



Tax NewsFlash

KPMG Panama

[Read in Spanish \(PDF\)](#)

Newsletter – July 17, 2020

New measures adopted by tax authorities due to the COVID-19 pandemic

July 2020

Extension of the term for the filing of the Income Tax returns and payment of certain taxes

By means of Executive Decree No. 356 of July 16, 2020, in order to alleviate the impact for those taxpayers affected by COVID-19, the Ministry of Economy and Finance has established a final until **July 31, 2020** of the following obligations before the Tax administration:

- Filing of the Income Tax Returns corresponding to fiscal year 2019;
- Rectification at no cost, for people who have submitted the Income Tax Return without having benefited from the reduction of 30% of the Estimated Tax;
- Payment of direct and indirect taxes caused in the fiscal year 2019, except for those whose obligation arises from the quality of withholding agents (Dividend Tax, withheld ITBMS, tax on remittances abroad);
- Payment of the Property Tax withheld by the banks corresponding to the first four-month period of the 2020 fiscal period.

Modification to the deadline for Response by the tax administration with respect to the requests of "Non-application of CAIR

By means of Executive Decree No. 357 of July 16, 2020, the Ministry of Economy and Finance added a transitory paragraph to article 133-F of Executive Decree 170 of 1993, which regulates the requests for the non-application of the Alternative Tax Calculation on Income (CAIR).

In this sense, the deadline is reduced to **three (3) months** from July 31, 2020, for tax authority to rule on the request for non-application of the CAIR. In the case of requests for non-application of the CAIR of taxpayers who, due to having a special fiscal period, submit their applications after July 31, they must be resolved within the first **three (3) months** from the respective filing of their income tax returns.

If the tax authority does not issue an administrative act related to CAIR's non-application requests, it will be understood that the request has been accepted, therefore, a positive administrative silence is applied.

Extension for the submission of certain compliance reports to the tax authorities

Through Resolution No. 201-4168 of July 16, 2020, the tax authorities extended the maximum period until **July 31** to file the report of payments to third parties and of donations received corresponding to the fiscal year 2019.

For further information, or if you have any questions, please do not hesitate to contact us.

Tax Services

Luis Laguerre, partner
llaguerre@kpmg.com

Jair Montufar, partner
jmontufar@kpmg.com

Zita Segismond, director
zsegismond@kpmg.com

Jony Afu, director
jafu@kpmg.com

Jaime Carrizo, director
jcarrizo@kpmg.com

Andrés Kosmas, director
akosmas@kpmg.com

Ramon Morales, author
ramonmorales1@kpmg.com

KPMG in Panama
T: (+507) 208-0700
E: pa-fminformation@kpmg.com

Other publications in kpmg.com.pa

[Privacy](#) | [Legal](#) | [Unsubscribe](#)

KPMG in Panama, Samuel Lewis Avenue and 56th East, Obarrio, Panama, 0816-01089

© 2020 KPMG, a Panamanian civil partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

KPMG sends materials through the program of Thought Leadership in monitoring our mission to turn knowledge into value for the benefit of our clients, our people and the capital markets. If you wish to unsubscribe from all KPMG communications, please write to this email address: pa-fmnoenviar@kpmg.com.