



Argentina
Brazil
Chile
Colombia
Mexico
Peru
Venezuela

CORONAVIRUS TAX MEASURES IN LATIN AMERICA

Introduction

Dear clients,

As the 2019 Novel Coronavirus (COVID-19) continues to spread across the world and restrictions to the mobility of people and goods increase, businesses are facing weakened financial markets, as well as disruption to workplace operations and business pipelines.

Tax authorities across the globe, including in Latin America, are enacting amendments in order to cope with the economic challenges caused by the impact of COVID-19. As governments seek to balance the need for public funding to support the extraordinary public health expenses, they are also dealing with declines in business activities across many industries and many companies face difficulties, including with tax obligations.

Tax measures and amendments vary by country, so to assist our clients with presence in Latin America in these difficult times, we have prepared this summary with the most relevant changes to tax regulations related to COVID-19. Our guide provides an overview for the following countries:

Argentina | Brazil* | Chile | Colombia | Mexico | Peru | Venezuela

With further announcements and amendments expected, we encourage you to review the most up to date information in our [**COVID-19 TAX MEASURES RESOURCE**](#). In addition to updates on Latin American countries, you can find current information on jurisdictions across Asia, Europe, the Middle East and Africa, and elsewhere in the Americas.

We hope these resources are valuable to you during these difficult times. Please contact us as you have questions or if we can advise your organization on these or other topics.

Sincerely,

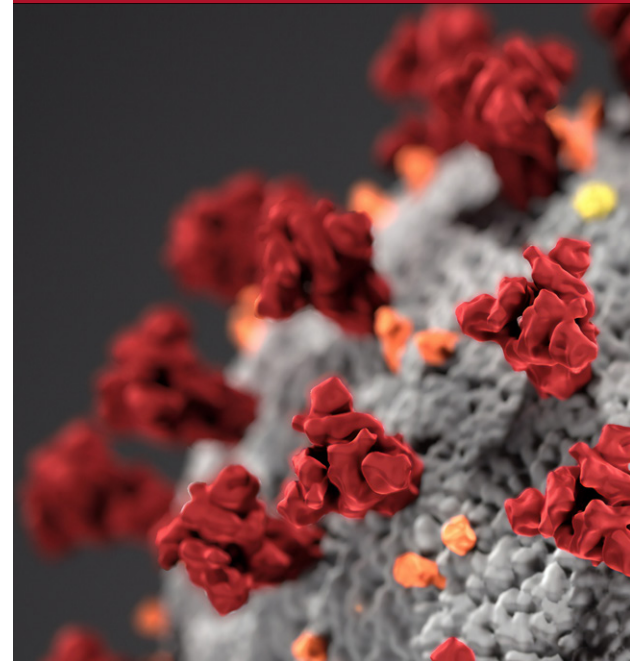
Clarissa Machado*

On behalf of the Latin America Tax Steering Committee

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Coronavirus Resource Center

- Gain key insights for your business on our [**resource center**](#).
- Access the most recent information on our [**COVID-19 TAX MEASURES RESOURCE**](#).
- Check our [**COVID-19 events and webinars**](#) page for practical insights and tips.



CORONAVIRUS TAX MEASURES | ARGENTINA



VAT

- No specific measures have been adopted.

CORPORATE INCOME TAX

- No specific measures have been adopted.

SOCIAL SECURITY/EMPLOYMENT/WAGE TAXES

- Employees mobilized because they perform essential business activities, and are required to work beyond standard hours for these purposes, will have a 95% reduction of the social security rate as provided in section 19 of Law No. 27,541 of the Argentine Integrated Social Security System.
- For a period of 90 days, employers conducting health-related activities are subject to a reduction of 95% of the rate destined to the Argentine Integrated Social Security System.

EXCISE/IMPORT DUTIES

- Certain tariff codes customarily subject to Non Automatic Import Licenses (e.g. disinfectants, cleaning and hygiene articles, chemical products, etc.), are currently subject to Automatic Import Licenses.

OTHER TAXES AND ANCILLARY TAX OBLIGATIONS

- Temporary reduction (for a period of 90 days) of the tax rates applicable on the Tax on Debits and Credits on Checking Accounts and other Transactions for

establishments and institutions engaged in the provision of health services.

- The 0.60% rate has been reduced to 0.25%. In addition, the 1.20% has been reduced to 0.50%.
- The Federal Tax Authority has extended (until 30 June 2020) the facilitating payments on tax, social security and customs debts set forth by General Resolution No. 4268/2018.
- The Federal Tax Authority has extended (up to 18 May 2022) the term to file Transfer Pricing documents related to fiscal years closed between 31 December 2018 and 30 September 2019.
- Decree No. 330/2020 was published in the Official Gazette on 1 April 2020, extending until 30 April 2020 the deadline to repatriate 5.0% of foreign assets for purposes of being subject to the 1.25% Personal Assets Tax rate (and not to the aggravated 2.25% rate).

GENERAL COMMENTS

- The Federal Tax Authority has declared the suspension of procedural legal terms between 18 March and 12 April 2020. (to be confirmed by means of a formal regulation).
- The City of Buenos Aires Tax Authority has declared a suspension of procedural legal terms between 16 March and 13 April 2020 (to be confirmed by means of a formal regulation).

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CORONAVIRUS TAX MEASURES | BRAZIL



VAT

- Certain States have issued regulations to suspend or extend the deadlines for the compliance of certain tax ancillary obligations, as well as payments of installments issued in connection of past tax amnesty programs.
- Certain States have suspended for 90 days the deadlines for the payment of ICMS due by companies under the SIMPLES regime (i.e. small companies).

CORPORATE INCOME TAX

- Extension of 90 days to the deadline for payment of Corporate Taxes for companies under the SIMPLES regime (e.g. small companies).

SOCIAL SECURITY/EMPLOYMENT/WAGE TAXES

- Expected reduction of 50% of tax obligation for taxes due under the System "S" (SENAI, SESI, SENAC, SESC, SEST, SENAT, SECOOP and SENAR) for three months beginning in April 2020.
- Suspension of the obligation to collect the FGTS in relation to the months of March, April and May 2020.
- Announced the deferral of the PIS, COFINS and Social Security Taxes due on April and May. Payments will be due in August and September.

EXCISE/IMPORT DUTIES

- Application until 30 September 2020, of the zero rate to the Import Duty on the importation of certain products required to combat COVID-19.

- Expedited customs clearance on the importation of products related to the combat of COVID-19.

- IPI rate reduced to 0% as related to the importation and sale of products related to combat of COVID-19.

OTHER TAXES/ANCILLARY TAX OBLIGATIONS

- Certain States are providing a suspension or extension in the deadlines to comply with certain tax ancillary obligations.

GENERAL COMMENTS

- Establishment of an extraordinary tax settlement programs during the COVID-19 crisis.
- Extension for 90 days of the validity of Federal Tax Clearance Certificates as long as the certificates were valid on 23 March 2020.
- Suspension for 90 days (18 March to 18 June) in relation to certain collection acts by the Brazilian IRS Attorney Office.
- Suspension for 90 days (18 March to 18 June) of the deadlines and acts related to the imposition of joint tax liability on directors and administrators.
- Suspension of deadlines related to Federal Tax Administrative cases until 29 May 2020.
- Suspension of deadlines related to Judicial cases until 30 April 2020 (certain exceptions apply).
- Announced the application of zero rate of the IOF (Tax on Financial Transactions) on a special credit line to the business sector.
- Announced the extension of the deadline for the filing of Individuals Tax Returns ("DIRPF") from 30 April to 30 June.

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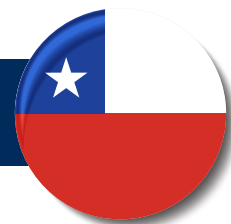
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CORONAVIRUS TAX MEASURES | CHILE



VAT

- Postponement of VAT payment for a period of 3 months applicable to enterprises with average annual sales not exceeding approximately CLP 9.8 million.
- Applicable entities are entitled to pay VAT in up to 12 monthly installments at a 0% interest rate.

CORPORATE INCOME TAX

- Postponement, until July 2020, of the payment of the annual income tax bill for SMEs (originally due in April 2020).
- Suspension of monthly income tax provisional payments for a period of 3 months (until 30 June 2020).
- Certain expenses associated with health contingency activities will be accepted as allowable tax deductions (e.g. expenses related to certain medical exams, implementation of remote working accommodations, and acquisition of hygienic supplies).

OTHER TAXES AND ANCILLARY TAX OBLIGATIONS

- Postponement of the first installment of real estate tax (originally due April 2020) for enterprises with sales not exceeding approx. US\$11.35 million in 2019, and for individuals owning real estate that do not exceed US\$150,000 of fiscal value. Payment of this installment may be made during calendar year 2020, with a 0% interest rate.
- Transitory reduction of stamp tax to 0%, for all credit operations taking place in the next 6 months (effective as of April 2020).
- Greater flexibility to enter into payment agreements of fiscal debts with the National Treasury (interests and fines will not applied) and transitory suspension of judicial collection measures of tax debts.

GENERAL COMMENTS

- Depending on the nature of the announced tax measures, some of them require the approval of the Congress, and others the issuance of a Decree from the President.

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CORONAVIRUS TAX MEASURES | COLOMBIA



VAT

- For certain businesses, an extended deadline applies for VAT payment for the March to April period, and for taxpayers following a four-month period, covering January-April. The extended deadlines apply to taxpayers engaged in certain economic activities (i.e. ready-to-eat meals, cafeterias, hotel service companies, live entertainment activities and commercial airlines).
- Certain medical equipment such as nebulizers, vital sign monitors, and oxygen shall be exempt from VAT, during the period 17 March to 17 April 2020.

CORPORATE INCOME TAX

- One-week extension in place for the deadline to file annual income tax return and to make installment payments.

SOCIAL SECURITY/EMPLOYMENT/WAGE TAXES

- Taxpayers engaged in certain economic activities (i.e. restaurants and tourism) are not required to pay payroll taxes to the Family Compensation Bureau, National Apprenticeship Service (SENA), and the Colombian Family Welfare Institute (ICBF).

EXCISE/IMPORT DUTIES

- For a period of 6 months, all custom duties will be reduced to 0% for imports of certain devices, medicines and medical equipment and for certain goods used in the air travel industry.
- For a period of 6 months, the exportation of 24 different products required to prevent the spread of COVID-19 will be prohibited. This includes items such as soap, antibacterial gel and special mask.

OTHER TAXES AND ANCILLARY TAX OBLIGATIONS

- Extension (until 29 July 2020) of the deadline to file the tourism contribution form and for payment of the first quarter of 2020.
- The Bogota District Tax Authority has extended the deadline for payment of real estate tax until 5 June 2020 for taxpayers interested in gaining a 10% reduction of the tax.
- The Colombian Tax Authority (DIAN) has extended the deadline to submit exogenous information required by law in magnetic media for all taxpayers.

GENERAL COMMENTS

- DIAN has suspended all legal terms and deadlines for all of its procedures between 19 March and 3 April 2020. However, DIAN shall provide virtual assistance to assist taxpayers with registering before the Colombian Tax Registry or updating the tax information of the taxpayers.
- The Bogota District Tax Authority has suspended all legal terms and deadlines for all of its procedures between 26 March and 13 April 2020.
- Judicial terms are suspended nationwide between 16 March and 3 April 2020.
- National Government has authorized governors and local majors to redirect or modify specific destination revenues derived from subnational taxes and to carry out any public debt operation needed to address the health emergency.

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CORONAVIRUS TAX MEASURES | MEXICO



VAT

- No tax relief measures have been issued to date.

CORPORATE INCOME TAX

- No federal tax relief measures, incentives, or supporting programs have been issued.
- Regular filing date for annual tax returns is in place.

SOCIAL SECURITY/EMPLOYMENT/WAGE TAXES

- No special relief measures announced to date. It is advisable to continue to monitor for any announcements.

EXCISE/IMPORT DUTIES

- No special or relief measures have been imposed. The General Customs Administrator has announced that currently all customs houses in Mexico will continue to operate as per standard practices.
- Documents and information to be filed as part of an antidumping investigation may be submitted electronically via e-mail.

OTHER TAXES AND ANCILLARY TAX OBLIGATIONS

- Some States are providing a suspension or extension in the deadlines to comply with certain tax ancillary obligations.
- Certain States are launching programs to support SMEs to obtain financing as a measure to prevent lay-offs and preserve jobs.

GENERAL COMMENTS

- As of the current date, the federal government has not approved any tax measures or other incentives to taxpayers, companies or individuals.
- However, some local governments have been announced covering measures such as subsidies, deferral or discounts in payment of property tax, payroll tax, and accommodation related to industries such as services, games and raffles (incl. disbursements for bets), payment of tenure, etc. deferring required payment until April, May and June 2020.

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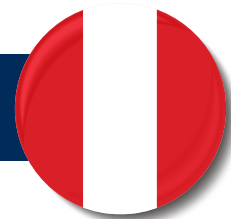
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CORONAVIRUS TAX MEASURES | PERU



VAT

- Taxpayers that obtained income of up to 2,300 Tax Units (approx. US\$2.763 million) during tax year 2019 may postpone the filing of the VAT return of the period February 2020.
- Taxpayers that obtained income of up to 5,000 Tax Units (approx. US\$6,007 million) during tax year 2019 may postpone the filing of the VAT return of the periods of March and April 2020.
- Release of VAT Withholding funds (SPOT) for the period 23 March to 7 April 2020. The request includes the accumulated balance in the VAT Withholding fund (SPOT) account until 15 March 2020.

CORPORATE INCOME TAX

- Taxpayers that obtained income of up to 5,000 Tax Units (approx. US\$6,007 million) during tax year 2019 may postpone the filing of the 2019 annual income tax return.
- Taxpayers that obtained income of up to 2,300 Tax Units (approx. US\$2.763 million) during tax year 2019 may postpone the filing of the monthly income tax return of the period February 2020.
- Taxpayers that obtained income of up to 5,000 Tax Units (approx. US\$6,007 million) during tax year 2019 may postpone the filing of the monthly income tax return of the periods of March and April 2020.

SOCIAL SECURITY/EMPLOYMENT/WAGE TAXES

- Taxpayers that obtained income of up to 2,300 Tax Units (approx. US\$2.763 million) during tax year 2019 may postpone the filing of the PLAME return of the period February 2020.

EXCISE/IMPORT DUTIES

- Imports of certain medicines, medical equipment and devices are exempt from customs duties for 90 calendar days beginning 12 March 2020 (rate will go back to 6.0% at the end of the 90-day period).

OTHER TAXES AND ANCILLARY TAX OBLIGATIONS

- Taxpayers that obtained income of up to 2,300 Tax Units (approx. US\$2.763 million) during tax year 2019 may postpone the filing of electronic sales register, electronic income register and electronic purchase register of the period February 2020.
- Taxpayers that obtained income of up to 5,000 Tax Units (approx. US\$6,007 million) during tax year 2019 may postpone the filing of:
 - The annual return of operations with third parties due in March has been postponed until 29 May 2020.
 - Filing of electronic sales register, electronic income register and electronic purchase register of the periods March and April 2020.

GENERAL COMMENTS

- The Peruvian Tax Authority will not impose tax penalties (at its sole discretion) for infractions committed or detected during the national emergency period. This kind of disposition has been approved in the past for other circumstances and in those situations the Tax Authority did not impose any penalty to any taxpayer for the infractions included in the extraordinary measure.
- All deadlines for tax procedures initiated before 15 March 2020 are suspended for 30 business days, beginning 16 March 2020.
- The Peruvian Tax Authority is closed during the National Emergency period.
- For installment payment plans approved by the Peruvian Tax Authority before 15 March 2020, taxpayers may pay the March installments in April without the imposition of penalties.
- A subsidy on behalf of private entities will be granted, per employee that gains a maximum of S/. 1,500 (approx. US\$429), provided the fulfillment of specific requirements (the subsidy may not exceed 35% of the monthly gross remuneration of each employee).

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CORONAVIRUS TAX MEASURES | VENEZUELA



VAT

- To date, no general measures have been implemented.
- The Government granted a one year VAT exoneration for the imports of products that may combat or prevent COVID-19.

CORPORATE INCOME TAX

- To date, no measures have been implemented.

SOCIAL SECURITY/EMPLOYMENT/WAGE TAXES

- To date, no measures have been implemented.

EXCISE/IMPORT DUTIES

- The Government granted a one year import duties exoneration to the imports of products that may combat or prevent COVID-19.

OTHER TAXES AND ANCILLARY TAX OBLIGATIONS

- Certain Municipalities have granted an extension to file and pay taxes (only applicable at a Municipal level).

GENERAL COMMENTS

- The Plenary Chamber of the Supreme Tax Court has declared the suspension of procedural legal terms between 16 March and 13 April 2020.

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