



Peru

Tax Guide



Now, for tomorrow

Last reviewed: 1 January 2018

Effective date: 1 January 2018

A. Direct taxation: Companies	
1. Resident companies	
<u>Residence</u>	Based on incorporation
<u>Tax base</u>	Worldwide
<u>Corporate tax rates</u>	29.5%
<u>Alternative minimum tax</u>	No
<u>Capital gains</u>	Yes, part of business income
<u>Loss carry-forward</u>	Yes, for 4 years counted from the year the company derived the profits; or losses may be offset indefinitely against 50% of the profits obtained in the following years
<u>Loss carry-back</u>	No
<u>Unilateral double taxation relief</u>	Yes, ordinary tax credit method
2. Non-resident companies	
<u>Corporate tax rates</u>	30%
<u>Capital gains on sale of shares in resident companies</u>	30% 5% if shares are registered and traded through the Peruvian Stock Exchange
<u>Capital gains on sale of immovable property</u>	30%
Withholding tax rates	
<u>Branch profits</u>	5%
<u>Dividends</u>	5%
<u>Interest</u>	0% if derived from loans granted to the national public sector and on development loans granted by international organizations or by foreign governmental institutions 4.99% on interest paid by Peruvian banks or financial entities on foreign credits, and on interest on bonds and other debentures issued by companies subject to the Financial System Law (banks and financial entities) 30% in other cases (also applies to loans between associated enterprises)
<u>Royalties</u>	30%
<u>Fees (technical)</u>	30% general rate 15% for technical assistance fees paid to non-domiciled companies 0% in certain cases if services are performed completely abroad
<u>Fees (management)</u>	30%
3. Specific issues	
<u>Participation relief</u>	Inbound dividends: no Outbound dividends: no
<u>Group treatment</u>	No
<u>Incentives</u>	Stabilization agreements Regional incentives (ZEDs, ZOFRATACNA, Jungle region) High plateau zone – 10 year tax holiday Mining promotion Construction sector Farming sector
Anti-avoidance	

<u>Transfer pricing legislation</u>	Yes
<u>Thin capitalization legislation</u>	Yes
<u>Controlled foreign company legislation</u>	Yes
<u>General anti-avoidance rule (GAAR)</u>	Yes
<u>Other anti-avoidance legislation</u>	Yes
B. Direct taxation: Individuals	
1. Resident individuals	
<u>Residence</u>	Nationals whose habitual abode is in Peru Foreigners who have resided in Peru for more than 183 days in a 12-month period
<u>Taxable income</u>	Worldwide
<u>Income tax rates</u>	Progressive Top rate 30% (over 45 UIT (value of UIT for 2018: PEN 4,150) Specific flat rates for investment and business income
<u>Alternative minimum tax</u>	No
<u>Capital gains</u>	Yes, part of second category of income (effective rate of 5%)
<u>Unilateral double taxation relief</u>	Yes, ordinary tax credit method
<u>Social security contributions</u>	No but contributions to the public or private pension system
2. Non-resident individuals	
<u>Income tax rates</u>	30% (general withholding tax rate)
<u>Capital gains on sale of shares in resident companies</u>	0% (shares alienated through stock exchange supervised by the National Supervisor of Securities Market) 5% (shares registered and traded through a centralized exchange mechanism) 30% in other cases
<u>Capital gains on sale of immovable property</u>	30%
Withholding tax rates	
<u>Employment income</u>	30%
<u>Dividends</u>	5%
<u>Interest</u>	4.99% (if paid by a taxpayer with third-category income) 30% (loans to related persons)
<u>Royalties</u>	30%
<u>Fees (technical)</u>	30% on 80% of the gross amount
<u>Fees (directors)</u>	30% on 80% of the gross amount
C. Indirect taxation: Value added tax (VAT)/Goods and services tax (GST)	
<u>Taxable events</u>	Supply of goods and services Import of goods and services Performance of construction contracts First sale of real state carried out by its constructor
<u>VAT/GST (standard)</u>	16% (plus 2% municipal sales tax)
<u>VAT/GST (reduced)</u>	0%
<u>VAT/GST (increased)</u>	No
<u>Registration/deregistration threshold</u>	No
<u>VAT group</u>	No
D. Other taxes	
<u>Inheritance and gift taxes</u>	No
<u>Net wealth tax (individual)</u>	No
<u>Net wealth tax (corporate)</u>	Yes (<i>impuesto temporal a los activos netos</i>)
<u>Real estate taxes</u>	Yes
<u>Capital duty</u>	No
<u>Transfer tax</u>	Yes, for immovable property
<u>Stamp duty</u>	No
<u>Excise duties</u>	Yes
<u>Other main taxes</u>	Financial transaction tax (ITF) Municipal sales tax (IPM)

	Customs duty
E. General information	
Sources of tax law	Income Tax Law (<i>Ley del Impuesto a la Renta</i>) VAT Law (<i>Ley del Impuesto General a las Ventas e Impuesto Selectivo al Consumo</i>) Tax Code (<i>Código Tributario</i>)
Main types of business entities	Joint-stock companies (<i>sociedades anónimas, SA</i>) General partnerships (<i>sociedades colectivas, SC</i>) Limited liability companies (<i>sociedades comerciales de responsabilidad limitada, SRL</i>) Individual limited liability enterprises (<i>empresas individuales de responsabilidad limitada, EIRL</i>) Joint venture company (<i>asociación en participación, AP</i>) Public-private venture (<i>asociación público privada, APP</i>)
Accounting principles	IAS/IFRS
Currency	Sol (PEN)
Foreign exchange control	No
Official websites	Congress of the Republic Ministry of Economy and Finance Tax administration Official Gazette

Compliance Information

A. Corporate taxation	
1. General information	
Tax rate	29.5%
Tax rebates/tax-free amounts	Not applicable
Surtaxes	Not applicable
Previous tax rates	
2017	29.5%
2016	28%
2015	28%
2014	30%
2. Registration	
Deadline	Companies must obtain a tax identification number before starting operations, since they need it for issuing invoices and requesting invoices for expenses.
Competent authority	Superintendencia Nacional de Aduanas y Administración Tributaria, SUNAT
Registration form	Residents and non-residents: Form 2119
3. Tax return and tax payment	
Tax year	From 1 January to 31 December
Type of assessment	Self-assessment Tax authority may issue: – official assessment; or – presumptive assessment (if no return is filed or the accuracy of the return is doubtful).
Filing deadline	Within 3 months from the end of the tax year (for all taxpayers)
Extension of filing deadline	There is no extension of the filing deadline.
Filing mode	Electronically
Form	Residents: 0704
Documents to be submitted with tax return	No
Payment deadline	Within the first week of April of the following tax year
Extension of payment deadline	May be extended by the tax authorities under general rules
Amended return	An amended tax return may be submitted at any time after the tax return to be amended had been submitted.
Refund of overpaid tax	A tax refund may be claimed within the following 4 years from the day on which the tax return was filed.
Advance payments	Monthly advance payments must be made within the first 12 working days of the following month and they may be credited against the final tax liability.
Consolidated returns	Not possible
Time limit for tax assessments	4 years if tax returns were submitted 6 years if tax returns were not submitted 10 years if taxes were withheld but not remitted to the tax authorities
Mitigation of effect of time limit for tax assessments	Not possible
4. Withholding tax obligations	
Branch profits	5%
Dividends	5%
Interest	0% if derived from loans granted to the national public sector and on development loans granted by international organizations or by foreign governmental institutions 4.99% on interest paid by Peruvian banks or financial entities on foreign credits, and on interest on bonds and other debentures issued by companies subject to the Financial System Law (banks and financial entities) 30% in other cases (also applies to loans between associated enterprises)
Royalties	30%
Fees (technical services)	30% general rate 15% for technical assistance fees paid to non-domiciled companies 0% in certain cases if services are performed completely abroad
Fees (management services)	30%
Deadline for remittance of withholding tax	Within the first 12 working days of the following month

Form	Form 617 , Form 601
5. Employer withholding obligations	
Wage/payroll tax	Employment income tax withheld must be remitted within the first 12 working days of the following month.
Other withholding obligations	In general, the Health Social Security Contribution (EsSALUD) and the Pension System Contribution (ONP or AFP)
6. Business records	
Type of records	Sales records, expenditures records, inventory records, ledger
Retention period	As from 1 January 2017: the longer period between 5 years and the statute of limitations applicable to each case.
Electronic storage	Mandatory for some companies according to SUNAT's requirements
B. Individual taxation	
1. General information	
Tax rate	Progressive Top rate 30% (over 45 UIT (value of UIT for 2018: PEN 4,150) Specific flat rates for investment and business income
Tax rebates/tax-free amounts	Tax-free amount: 7 Tax Units (UITs) (2018: 1 UIT = PEN 4,150) Additional deduction (as from 1 January 2017) of 3 UITs regarding personal expenses
Surtaxes	Not applicable
Previous tax rates	
2017	Progressive (employment income, independent personal services fee, foreign income): top bracket 30% (above 45 UITs) Flat rate (passive income and capital gains): 6.25% (applicable on 80% of income, 5% effective rate)
2016	Progressive (employment income, independent personal services fee, foreign income): top bracket 30% (above 45 UITs) Flat rate (passive income and capital gains): 6.25% (applicable on 80% of income, 5% effective rate)
2015	Progressive (employment income, independent personal services fee, foreign income): top bracket 30% (above 45 UITs) Flat rate (passive income and capital gains): 6.25% (applicable on 80% of income, 5% effective rate)
2014	Progressive (employment income, independent personal services fee, foreign income): top bracket 30% (above 54 UITs) Flat rate (passive income and capital gains): 6.25% (applicable on 80% of income, 5% effective rate)
2. Registration	
Deadline	Individuals must obtain a tax identification number (RUC) before starting operations, as it is required for issuing invoices and requesting invoices to support expenses.
Competent authority	Superintendencia Nacional de Aduanas y Administración Tributaria, SUNAT
Registration form	Residents and non-residents: Form 2119
3. Tax return and tax payment	
Tax year	From 1 January to 31 December
Type of assessment	Self-assessment Tax authority may issue: – official assessment; or – presumptive assessment (if no return is filed or the accuracy of the return is doubtful).
Filing deadline	Within 3 months after the end of the tax year
Extension of filing deadline	There is no extension of the filing deadline.
Filing mode	Electronically
Form	Form 703
Documents to be submitted with tax return	None
Payment deadline	Within the first week of April of the following tax year
Extension of payment deadline	May be extended by the tax authorities under general rules
Amended return	An amended tax return may be submitted at any time after the tax return to be amended had been submitted.
Refund of overpaid tax	A tax refund may be claimed within the following 4 years from the day on which the tax return was filed.
Advance payments	Not applicable to Peruvian individuals
Time limit for tax assessments	4 years if tax returns were submitted 6 years if tax returns were not submitted

	10 years if taxes were withheld but not remitted to the tax authorities
Mitigation of effect of time limit for tax assessments	There is no mitigation of effect of time limit.
4. Withholding tax obligations	
Employment income	30%
Dividends	5%
Interest	4.99% (if paid by a taxpayer with third-category income) 30% (loans to related persons)
Royalties	30%
Fees (technical services)	30% on 80% of the gross amount
Fees (management services)	30% on 80% of the gross amount
Deadline for remittance of withholding tax	Within the first 12 working days of the following month
Form	Form 0617 , Form 0601
5. Employer withholding obligations	
Wage/payroll tax	Not applicable (In general, individuals may not be deemed "employers". Peruvian employers are deemed "companies" for Peruvian income tax purposes.)
Other withholding obligations	Not applicable (In general, individuals may not be deemed "employers". Peruvian employers are deemed "companies" for Peruvian income tax purposes.)
6. Business records	
Type of records	Not applicable
Retention period	Not applicable
Electronic storage	Not applicable
C. Indirect taxation	
1. General information	
Standard rate	16% (plus 2% municipal sales tax)
Reduced rate	0%
Increased rate	No
2. Registration and deregistration	
Registration threshold	No
Registration deadline	Not applicable
Competent authority	Superintendencia Nacional de Aduanas y Administración Tributaria, SUNAT
Registration form	Residents and non-residents: Form 2119
Group registration	No
Voluntary registration	Not applicable
Deregistration threshold	Not applicable
Deregistration deadline	Not applicable
Deregistration form	Form 2135
3. Tax return and payment	
Filing frequency	Monthly
Filing deadline	Within the first 12 working days of the following month
Extension of filing deadline	Not applicable
Filing mode	Electronic filing mandatory
Form	Form 0617 , Form 0621
Payment deadline	Within the first 12 working days of the following month
Extension of payment deadline	In general, not applicable. However, small and medium-sized enterprises (MYPE) may request an extension, provided that their annual sales do not exceed 1,700 times the value of the UIT (2018: 1 UIT = PEN 4,150).
Amended return	It is possible to amend a return without any due date.
Refund of excess input tax	The excess input tax may be carried forward and credited in subsequent months, without time limit. In certain cases, input tax may also be refunded.
Time limit for tax assessments	4 years if tax returns were submitted 6 years if tax returns were not submitted 10 years if taxes were withheld but not remitted to the tax authorities
Mitigation of effect of time limit for tax assessments	Not applicable
4. Invoicing	
Obligation to issue invoices	There is a general obligation and there are no exceptions.
Time limit	Immediately

Types of invoices	Depending on who issues the invoice Businesses: ordinary invoices, boletas de ventas (for final consumers), professional receipts, debit notes, credit notes
Self-billing	There is a system for agricultural products, wood and artisanal gold mining.
Format of invoices	Electronic: mandatory for some taxpayers
Obligatory content of invoices	Yes
5. Business records	
Type of records	Business and accounting records, copies of tax invoices issued and tax invoices received when they are not electronic, importation documentation, credit notes
Retention period	As from 1 January 2017: the longer period between 5 years and the statute of limitations applicable to each case.
Electronic storage	Possible
6. Input tax refund to non-residents	
Refund to non-residents	Not applicable.
Competent authority	Not applicable
Refund procedure	Not applicable
Refund application deadline	Not applicable
Refund thresholds	Not applicable
Reciprocity principle	Not applicable
7. Other matters	
Other indirect tax filing obligations	Selective consumption tax (excise duty) is levied on the production and importation of listed goods. The tax liability is determined applying VAT rules
Indirect tax representative	Not applicable
D. Dispute resolution	
1. Objections	
Competent authority	Superintendencia Nacional de Aduanas y Administración Tributaria, SUNAT - Administrative procedure – first instance.
Time limit for objections	Within 20 working days after the date of notice of assessment (claim – first instance)
Suspension of tax payment	Yes
2. Appeals	
Competent authority (first instance)	Tax Tribunal – Tribunal Fiscal - Administrative procedure – last instance before court process.
Time limit for appeal	15 working days after the date of the notice of assessment
Competent authority (second and higher instances)	Peruvian Judiciary - Tax Court (without suspension of tax payment) - first, second and higher instances
E. Advance rulings	
Availability	Yes, on specific tax issues, APAs
Binding force	Yes, binding on taxpayer and tax authorities
Competent authority	Superintendencia Nacional de Aduanas y Administración Tributaria, SUNAT
Appeal	Not applicable
Fee	Not applicable
Validity period	Specific tax issues: indefinitely provided that the conditions remain without change APA: year of proposal and the following 3 tax years
Public disclosure	Specific tax issues: a summary without including taxpayer information may be published on SUNAT's website (not applicable in practice to date) APAs: not applicable
F. Interest and penalties	
Failure to register	1 UIT (2018: 1 UIT = PEN 4,150)
Omission or late payment of taxes	Simple interest of 1.2% (taxes in PEN currency) or 0.75% (taxes in USD currency) per month of the tax due
Omission or late filing of returns	Monetary penalty: 1 (companies) or 0.5 (individuals) UIT (1 UIT = PEN 4,150) (omission)
Inaccurate or frivolous filing of returns	Monetary penalties: – 50% of the omitted tax or undue credit; – 15% of incorrectly reported losses; – 100% of the amount improperly refunded Voluntary compliance: possible reduction up to 90% of penalty
Refusal to provide information and similar obstructionists behaviour	Monetary penalty of 0.6% of net income

Tax fraud	5 to 8 years of imprisonment under Criminal Tax Law
Failure to keep records	2 to 5 years of imprisonment under Criminal Tax Law 0.6% gross income (up to 25 UITs)
Erroneous refund or credit claims	100% of the amount improperly refunded or credited
Statute of limitations	4 years if tax returns were submitted 6 years if tax returns were not submitted 10 years if taxes were withheld but not remitted to the tax authorities
Executive liability	Yes
G. Disclosure	
Voluntary disclosure	Not applicable
Tax amnesty	Not applicable
H. Other matters	
Taxpayer identification number	11-digit tax identification number (Registro Único de Contribuyentes, RUC)

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