


Guatemala

<p>This guide offers a general review on VAT system in Guatemala. Please contact us for special cases.</p>	<p>Licda. Gabriela Sarat gsarat@jkreston-guatemala.com</p> 
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Name of the tax	VAT – Value Added Tax
¿Who is the tax authority?	SAT-Superintendencia de Administración Tributaria
¿What kind of tax is it?	It taxes the domestic consumption of goods and services without introducing distortions in commercial relations.
¿What is the motive?	<p>VAT taxes:</p> <ol style="list-style-type: none"> 1. Imports of goods. 2. Internal transfer of goods. 3. Provision of services within Guatemalan territory. 4. Insurance. 5. Leases
¿Which kind of VAT are?	<p>Rates:</p> <p>12% - General Regime</p> <p>5% – Small taxpayer regime, Special agricultural taxpayer regime.</p> <p>4%- Electronic regime for small taxpayers and special electronic regime for agricultural taxpayers.</p> <p>Specific rates-Sale, exchange or donation of motor vehicles and motorcycles.</p> <p>0% - exports</p> <p>Exempt:</p> <p>0% - Exemptions for specific services/goods</p>
Exemptions	<ol style="list-style-type: none"> 1. Imports of personal property (specific cases) 2. Exports of goods and exports of services (that meet certain requirements) 3. The transfer of ownership of movable and immovable property (in specific cases) 4. The services provided by the institutions supervised by the Superintendence of Banks and the stock exchanges authorized to operate in the country. 5. Cooperatives in sales and service provision operations with their associates, cooperatives, federations, service centers and cooperative confederations. 6. The creation, issuance, circulation and transfer of credit titles, securities and shares of any kind, except for the exchange bill, when the issuance, acceptance or negotiation corresponds to acts taxed by this law. 7. Interest accrued on receivables and other obligations issued by commercial companies and that are traded through a stock exchange, duly authorized and registered in accordance with current legislation.

	<p>8. The constitution of trusts and the return of the trust assets to the settlor.</p> <p>9. The contributions and donations to associations, foundations and institutions, educational, cultural assistance or social service and non-profit religious, legally constituted and duly registered as such.</p> <p>Among others.</p>
Withholding Tax	All taxpayers that are classified as special taxpayers are assigned as VAT withholding agents. Taxpayers can also request authorization from the tax authority to be assigned as VAT withholding agents.
What does a VAT number look like?	Individual or legal persons; Número de Identificación Tributaria -NIT-: 65994264
Is there a registration limit?	None
When must a non-established entity register?	Before carrying out the taxable operation, they must register with the SAT
Does an unestablished entity need a tax representative?	Companies must appoint a legal representative.
How often must VAT returns be filed?	Monthly
Are there penalties for late filing?	Yes, Q.50 for each day of delay, up to a maximum of Q.1,500.
Are sanctions imposed in other circumstances?	Yes, for the following situations: <ul style="list-style-type: none"> • Submission of affidavits after the established term. • Fines and surcharges for late payments.
Can VAT incurred by foreign companies be recovered?	Only if the foreign entity has a legally established entity in Guatemala that exports. Otherwise not.
Can VAT be deducted?	Yes; taking into account that all sales of local goods or services generate a tax debit to be paid and purchases of local goods and services generate a tax credit, in the monthly declaration the total tax debit is deducted from the corresponding tax credit and will be paid the difference when the debit is greater than the tax credit.
Do I need to issue an invoice?	The operations must be documented mainly with an invoice, among others depending on the specific case.