution of profits (dividends) is subject to a withholding income tax at a 5% tax rate. The corporate tax rate is applied after deduction from the income, all costs and expenses needed to produce and maintain the source income. Foreign expenses are deductible if they are fully documented and they have been necessary to produce taxable income.

**3.
Corporate tax (cont.)**

Payments in Advance to Income Tax

Payments in advance can be calculated as follows:

- 8% over total quarterly income considered an estimated profit applying an income tax rate of 25%.
- 25% income tax rate over a quarterly net profit.

Monthly Income Tax

Income Tax rate of 5% on a monthly basis up to US $ 4,000.00 and 7% over the excess.

Solidarity Tax

Solidarity Tax (ISO) is applied over the total amount of assets of income of the previous fiscal year. Tax rate is 1% over the higher amount over that base.

ISO is used as credit against to Income Tax payments in advance and annual Corporate Tax. If ISO is not used in the fiscal year, it could be carried forward for the next three years. The amount of ISO, which was not applied as a fiscal credit after the three years, could be recorded as an expense of the year.

**4.
Corporate income tax to branches of foreign companies**

Any branch, agency or other permanent establishments of foreign companies are considered domiciled in Guatemala, due to the income produced by Guatemalan source.

Net profit produced by foreign companies is subject to a 25% Income Tax as well as Guatemalan companies.

**5.
Withholding tax rate (non-treaty)**

	Resident	Non-resident Individual/Corporation
Interests	10%	10%
Dividends	5%	5%
Ships and plane rent	25%	25%
Royalties/know-how	15%	15%
Technical services	25%	25%

**6.
Basis of tax residence corporate residence**

A company will be considered to be a Guatemala tax resident if the control and management of its business was exercised in Guatemala in the preceding calendar year.

“Control and management” is the making of decisions on strategic matters, such as those on company policy and strategy. The location of the company’s Board of Directors meetings, during which strategic decisions are made, is a key factor in determining where the control and management is exercised. The place of incorporation of a company is not necessarily indicative of the tax residence of a company.

6. Income tax individual residence (cont.)

International activity	Net profit rate
1. Insurance	5%
2. Ships and plane rent	25%
3. Communications	5%
4. Air Transport	5%
5. Freights	5%
6. News and television networking	3%
7. Movies and digital material	25%
8. Containers	25%

A 25% Income Tax rate will be applied on the net profit determined as mentioned in the last chart.

7. Income tax individual residence

An individual would generally be a tax resident of Guatemala if the individual is physically present or exercises an employment in Guatemala for more than 183 days over a 12 month period.

In addition, under the qualitative test, a Guatemala citizen or a Guatemala permanent resident with a permanent home in Guatemala will ordinarily be regarded as a Guatemala tax resident, even if the individual has been physically away from Guatemala on a temporary basis, so long as the period of absence is reasonable.

Same Income Tax rates are applied to individuals and companies.

For individuals employed, Income Tax over salaries is 5% for Annual Net Income up to US $ 40,000.00 and 7% over the excess of US $ 40,000.00.

8. Capital rent tax rates

Capital profit: Over income from rent, and rights over goods. Interest, royalties and capital gains apply at a 10% for Income Tax rate.

Dividends and any other profit distribution are subject to a 5% Income Tax rate.

Non-Residence Individual Tax Rates

The non-residence individual income as employee is subject to 25%.

9. Goods and services tax

The current Value Added Tax (VAT) rate is at 12%. It is a requirement to register for VAT for all amount of operations.

Also VAT is calculated over services provided in Guatemala by non-residece individuals or companies, construction contract, first sale of a property and goods imports.

10. Transactions financial tax

Transactions Financial Tax (IPF) is applied to operations made with bank accounts debit or credit. The IPF rate is 1%.

11. Mandatory banking support	According to legal standards, every payment made in the benefit of a corporation or individual above US $ 4,000.00 must be made through the National Banking System (private authorized banks) using checks, bank deposit notes, wire transfers, credit or debit cards. Any payments made without using the authorized methods of payment will result in non-deductible costs or expenses for Income Tax purposes.
12. Terms for expiration	The right for the Tax Authority to audit the accounting records of corporation or individuals expires after 4 years.
13. Declarations and tax payments	Tax payers calculate their taxes and used digital records and books, as well as tax forms authorized by SAT. Tax declarations are monthly for IVA, quarterly or monthly according to the selected regime for Income Tax and Annual Tax declarations for all tax payers. It is mandatory to present declarations even without tax payments.
14. Stamp duty	For property transfer ranges 3% on second and further purchases. For share transfer, stamp duty is exempt.
15. Property tax	Owner occupied residence property is subject to 9 per thousand tax over the property value, paid quarterly.
16. Double taxation prevention treaties	Guatemala does not sign any treaty with other countries to avoid double taxation.

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HONDURAS

Tax Card 2026

1. **Revenue administration service (SAR)**	The SAR is a decentralized entity under the Presidency of the Republic, with functional, technical, administrative, and national security autonomy, and its own legal personality. It is responsible for the control, verification, audit, and collection of taxes, with authority and jurisdiction at the national level and headquarters in the capital of the Republic. It was established under Legislative Decree 170-2016, Article 195.
2. **Income tax ISR**	It is a tax levied on income derived from capital, labor, or a combination of both. **Income** Income is considered any type of earnings, profits, gains, rents, interest, product, benefits, participation, salary, wages, fees, and, in general, any receipt in cash, securities, in-kind, or credit that modifies the taxpayer's assets. **Gross Income** It refers to total income minus discounts, allowances, and refunds. The Income Tax is based on the taxpayer's ability to pay, which is synonymous with their economic capacity. This capacity is measured by the income received in cash, credit, securities, rights, in-kind, or any other form that can be objectively assessed in monetary terms during the taxable period or year.
3. **Annual period and special period**	**Annual Period** The annual period for calculating taxable income tax begins on January 1 and ends on December 31. **Special Period** It is an annual fiscal period different from the calendar year. The Taxpayer may opt for a special fiscal period, which must be previously notified in writing to the Tax Administration. Based on this period, the taxpayer will file their tax return and calculate the corresponding tax liability accordingly.
4. **Gross income**	**Gross Income** Gross income refers to the total earnings a taxpayer receives throughout the year from any income-generating sources, whether in cash, assets, or securities of any kind. In other words, it includes all income received during the year. **Income Not Subject to Income Tax** The following items do not form part of Gross Income and are therefore exempt from Income Tax:

4.
Gross income (cont.)

a. Insurance payouts, when issued by Honduran institutions.
b. Grants or subsidies provided by the State, Municipalities, or Districts.
c. The value of assets received as inheritances, legacies, and donations.
d. Prizes from the National Lottery of Beneficence.
e. Compensation received for occupational hazards and benefits granted by the Honduran Institute of Social Security.
f. Income derived from pension fund investments or other social security plans, provided that these funds are held by Honduran institutions.
g. The value of labor benefits, vacation bonuses (up to an additional 30-day payment, in accordance with the Labor Code), retirement pensions, and survivor pensions. Additionally, contributions made to the corresponding institutions for the acquisition of these benefits will also be deductible from the taxpayer's taxable gross income.

The thirteenth-month bonus (Christmas bonus) and the fourteenth-month salary are exempt from taxation up to an amount equivalent to ten average minimum wages. Any amount exceeding this limit will be subject to taxation.

Taxable Net Income

Is determined by deducting from Gross Income the amount of ordinary and necessary expenses incurred in generating taxable income during the tax period, provided that such expenses are properly documented and either paid or accrued.

5.
Responsible for filing and payment

- Any person domiciled or residing in Honduras, whether natural or legal, national or foreign.
- Merchant vessels operating with a registration or under the Honduran flag.
- Public enterprises, as defined by Article 53 of the General Law of Public Administration (Decree 219-2003).
- Cooperatives.
- Those who benefit from Tax Exemption.
- Individuals subject to withholding when having more than one employer, and earning income other than wages and salaries above the exempt base of the progressive table according to the law.
- Those subject to withholding under Article 50 of the Income Tax Law.

6.
Income tax rates

According to Article 22 of the Income Tax Law

The tax will be charged to individuals or legal entities domiciled in the country, according to the following provisions:

a. Legal entities will pay a twenty-five percent (25%) rate on the total Taxable Net Income.

b. Individuals domiciled in Honduras will pay, for the current fiscal year and successive periods, according to the scale of progressive rates in effect. This scale will be automatically adjusted annually starting in 2017, applying the year-on-year variation of the Consumer Price Index (CPI), published by the Central Bank of Honduras (BCH) for the previous year.

6. Income tax rates (cont.)

Progressive Table 2026		
Rate	Annual taxable net income	
	From	To
Exempt	L0.01	L228,324.32
15%	L228,324.33	L348,154.10
20%	L348,154.11	L809,660.75
25%	L809,660.76	And above

c. In the case of air, land, and maritime transportation companies established abroad and operating in the country, for the purpose of calculating the tax, a taxable net income equivalent to 10% of the total annual gross income from Honduran sources will be considered, to which the tax rate described in item a) will be applied.

The Following Will Not Be Subject to the Provisions Contained in Article 22-A of the Income Tax Law:

a. Individuals earning income from wages and salaries;
b. Print Media;
c. Companies during the first two (2) years of their incorporation or in the pre-operational period, i.e., until they commence their first transaction of sale to commerce;
d. Individuals or legal entities that incur losses due to force majeure or fortuitous events, arising from natural disasters, catastrophes, wars, states of emergency, duly evidenced before the Tax Administration, for up to two (2) fiscal years from when they occur. Such losses must be certified by an auditing firm duly registered with the corresponding Professional College, and will be subject to subsequent auditing;
e. Individuals or legal entities that earn income from the production, sale, and distribution of oil and its derivatives; and,
f. Those with annual gross income equal to or less than the amount established in items 1) and 3) of paragraph a) of this Article, when applicable.

The individuals and legal entities described in this section must pay taxes in accordance with the provisions of Article 22 of the Income Tax Law and its amendments.

7. Filing and payment methods

Filing Method

As stipulated in SAR Agreement 236-2024, FIRST: “The Virtual Office of the SAR is created as the tool that facilitates tax obligors’ voluntary compliance with their tax obligations.”

Description	Code	Type of declaration	Presentation Mode
Income tax, net assets, and solidarity contribution for legal entities	103	Determinative	Only through the Virtual Office

7. Filing and payment methods (cont.)	**Submission Deadline** All taxpayers are required to submit, from January 1 to April 30 or the next business day of each year, a Tax Return Declaration of the income from the previous year. Failure to submit the Affidavit Declaration of Income Tax in the required format and within the established deadline will result in a penalty according to Article 160 of the Tax Code. **Payment Method** Through a Payment Slip, which can be generated through the Virtual Office when a tax liability payment is required. This can either be printed on paper or linked to a banking institution and will have an expiration date.
8. Legal basis	Income Tax Law, Decree 25-1963, its regulations, and amendments. Tax Code, Decree No. 22-97, and its amendments. SAR Agreement 015-2019 SAR Agreement 236-2024
9. Recommendations	Individual Traders or Legal Entities should have their financial statements stamped by their accountant, and in the case of individuals, they must have their income receipts or withholding certificates. They should have access to the Virtual Office enabled: • Virtual Office Enrollment Contract Number. • National Taxpayer Registration. • Taxpayer Password.

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MEXICO

Tax Card 2026 (Figures in Mexican Pesos - PsMxs)

1. General aspects

1.a. Unit of Measurement and Update (UMA)

The UMA is a reference value used to determine some deductions, limits, penalties, and other tax obligations. The UMA in force from 2016 to date is as follows: (PsMxs)

PERIOD

From	To	Daily	Monthly	Annual
1-II-2025	31-I-2026	$113.14	$3,439.46	$41,273.52
1-II-2024	31-I-2025	$108.57	$3,300.53	$39,606.36
1-II-2023	31-I-2024	$103.74	$3,153.70	$37,844.40
1-II-2022	31-I-2023	$96.22	$2,925.09	$35,101.08
1-II-2021	31-I-2022	$89.62	$2,724.45	$32,693.40
1-II-2020	31-I-2021	$86.88	$2,641.15	$31,693.80
1-II-2019	31-I-2020	$84.49	$2,568.50	$30,822.50
1-II-2018	31-I-2019	$80.60	$2,450.24	$29,402.88
1-II-2017	31-I-2018	$75.49	$2,294.90	$27,538.80
1-I-2016	31-I-2017	$73.04	$2,220.42	$26,645.04

1.b. Federal Taxpayer Registry (FTR)

The Legal entities or individuals who should comply with tax obligations in the specific laws must register before the FTR.

From January 1, 2022, the individual who is 18 years old must register before the FTR, even though no taxable activity is carried out.

1.c. Tax Administration

The tax authority in Mexico responsible for administering federal contributions is the Ministry of Finance and Public Credit through the Tax Administration Service.

That authority has the right to review taxpayers within five years after the fiscal year's return is filed. The period is ten years in certain exceptional cases provided for this purpose.

1.d There is no exchange control in Mexico; there is free foreign exchange trading.

1.e. Foreign Investment

The following activities are reserved exclusively for Mexicans or Mexican companies with a foreigner exclusion clause:

a. National ground passenger transport, tourism, and cargo, not including courier and parcel services.

b. Development banking institutions in terms of the law of the matter.

c. The provision of professional and technical services expressly indicates the applicable legal requirements.

1. General aspects (cont.)

A limit on foreign investment is set as follows:

a. 10% of the share capital of the cooperative production company.

b. 49% of share capital in activities such as explosives manufacturing and marketing, fishing, comprehensive port administration, broadcasting, among other activities.

Finally, activities and companies must have a share capital share that may exceed 49% after the favorable resolution of the respective authority. It also requires the prior authorization of foreign investment more significant than 49% in the case of a company whose total value of its assets exceeds $18 billion PsMxs.

1.f. Tax Obligations That Must Be Filed Online

Taxpayers must pay contributions online using the procedures provided by the relevant authority.

Taxpayers must issue tax receipts for the income they earn through the electronic system authorized by the SAT and must meet applicable requirements. There are additional requirements for donors, airlines, notaries, and foreign trade operations, among others.

Taxpayers who are required to keep their accounting records must do so in electronic software and provide the tax authority with the accounting information every month.

1.g. Tax residence in Mexico

Taxpayer keeps the tax residence in Mexico when:

a. No information is filed before the tax authority regarding the new tax residence abroad.

b. The new tax residence is located in a country or territory where the corresponding income is subject to a Preferred Tax Regime.

2. Income tax (IT)

2a. Subjects

The following are subject to the IT:

a. Legal entities and individuals who are residents in Mexico for tax purposes are subject to IT for all income regardless of the source of wealth from where they come.

b. A resident abroad's permanent establishment in Mexico is subject to IT on the income attributable to that establishment.

c. Residents abroad who earn income from a wealth source in Mexico, excluding revenue from the permanent establishment. These include salaries, fees, real estate income, interest, dividends, royalties, technical assistance, etc.

2.b. Legal entities

The Legal entities residing in Mexico pay the IT annually on the tax result at 30%.

2.
Income tax (IT) (cont.)

The term Legal entities include the following:

- Corporations.
- Decentralized agencies that predominantly carry out business activities.
- Credit institutions.
- Civil societies and associations.
- The contractual joint venture that performs business activities.

If the legal entity obtained tax profits in any previous five years, it must determine a coefficient based on that income. This coefficient is applied to the current fiscal year's revenue to compute the monthly pre-payment. These pre-payments are made on account of the annual IT.

The legal entity should file the annual return no later than March 31 of the following year to compute the fiscal year's tax.

IT law taxes permanent establishments located in Mexico of residents abroad under the same legal entity tax regime discussed in the preceding paragraphs. Therefore, any business site where business activities are carried out, or independent personal services (branches, agencies, offices, etc.) is considered a permanent establishment.

2.c. Individuals

Various tax regimes are established depending on the type of income received by the individual, such as salaries, business activities, professional services, leasing of real estate, selling of goods, interests, and dividends.

The IT is computed by applying a progressive tariff up to a maximum tax rate of 35% to the tax base.

Individuals must compute the annual IT and file the annual return no later than April 30 of the following year.

2.d. Residents abroad

Miscellaneous income is taxed when obtained from the wealth source in Mexico, such as salaries, fees, use or enjoyment of real estate, disposal of real estate, dividends, interest, royalties, technical assistance, among others, according to the following rates:

Activity	ISR retention rate	Guest reviews
Salaries	Three tax levels apply	At the first Mx$125,900, they are exempt From Mx$125,000 to $1,000,000 taxed at 15% More than $1,000,000 taxed at 30%.
Fees	25% on the gross income	
Members of the Board of directors and other committees	25% on the gross income	
Use of the real estate	25% on the gross income	
Disposal of real estate	25% on the sale price	As an option, it is allowed to apply 35% on the gain obtained, if requirements are complied with.
Disposal of shares	25% on the sale price	As an option, it is allowed to apply 35% on the profit obtained, if requirements are complied with.

2. Income tax (IT) (cont.)

Activity	ISR retention rate	Guest reviews
Dividends	10% on the gross income	
Interests	Various rates according to various law assumptions (4.9%, 10%, 15%, 21% and 35% on the gross income)	
Royalties	Various rates according to multiple cases of law (1%, 5% and 25% on the gross income)	
Technical Assistance	25% on the gross income	

On this issue, Mexico has signed corresponding agreements with several countries to avoid double taxation and tax evasion.

If we take into account the provisions of the agreement signed with the United States of America (USA), the applicable rates are as follows:

Income received by the resident abroad	Withholding tax in Mexico under U.S. deal	Guest reviews
Salaries	Three tax levels apply	At the first Mx$125,900, they are exempt; From Mx$125,000 to $1,000,000 taxed at 15%; More than $1,000,000 taxed at 30%.
Fees	No retention	There is withholding when you have a fixed base in Mexico.
Advisors	25%	
Leasing of real estate	25%	Option: Cause tax at the rate of 30% on a net basis. It becomes mandatory for the following years.
Disposal of real estate	25% on the sale price	As an option, it is allowed to apply 35% on the gain obtained.
Disposal of shares	25% on the sale price	As an option, you can apply 35% on the profit obtained if you have a legal representative in Mexico. This option is not applicable if the resident's income abroad is subject to a preferential tax regime or resides in a country with a territorial taxation system. This 25% or 35% tax applies if the resident abroad has a direct or indirect share capital stock for 12 months before selling at least 25% of that capital. If a resident abroad has a percentage less than 25% in that period, such disposal of shares is not taxed in Mexico.
Dividends	5% or 10%	The 5% rate is withheld when the beneficiary of the dividend directly owns at least 10% of the company's voting shares that pay the dividends in Mexico. The 10% rate applies in other cases.

2.
Income tax (IT) (cont.)

Income received by the resident abroad	Withholding tax in Mexico under U.S. deal	Guest reviews
Interests	Various rates according to multiple assumptions (4.9%, 10%, and 15%)	
Royalties	10%	

3.
Value added tax (VAT)

3.a. Subjects and object

Legal entities and individuals are subject to this tax if they perform the following activities:

- Disposal of goods.
- Providing independent services.
- Leasing of goods.
- Import of goods and services.
- Providing digital services by residents abroad.

Certain activities are exempt from tax, such as:

- Disposal of the land, constructions attached to land either intended or used for residential purposes, books, etc.
- Educational services, terrestrial public transportation of individuals, and specific interests, among other activities.
- Leasing of constructions attached to land used for residential purposes, farms used for agricultural or livestock purposes.
- Import of goods whose disposal in Mexico is exempt from tax.

3.b. Tax rates.

The general rate is 16%.

A special rate of 0% applies to specific activities such as disposal of patented medicines and products destined as food, specific machinery used in agricultural activities, some services provided to farmers, exporters, etc.

A decree (which is in force from January 1, 2019, until December 31, 2025, establishes a tax incentive for taxpayers engaged in specific activities in premises or establishments within Mexico's northern border region. The incentive is to reduce the general rate from 16% to 8%.

3.c. Payment of tax

Taxpayers should pay the tax each month. No annual return should be filed.

The amount payable is (or the balance in favor is) determined by subtracting from the tax collected to customers the tax paid to suppliers.

The tax paid to suppliers must meet specific requirements.

4. **Tax on financial transactions**	There is no tax on financial transactions.
5. **Tax banking obligation**	All taxpayers' bank accounts may be subject to tax reviews for control purposes.
6. **Prescription**	The tax credit is prescribed within five years.
7. **Property tax**	The tax on the acquisition of real estate is not a federal tax but a state or municipal tax and is paid, as the name implies, by the person who buys the property. Therefore, the applicable rate differs depending on the state or municipality where the real estate is located.

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PANAMA

Tax Card 2026 (in Balboas)

1. Tax payer registry	Any natural or legal person must register in the RUC Single Taxpayer Registry, it is the number that each taxpayer uses to be able to pay taxes. The tax identification number is a key that allows the taxpayer to access online services such as: sending of affidavits, payments, corrections, verification of account statements, issuing peace and salvo, authorizing other taxpayers among others. https://etax2.mef.gob.pa/etax2web/Login.aspx
2. General directorate of income	The General Directorate of Income (DGI) is in charge of collecting taxes at the national level.
3. Foreign currency control regime	In Panama there is not a foreign currency exchange control regime.
4. Panamanian source income	The taxable income that occurs, from any source, within the territory of the Republic of Panama is subject to this tax, regardless of the place where it is received. The following shall be considered taxable income produced within the territory of the Republic of Panama: a. Income from personal work when it consists of salaries and other remuneration that the State pays to its diplomatic or consular representatives or to other people to whom it entrusts the performance of functions outside the country. b. That from personal work paid with salaries, salaries, representation expenses or other remuneration in money or in kind that is paid to workers or people hired by reason of the exercise of their profession or trade. c. The income obtained by international transport companies in the part that corresponds to freight, tickets, loads and other services whose origin or final destination is the Republic of Panama, regardless of the place of incorporation or domicile. Income derived from freight, tickets and services to passengers or cargo in transit in the territory of the Republic of Panama are not considered taxable income. The income derived from maritime passages and other services will not be considered taxable income produced within the territory of the Republic of Panama when they are obtained by international companies operating cruise ships that have their base as a cruise port or home port of the Republic of Panama.

4. Panamaniam source income (cont.)

d. The totality of the net income received from the provision of the international telecommunications service, by telecommunications companies established in the country.

e. Received by natural or legal persons whose domicile is outside the Republic of Panama as a result of any service or act, documented or not, that benefits natural or legal persons, national or foreign, located within the Republic of Panama, which includes, but is not limited to fees and income from copyrights, royalties, key rights, factory or trademarks, invention patents, know-how, technological and scientific knowledge, industrial or commercial secrets, insofar as said services affect the production of income from a Panamanian source or its conservation and its expenditure has been considered as deductible expenses by the person who received them. However, all income from Panamanian source, paid or accredited, by entities public law, be these from the Central Government, autonomous entities, in which the State owns 51% or more of its shares, entities not taxpayers of income tax and / or taxpayers who are in loss, to a person natural or legal non-resident in the Republic of Panama, is subject to the tax and consequently is subject to the withholding referred to in this rule

5. Corporate income tax

General Tax Rate	25%
Companies in which the State has a shareholding greater than forty percent (40%) of the shares.	30%
Presume Income	
Legal persons whose taxable income exceeds one million five hundred thousand balboas (B / .1,500,000.00) annually.	They will pay as Income Tax the greater amount that results between: 1.The net taxable income calculated by the method established in this title, or 2. The net taxable income resulting from applying four point sixty-seven percent (4.67%) to the total taxable income.

6. Tax on dividends (Complementary tax)

Any legal entity that requires the notice of operations is obliged to withhold the tax on dividend of 10% of the sums distributed to its shareholders or partners of subsidiary companies, when these are from Panamanian source and of 5% when it comes to foreign source, foreign or export income.

Same tax treatment, but 5% will have the income from international maritime trade, the interests that are recognized as a result of savings accounts, installments or of any kind that are maintained in banks established in the Republic of Panama. In addition, 5% will be taxed on the amounts received or accrued by people abroad as royalties from people living in the Colon Free Zone.

Bearer shares are taxed 20% on the same resulting balance used on the basis of 5% and 10% respectively.

Companies that are constituted as foreign branches that are extensions of foreign entities pay 10% of 100% of the net taxable income.

7. Withholding income tax

Payments abroad from legal entities will be subject to 25% calculated on the 50% of the total credited remittances.

8. Deadline for submission and payments

Presentation of the declarations and payment of the tax caused.

Individuals	March 15
Corporations	March 31

A one-month extension is granted for filing. Additionally, the estimated income tax must be paid in three tax periods such as June, September and December.

9. Capital gains

Sale of shares is subject to a 10%. Buyer is obligate to withhold 5% of the sale price which can be considered the final tax.

Sale of personal property the rate is 10%.

Sale of real estate 10%, if it is an activity that is not within the ordinary course of business, the taxpayer will have the obligation to pay a sum equivalent to 3% of the total value of the sale or the cadastral value, whichever is greater, as an advance on income tax, but when 3% is greater than the application of 10% of the profit, a refund of the tax may be requested.

10. Income tax rates for individuals

If the taxable income is:	The tax rate is:
Up to B/.11,000.00	0%.
From B/.11,000.00 to B/.50,000.00	15% for the excess from B/.11,000.00 to B/.50,000.00
Over to B/.50,000.00	It will pay B/.5,850.00 for the first B/.50,000.00 and a 25% over the excess of B/.50,000.00

11. Tax residence

Individuals

Individuals who remain in the national territory for more than one hundred eighty-three (183) consecutive or alternate days in a fiscal year or in the immediately preceding year are considered tax residents of the Republic of Panama. Likewise, those individuals who have established their permanent home in the territory of the Republic of Panama will be considered tax residents of the Republic of Panama.

Corporations/Companies

Companies/Corporations constituted in accordance with the laws of the Republic of Panama and that have material means of direction and administration within Panamanian territory are considered tax residents of the Republic of Panama.

Companies/Corporations incorporated abroad that have material means of management and administration within Panamanian territory and that are duly registered in the Public Registry are also considered tax residents of the Republic of Panama.

12. Tax on commercial and industrial patents (capital tax)	The capital tax of the company will be 2% with a minimum of one hundred balboas (B / .100.00) and a maximum of sixty thousand balboas (B /. 60,000.00). Individuals and Companies with invested capital less than ten thousand balboas (B / .10 000.00) are exempt. Companies established in the Colon Free Zone, Free Zones, Panama Pacifico Special Economic Area will pay half a percent (0.5%) annually on the capital of the company with a minimum of one hundred balboas (B /. 100.00) and a maximum of fifty thousand balboas (B /. 50,000.00).
13. Economic substance rules for certain Passive income (law 526 of May 28, 2026, published in official Gazette No. 30534-B)	Starting in fiscal year 2027, Economic Substance Rules will apply to entities of multinational groups that are incorporated or domiciled in the Republic of Panama and that earn passive income from foreign sources, such as: • Interest. • Royalties. • Capital Gains. • Income from Real Estate Capital. • Other Income from Real Estate Capital. These entities must demonstrate compliance with the following conditions in order for such income not to be considered taxable: 1. Have adequate human resources. 2. Make, within the national territory, the strategic decisions necessary for operations and bear the related risks within the territory of the Republic of Panama. 3. Incur adequate operating costs and expenses within the territory of the Republic of Panama in connection with the assets that generate the passive income from foreign sources. Entities that fail to meet these requirements will be taxed at 15% on the net taxable income. Net Taxable Income = Gross Income – (Costs, Expenses) = Taxable Income Entities Not Required to Meet the Economic Substance Requirements Entities that are members of a multinational group and that are incorporated or domiciled in the Republic of Panama whose main activity is the holding of equity interests in other local and/or foreign entities, including the non-habitual acquisition, holding, and disposal of such interests, are not required to comply with the economic substance requirements. Excluded Entities • Financial institutions duly authorized and subject to prudential supervision by the Superintendency of Banks of Panama, in accordance with the Banking Law. • Insurance and reinsurance entities supervised by the Superintendency of Insurance and Reinsurance of Panama. • Entities engaged in brokerage activities in the securities markets or other regulated investment services, subject to licensing and supervision by the Superintendency of the Securities Market of Panama. • Managers or administrators of investment funds, pension funds, or other regulated collective investment vehicles, authorized and supervised in the Republic of Panama.

14. Value added tax (VAT)

Valued added tax, for local purposes named Impuesto de Transferencia de Bienes Corporales Muebles y Servicios (I.T.B.M.S.) will cause as follows:

1. Carrying out works with or without delivery of materials.
2. Intermediation in general.
3. The personal use by the owner, partners, directors, legal representatives, dignitaries or shareholders of the company, of the services provided by it.
4. The leasing of real estate and personal property or any other convention or act that implies or has the purpose of giving the use or enjoyment of the property.
5. Services of a personal nature provided in a dependency relationship are those performed by those who are included in article 62 of the Labor Code; the activity of directors, managers and administrators of entities with or without legal status; and the activity carried out by the employees of the Central Government, autonomous and semi-autonomous entities, decentralized and municipal entities.
6. Public shows, events, seminars, conferences, talks, presentations of artistic or musical groups, artists, singers, concert performers, sports professionals, and professionals in general, not free, that are held within the territory of the Republic of Panama. Sporting events carried out by non-profit organizations recognized by the Panamanian Institute of Sports are excepted from the above.
7. Local and international passenger air transport. Seventy-five percent (75%) of the sums collected for ITBMS from local and international passenger air transport will be remitted to the Panama Tourism Authority.
8. The hosting service or public accommodation. The totality of the sums collected for ITBMS from room service in all tourist types of lodging or accommodation will be remitted to the Tourism Authority of Panama.
9. The commissions charged for the transfers of negotiable documents and titles and securities in general, the commission payments generated by banking and / or financial services provided by the entities legally authorized to provide this type of services, as well as the commissions or remuneration charged by people engaged in real estate and personal property brokerage. The commissions charged on the credit facilities granted by financial institutions to natural and legal persons and not domiciled in Panama are excluded from the payment of this tax.

15. Prescription terms

Until 2021

Income tax	7 years
Withholding income tax	15 years
Value added tax	5 years

From 2022

They are prescribed ex officio and automatically.

1. After five years, direct and indirect taxes.

See more article 88 Tax Procedure Code

As of January 1, 2021, the prescription of direct and indirect taxes will be five years.

See more article 88 Tax Procedure Code

16. The general anti-avoidance clause	As of June 1, 2024, the general anti-avoidance clause will come into effect. The Tax Authority may disregard the adoption of legal forms when deliberate and premeditated actions are taken solely to avoid tax payments or obtain some form of tax advantage, knowingly and intentionally violating the duty to contribute. Tax avoidance shall be understood as the execution of acts or transactions with a purpose other than that intended by the law, without any justification other than reducing the taxpayer's tax burden. This includes obtaining undue tax credits or, in general, securing any tax benefit in fraud of the law.
17. Double taxation treaties	Panama has signed treaties to avoid double taxation with: Barbados, South Korea, United Arab Emirates, Spain, France, Ireland, Italy, Israel, Luxembourg, Mexico, Netherlands, Portugal, Qatar, United Kingdom, Czech Republic, Singapore, and Vietnam.
18. Reportable jurisdictions	https://dgi.mef.gob.pa/Internacional/DECRETOS%20EJECUTIVOS/DecretoEjecutivo-N%C2%B021de27demayode2026.pdf

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VENEZUELA

Tax Cards 2025 (In Bs)

1. Tax unit	The Tax Unit is a reference measure used to standardize and periodically update the amounts established in Venezuelan tax laws and regulations. These amounts are expressed in direct proportion, including fractions and percentages, to the value of the Tax Unit in force at the relevant time. As of June 2025, the value of the Tax Unit in Venezuela is **Bs. 43.00,** as established by the National Integrated Customs and Tax Administration Service (SENIAT). The Tax Unit was introduced as a mechanism to simplify the administration and amendment of tax provisions, eliminating the need to constantly revise fixed monetary amounts in legislation, particularly in periods of inflationary pressure. By linking tax thresholds, penalties, and other tax-related figures to a variable unit, the tax system can be updated more efficiently. **Tax Information Registry (RIF)** The **RIF (Tax Information Registry)** is the tax identification system applicable to individuals and legal entities that carry out economic activities, either permanently or occasionally, or that own assets or rights subject to tax obligations. Any company incorporated in Venezuela must obtain registration with the RIF prior to commencing operations. Once registered, the company is assigned a tax identification number that allows it to conduct business activities and issue invoices in compliance with Venezuelan tax legislation. **Tax administration** The Integrated National Service of Customs and Tax Administration (SENIAT) is the executing body of the national tax administration of Venezuela. **Free Currency Convertibility** There is a system of free currency convertibility, where banks can operate with currencies due to the free supply and demand of currencies, the Central Bank of **Registration of Foreign Investment** As an essential body of the integrated public sector system, Siex implements policies for the registration of foreign investment, technology import contracts, company qualifications, and national investor credentials.”

2. Venezuelan source income	Any individual or legal entity resident or domiciled in the Bolivarian Republic of Venezuela, as well as individuals or legal entities domiciled or resident abroad that maintain a permanent establishment or fixed base in Venezuela, may claim as a credit against the income tax payable under this Law any income tax paid abroad on foreign-source income that is also subject to taxation in Venezuela in accordance with the provisions of this Law. For purposes of this tax credit, "income tax" shall be understood to include taxes imposed on total income or on specific elements of income, including taxes on gains derived from the sale of movable or immovable property, taxes on salaries and wages, and taxes on capital gains. In cases of doubt, the Tax Administration shall determine whether the foreign tax qualifies as a creditable tax. The amount of the foreign tax credit referred to in this article may not exceed the amount resulting from applying the tax rates established under Title III of this Law to the taxpayer's total global net taxable income for the relevant fiscal year, in the same proportion that the net foreign-source income bears to the total global net taxable income. In the case of income subject to proportional tax rates under the terms established in this Law, the amount of the foreign tax credit may not exceed the amount of income tax that would have been payable in the Bolivarian Republic of Venezuela with respect to such income. For purposes of determining the amount of foreign tax effectively paid and eligible for credit under this article, the exchange rate in effect on the date the foreign tax payment is made shall apply, as determined in accordance with the provisions of the Law of the Central Bank of Venezuela.
3. Corporate income tax	Companies (referred to as **legal entities** for tax purposes) domiciled in Venezuela are subject to **Corporate Income Tax** on their worldwide income. The applicable Corporate Income Tax is determined in accordance with the rates established under the **Income Tax Law**. Legal entities are subject to the tax rates set forth under **Rate No. 1 and Rate No. 3,** as detailed below. The corresponding brackets are expressed in **Tax Units (T.U.)**: **RATE No. 1** 1. For the fraction included up to 1,000.00 T.U 6.00%. 2. For the fraction that exceeds 1,000.00 to 1,500.00 T.U 9.00%. 3. For the fraction that exceeds 1,500.00 to 2,000.00 T.U 12.00%. 4. For the fraction that exceeds 2,000.00 to 2,500.00 T.U 16.00%. 5. For the fraction that exceeds 2,500.00 to 3,000.00 T.U 20.00%. 6. For the fraction that exceeds 3,000.00 to 4,000.00 T.U 24.00%. 7. For the fraction that exceeds 4,000.00 to 6,000.00 T.U 29.00%. 8. For the fraction that exceeds 6,000.00 T.U 34.00%. **Rate N ° 3** a. Proportional rate of sixty percent (60%) for the enrichments obtained by national state companies that are dedicated to the exploitation of hydrocarbons and related activities.

3. Corporate income tax (cont.)	b. Proportional rate of fifty percent (50%) for enrichments Savings and social security institutions, savings, pension and retirement funds for the enrichments they obtain in the performance of their own activities. Likewise, cooperative societies when they operate under the general conditions set by the National Executive. **Payments on Account of Income Tax** Individuals and legal entities are required to make advance payments or payments on account of Income Tax in accordance with the following mechanisms: **a. Withholding at source:** Advance payments may be made through withholding tax arising from transactions involving the purchase of goods or the provision of services, as applicable under the relevant tax provisions. **b. Dividends:** In the case of dividends distributed in the form of shares by the paying company to individuals or legal entities, the proportional tax applicable to such dividends under the terms of this Chapter shall be subject to an advance payment of one percent (1%) of the total value of the declared dividend, to be credited against the corresponding tax liability. **c. Estimated Tax Return:** Taxpayers who, during the fiscal year immediately preceding the current taxable year, obtained net taxable income exceeding 1,500 Tax Units (T.U.) are required to file an estimated tax return for the current taxable year. The purpose of this return is to determine and pay advance Income Tax installments, in accordance with the rules, conditions, deadlines, and procedures established by the applicable regulations.
4. Corporate income tax of branches of foreign legal persons	For income tax purposes, branches, agencies or other permanent establishments of foreign companies are considered domiciled, due to the income produced in the Bolivarian Republic of Venezuela. The net income obtained by branches of foreign companies is subject to tax in the same way as national companies; In other words, the tax is affected by rate No. 1.
5. Income tax for non-domiciled companies	Any individual or legal entity that is resident or domiciled in the Bolivarian Republic of Venezuela is subject to income tax on income derived from any source, regardless of whether the source of such income is located within or outside the country. Individuals or legal entities that are neither resident nor domiciled in the Bolivarian Republic of Venezuela will be subject to the tax established under this Law to the extent that the source of their income is located, or the income is generated, within the country, even if they do not maintain a permanent establishment or fixed base in Venezuela. Individuals or legal entities domiciled or resident abroad that operate through a permanent establishment or fixed base in Venezuela will be subject to taxation exclusively on Venezuelan-source income and foreign-source income attributable to such permanent establishment or fixed base.

6. Income tax for companies not domiciled due to their international activities (cont.)

International activity	Base for the calculation of Income tax
1. Producers of films abroad and similar for the cinema or television.	25%
2. International news agencies.	15%
3. Agencies or international transport companies incorporated and domiciled abroad or incorporated abroad and domiciled in the Bolivarian Republic of Venezuela.	15%
4. The net enrichments of the taxpayers that from abroad remit to the country consignment goods will be **twenty-five percent (25%)** of its income 25%.	25%
5. The enrichments of insurance or reinsurance companies not domiciled in the country, will be taxed at thirty percent (30%) of their net income caused in the country, when there is no tax exemption for similar Venezuelan companies.	30%
6. The net taxable income of **insurance and reinsurance companies not domiciled in the country** shall be deemed to be **thirty percent (30%) of their net income derived from activities carried out within the country**, provided that no tax exemption is granted to similar Venezuelan companies.	30%
7. The net taxable income derived from **non-commercial professional activities** shall be deemed to be **ninety percent (90%) of the gross income generated from such activities**, without prejudice to the provisions of **Article 41 of this Law.**	90%
8. Transportation between the Bolivarian Republic of Venezuela and abroad and vice versa, obtained by virtue of travel.	10% of half of Gross Income
9. Technical assistance.	50%
10. Technological Services.	30%
11. Technical assistance contracts served from abroad.	25%
12. Contracts for technological services served from abroad.	75%
13. Royalties and other similar participations.	90%

The corresponding tax rates shall be applied to the net taxable income determined in accordance with the foregoing provisions.

7. Under-capitalization

Does not apply.

8. Income tax for natural persons

Definition of domiciled

For the purposes of Income Tax, a natural person can be considered as domiciled or not domiciled. A natural person is considered domiciled if he or she remains in the Bolivarian Republic of Venezuela for more than one hundred and eighty-three calendar days during any period of twelve months.

9. Income tax rates for natural persons

The annual net taxable income earned by taxpayers shall be subject to taxation, unless otherwise provided by law, in accordance with the following tax rates expressed in Tax Units (T.U.):

9. Income tax rates for natural persons (cont.)	**RATE No. 1** 1. For the fraction included up to 1,000.00 TU 6.00%. 2. For the fraction that exceeds 1,000.00 to 1,500.00 TU 9.00%. 3. For the fraction that exceeds 1,500.00 to 2,000.00 TU 12.00%. 4. For the fraction that exceeds 2,000.00 to 2,500.00 TU 16.00%. 5. For the fraction that exceeds 2,500.00 to 3,000.00 TU 20.00%. 6. For the fraction that exceeds 3,000.00 to 4,000.00 TU 24.00%. 7. For the fraction that exceeds 4,000.00 to 6,000.00 TU 29.00%. 8. For the fraction that exceeds 6,000.00 TU 34.00%. In the cases of income obtained by natural persons not resident in the country, the tax rate will be thirty-four percent (34%).
10. Value added tax	The sale of goods and the provision of services in Venezuela are subject to the Value Added Tax (VAT). The rate is 16% of the sale value or the value of the service provided.
11. Consumption tax	The sale of certain goods at the producer and importer level, such as beer, cigarettes, and similar products, is subject to excise taxes established under the specific laws governing each category of goods. The applicable tax rates vary depending on the type of product. Gambling and betting activities are also subject to this tax.
12. Tax on large financial transactions	The Tax on Large Financial Transactions (IGTF) applies to debits made in the accounts of the Banking system, for those companies considered by the National Integrated Service of Customs and Tax Administration (SENIAT), as special taxpayers. The rate for transactions generated in national currency is 2% while the rate for transactions in foreign currency is 3%.The ITF paid is not deductible as an expense for Income Tax purposes for legal entities considered as special taxpayers.
13. Limitation periods	The action of the Tax Administration to determine the tax obligation; as well as, the action to demand payment and apply sanctions prescribes: The tax obligation and its accessories prescribe after four (4) years. This term will be six (6) years when the taxpayer or responsible party does not comply with the obligation to register in the pertinent records.
14. Presentation of tax returns and payment	Taxpayers are responsible for the self-assessment of their taxes, which must be filed electronically through the tax authority's online portal. Filing deadlines are established in the tax calendars published by the tax administration and are generally determined based on the taxpayer's Tax Information Registry (RIF) number. Tax obligations may arise on a weekly, monthly, quarterly, or annual basis, depending on the nature of the applicable tax. Tax returns must be submitted through the corresponding electronic platforms, and any resulting tax liabilities must be paid through authorized banking institutions.

15. Treaties to avoid double taxation

The Bolivarian Republic of Venezuela has signed several treaties to avoid double taxation. The list of the treaties signed to date is the following:

Country	Official bulletin	Year	Notes
Germany	36266	1997	Total exemption method
Austria	38958	2007	
Barbados	5507-Extraordinary	2000	Limited Imputation Method
Belarus	39095	2009	
Belgium	5269-Extraordinary	1998	Total exemption method
Brazil	38344	2005	
Canada	37927	2004	
China	38089	2004	
South Corea	38598	2004	
Cuba	38086	2004	
Denmark	37219	2001	Limited Imputation Method
United Arab Emirates	39686	2011	
Spain	37913	2004	
Unites States	5427-Extraordinary	2000	
France	4635-Extraordinary	1993	
Indonesia	37659	2005	Limited Imputation Method
Iran	38344	1993	
Italy	4580-Extraordinary	2005	Total exemption method
Kuwait	38347	2005	
Malaysia	38842	2008	
Mexico	5273-Extraordinary	1998	Limited Imputation Method
Norway	5265-Extraordinary	1998	
Netherlands	5180-Extraordinary	1997	Total exemption method
Portugal	5180-Extraordinary	1997	Limited Imputation Method
Qatar	38796	2007	
United Kingdom	5218-Extraordinary	1998	Limited Imputation Method

15. Treaties to avoid double taxation (cont.)

Czech Republic	5180-Extraordinary	1997	Limited Imputation Method
Russia	5822-Extraordinary	2006	
Sweden	5274-Extraordinary	1988	Total exemption method
Switzerland	5192-Extraordinary	1997	
Trinidad and Tobago	5180-Extraordinary	1997	Limited Imputation Method
Vietnam	3913	2009	

16. Tax on large wealth

The Large Wealth Tax applies to individuals and legal entities classified as special taxpayers whose net assets have a value equal to or greater than one hundred and fifty million Tax Units (150,000,000 T.U.), equivalent to Bs. 1,350,000,000 (approximately USD 37,500,000).

The applicable tax rate is 0.25% of the taxable base, provided that the taxpayer's assets meet or exceed the threshold established by law.

17. Other special contributions

In addition to the taxes described above, the legislation of the Bolivarian Republic of Venezuela establishes certain mandatory contributions that may be applicable to legal entities conducting economic activities in the country. The most relevant contributions include:

a. The contribution provided under the **Organic Law on Science, Technology and Innovation (LOCTI).**
b. The contribution established under the **Organic Law on Sports, Physical Activity and Physical Education**

Detail of special contributions:

a. Organic Law of Science, Technology and Innovation.

Private and public legal or economic entities, domiciled or not in the Bolivarian Republic of Venezuela, that carry out economic activities in the national territory and have obtained annual gross income of more than 100,000 U.T., in the immediately preceding fiscal year. The percentage is determined according to the following criteria:

1. **Two percent (2%)** for entities engaged in activities covered by the Law for the Control of Casinos, Bingo Halls and Slot Machines, as well as activities related to the production and trade of ethyl alcohol, alcoholic beverages, and tobacco products.
2. **One percent (1%)** for privately owned companies engaged in activities governed by the Organic Law of Hydrocarbons and the Organic Law of Gaseous Hydrocarbons, including mining activities, processing, and distribution.
3. **Zero point five percent (0.5%)** for publicly owned companies engaged in activities governed by the Organic Law of Hydrocarbons and the Organic Law of Gaseous Hydrocarbons, including mining activities, processing, and distribution.
4. **Zero point five percent (0.5%)** for entities engaged in any other economic activity.

17. Other special contributions (cont.)	This special contribution must be paid during the first semester following the end of the corresponding fiscal year. **b. Organic Law of Sport, Physical Activity and Physical Education.** Companies and other public or private organizations engaged in for-profit economic activities within the country are required to contribute to the National Fund for the Development of Sports, Physical Activity and Physical Education. The contribution is equivalent to **1% of the taxpayer's net income or accounting profit**, provided that such profit exceeds **20,000 Tax Units (T.U.)**. This special contribution must be paid within **one hundred and twenty (120) consecutive days** following the end of the taxpayer's fiscal year.

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