



# Peru

<b>General</b>	<b>Types of indirect taxes (VAT/GST and other indirect taxes)</b>	General sales tax or impuesto general a las ventas (IGV). Municipal promotion tax or impuesto de promoción municipal (IPM).
	<b>Are there other indirect taxes?</b>	Selective consumption tax (ISC): an excise tax, which that either on a proportional or an ad valorem basis to the sale and import of certain goods as fuels, cigarettes, beer, liquor, soft drinks, etc.
	<b>What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes?</b>	<p>The standard rate of VAT is 16%. Nevertheless, the 2% IPM is charged together with VAT. This amounts to a total indirect taxation of 18%.</p> <p>ISC is applied under three systems:</p> <ul style="list-style-type: none"> <li>— specific, which involves a fixed amount in local currency for each unit</li> <li>— at the value, a percentage of the sale price</li> <li>— the sale price, a percentage of the suggested retail price.</li> </ul> <p>ISC rates vary depending on the goods subject to it and the system applied.</p> <p><b>Zero-rated operations</b></p> <ul style="list-style-type: none"> <li>— Exports of goods and services.</li> <li>— VAT exempt operations (no input VAT deduction on related costs).</li> <li>— The goods and services listed in appendices I and II of the IGV Law are tax exempt until 31 December 2015.</li> </ul> <p><b>Appendix I</b></p> <p>In general, the sale or import of livestock, fresh vegetables, cereals, phosphates, fertilizers, etc.</p>

<p><b>General (continued)</b></p>	<p>What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes (continued)?</p>	<p><b>Appendix II</b></p> <p>Public transportation services, cargo transportation, cultural performances, sale of food in popular dining rooms, vessel construction and repairing by foreign enterprises, interest derived of securities issued by individuals or legal entities, incorporated or established in Peru, insurance policies issued by insurance companies established in Peru, etc.</p> <p>The credits services granted by banks, financial and credit institutions were included in this tax exemption list. Since 1 January 2007, they have been considered as not-taxed operations. Therefore, this benefit has turned permanent.</p> <p>Taxpayers carrying out both in the case of executing VAT-exempt and taxable operations can recover VAT on a pro rata basis.</p>
	<p>Who is required to register for VAT/GST and other indirect taxes?</p>	<p>There is no special registry in Peru for VAT. Nevertheless, there is an obligation for all taxpayers to register before the Peruvian tax authority Superintendencia Nacional de Administración Tributaria (SUNAT) and obtain their taxpayer identification number, also known as Registro Único de Contribuyentes (RUC).</p> <p>The aforementioned registry not only includes VAT taxpayers, but all other types of taxpayers and/or individuals and entities subject to taxation in Peru.</p>
<p><b>VAT/GST registration</b></p>	<p>Is voluntary registration for VAT/GST and other indirect taxes possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST and other indirect taxes registration threshold)?</p>	<p>There is no special registry for VAT purposes</p> <p>There is no special registry for VAT purposes in Peru, but it would be possible to register a foreign company in the RUC. As mentioned above, such a registration involves the identification of the relevant taxpayer with a valid identification number for all tax purposes.</p> <p>However, such registration will only serve for the purposes of allowing the foreign entity to file VAT returns. The company may then deduct any input VAT paid on goods and services acquired to provide taxable supplies and services within the Peruvian territory.</p>
	<p>Does an overseas company need to appoint a fiscal representative?</p>	<p>No, unless it has a permanent establishment.</p>

<b>VAT/GST registration (continued)</b>	<p>Which forms and supporting documentation does an overseas company need to submit for VAT/GST and other indirect taxes registration?</p> <p>Is grouping* for VAT/GST and other indirect taxes possible?</p>	<p>It is only required to include general information in the respective form:</p> <ul style="list-style-type: none"> <li>— incorporation documents of the legal entity</li> <li>— identification of directors and officers of the legal entity</li> <li>— information concerning the address of the entity within Peru</li> <li>— identification of the representative of the company in Peru</li> <li>— business activity</li> <li>— tax applied.</li> </ul> <p>A standard registry form is not available online.</p> <p>No.</p>
<b>VAT/GST compliance</b>	<p>How frequently are VAT/GST and other indirect taxes returns submitted?</p> <p>What are the exchange rate rules in your country?</p>	<p>Monthly.</p> <p>If operations are performed in a foreign currency, they must be converted to PEN by applying the 'weighted average sale price' published by the Banking and Insurance Superintendence at the time the tax liability arises.</p> <p>In the case of imports, operations must be converted into PEN by applying the 'weighted average sale price' published by the Banking and Insurance Superintendence at the time the tax liability is paid.</p>
<b>VAT/GST recovery</b>	<p>Can an overseas company recover VAT/GST and other indirect taxes if it is not registered for VAT/GST and other indirect taxes locally?</p>	<p>This question does not apply in Peru due to the fact that there is no specific VAT registration.</p>

\* By 'grouping' we mean: either a consolidation mechanism between taxpayers belonging to the same group (payment and refund are compensated but taxpayers remain distinct) or a fiscal unity for VAT/GST purposes (several taxpayers are regarded as a single taxpayer).

**VAT/GST  
recovery  
(continued)**
**Are there any exemptions with the right to recover or deduct input VAT?**

The regular way to recover input VAT derived from purchases is to offset it against the output VAT derived from local sales.

If a taxpayer performs VAT exempt and taxed operations, the input VAT related to exempt operations cannot be recovered. Therefore, either a specific identification system or, if it is not possible, a pro rata system should be applied.

The input VAT that cannot be offset should be included in the cost of goods and services.

Exporters (whose exports are zero-rated) are allowed to offset the input VAT against the advance corporate income tax payments, the annual income tax liability or any other central government tax liability.

If this is not possible, taxpayers can request an input VAT refund capped at 18% of the shipped exports. The remaining balance that cannot be refunded could be carried forward to the following reporting period and it can be subject to a later refund.

Furthermore, input VAT incurred on purchases of USD1,000 or more is deductible/refundable only if the payment was executed by means of a banking system. Such a Peruvian banking system includes: bank deposits, wire transfers, paying orders, credits, debit cards and non-negotiable checks.

This specific requirement also implies a 0.05% tax imposed on debits and credits (financial transactions tax) applicable for Peruvian bank accounts.

**Are there any restrictions to the deduction of input VAT?**

It is not possible to recover VAT related to operations that are not linked to business activities levied by VAT. Therefore, it is not possible to recover VAT related to exempted transactions.

<b>Invoices</b>	Is a business required to issue tax invoices?	Yes.
	Is it possible/mandatory to issue invoices electronically?	It has been possible since 19 July 2011.
	Is it possible for recipients to issue tax invoices/self-invoices (self-invoicing)?	<p>Yes. Self-invoicing is known in Peru as liquidación de compra.</p> <p>Self-invoices are issued by the purchaser when the seller does not have a tax identification number or is an individual selling:</p> <ul style="list-style-type: none"> <li>— farming products</li> <li>— small-scale fishing</li> <li>— logging</li> <li>— wild products</li> <li>— small-scale gold mining</li> <li>— arts and crafts</li> <li>— waste material as well as metal and non-metallic wastes</li> <li>— paper waste and rubber waste.</li> </ul>
<b>Audits</b>	Do tax audits take place on a regular basis?	Tax audit procedures take place on a discretionary basis. Tax authorities continuously evaluate taxpayers' behavior considering different elements such as: penalties, accumulation of input VAT, etc.
	Are there audits done electronically in your country (e-audit)? If so, what system is in use?	No.
	What penalties can arise from non-compliance?	<p>There is a penalty of approximately USD1,400 for failure to register, late registration or late filings of VAT return. In addition, the VAT credit could be denied in case an invoice is not registered in a purchase register (accounting book) during the following 13 months as of the month when invoices are issued.</p> <p>If VAT liability is re-assessed by tax authorities, penalties can include:</p> <ul style="list-style-type: none"> <li>— a tax fine equivalent to 50% of the omitted VAT plus 1.2% monthly interest. This fine can be reduced up to 90% under certain conditions</li> <li>— the omitted (re-assessed VAT) must be paid with a 1.2% monthly interest.</li> </ul>
<b>Special indirect tax rules</b>	In your country, are there any special rules for the sale of a company by a taxpayer to another where GST is not due on the sale?	The transfers resulting from business reorganizations (merger or spinoff) and the transfer of personal businesses (businesses owned by single taxpayers who are required to register, invoice and keep books if their turnover is above the required taxable income for the year) are not subject to sales tax.
	In your country, are there unique, specific indirect taxes rules that you would not expect to find in 'standard' VAT jurisdictions?	Exempted exports of goods may include sales made to commercial establishments located in duty-free areas, sales made in these establishments, swap operations made by mining producers, provision of lodging to non-residents, etc.

<b>Special indirect tax rules (continued)</b>	<p>In your country, are there unique, specific indirect tax rules that you would not expect to find in 'standard' VAT jurisdictions (continued)?</p>	<p>So far, only a few services could be tax exempt as they had to be included in a list of export services approved by the Finance and Economic Ministry (MEF) and needed to fulfill certain specific requirements.</p>
	<p>Does a reverse charge mechanism apply in your country for goods or services?</p>	<p>Yes, based on the 'services utilization within the country' rules.</p> <p>It is applicable to services rendered by non-domiciled providers to resident companies. In this case, the resident recipient of the services is liable for paying the VAT due on the supply. It is entitled to deduct this VAT, provided the payment was registered into its purchase book.</p> <p>In case of goods, there is no reverse charge mechanism applicable. Nonetheless, the domiciled goods acquirers are jointly and severally liable for the VAT if this is not paid by the non-domiciled seller.</p> <p>For this reason and because there is no specific collecting mechanism for the non-domiciled seller to pay the VAT, domiciled acquirers may withhold VAT from the price to be paid in order to pay it directly to the tax authorities.</p>
	<p>Are there indirect tax incentives available in your country (e.g. reduced rates, tax holidays)?</p>	<p>The import of goods into the Amazon is VAT exempt provided imported goods would be consumed within this region.</p> <p>The sale of movable goods, supply of services and building contracts within the Amazon are VAT exempt.</p> <p>The sale of movable goods within the Amazon region is VAT exempt. Therefore, importers of movable goods to be consumed within this region can request the 'definitive reimbursement' of the input VAT paid when acquiring such goods outside the Amazon.</p> <p>Additionally, it should be mentioned that there is a system allowing the early recovery of input VAT paid by corporations in a pre-operative stage which have signed an investment agreement with the Peruvian government and provided they are committed to invest at least USD5 million.</p>
<b>Rulings</b>	<p>Are rulings and decisions issued by the tax authorities publicly available in your country?</p>	<p>Yes, the tax authority's rulings can be found at <a href="http://www.sunat.gob.pe/legislacion/tributaria/index.html">www.sunat.gob.pe/legislacion/tributaria/index.html</a>.</p>