



Changes introduced to the Sales and Service Provisions Report

Tax Newsletter

February 17, 2022

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On October 27, 2021, Resolution No. 201-10011 of October 20, 2021 was published in Official Gazette No. 29406-A, "By means of which the Sales and Services Report or Form No. 1027 is implemented."

The obligation to file this report monthly, reaches all taxpayers who according to the income tax return filed for the immediate year end close of the date in which the obligation of file this report is created, disclosed revenues above 1 million dollars, or have possessed over 3 million dollars in assets.

According to Resolution No. 201-10011, the first filing of this report, corresponds to the month of January of 2022, which must be submitted no later than the last day of the following month to report.

On February 8, Resolution No. 201-0743 published in Official Gazette, whereby Resolution No. 201-100011 is amended to include the following changes:

- Exclude from the obligation to file this report to those who are not ITBMS taxpayers, as well as those who are not taxpayers but had paid the tax for reasons other than business (eventual operations).
- The due date to file the first report is extended until July 2022, for taxpayers engaged in banking, insurance, and reinsurance activities, duly authorized by the regulatory authorities.
- In the case of taxpayers who applies for the Electronic Invoicing System of Panama (SFEP):
 - The extension applies only for successive full periods and for up to 120 days after the filing of the SFEP adoption affidavit.
 - The term of the obligation to file the sales and provision of services report commence before or during the ten (10) days following the expiration of the term of the extension.

For taxpayers who do not qualify for the extension, the deadline for submitting the report for the month of January remains until the last day of February.

The Resolution No. 201-0743, reiterates that the sanctions for not filing the report will be governed by the provisions of article 756 of the Tax Code, which establishes sanctions between US\$1,000 and US\$5,000, in case of being the first time. If the situation of recidivism is realized, the fine will range between US\$5,000 to \$10,000.

Finally, it is established that the amendments of the forms, voluntarily by the taxpayer, or in cases where it is required by the General Directorate of Revenue because of inconsistencies in the information, will not carry fines.

As of the date of this edition, the downloadable file to submit the sales and service provision report is already available in the e-tax report's module using the taxpayer credentials in the tax authority website with the NIT. In addition, an instruction manual has been posted in the tools section of the website of the Directorate General of Revenue.

If you have any questions, you can contact the Partner or Manager in charge at KPMG in Panama.

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