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**DEPARTMENT AGAINST TRANSNATIONAL ORGANIZED CRIME (DTOC)  
ORGANIZATION OF AMERICAN STATES (OEA)**

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FOR THE CONTROL OF MONEY LAUNDERING  
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**PRESENTATION  
TAX INITIATIVES IN LATAM DUE TO COVID-19**



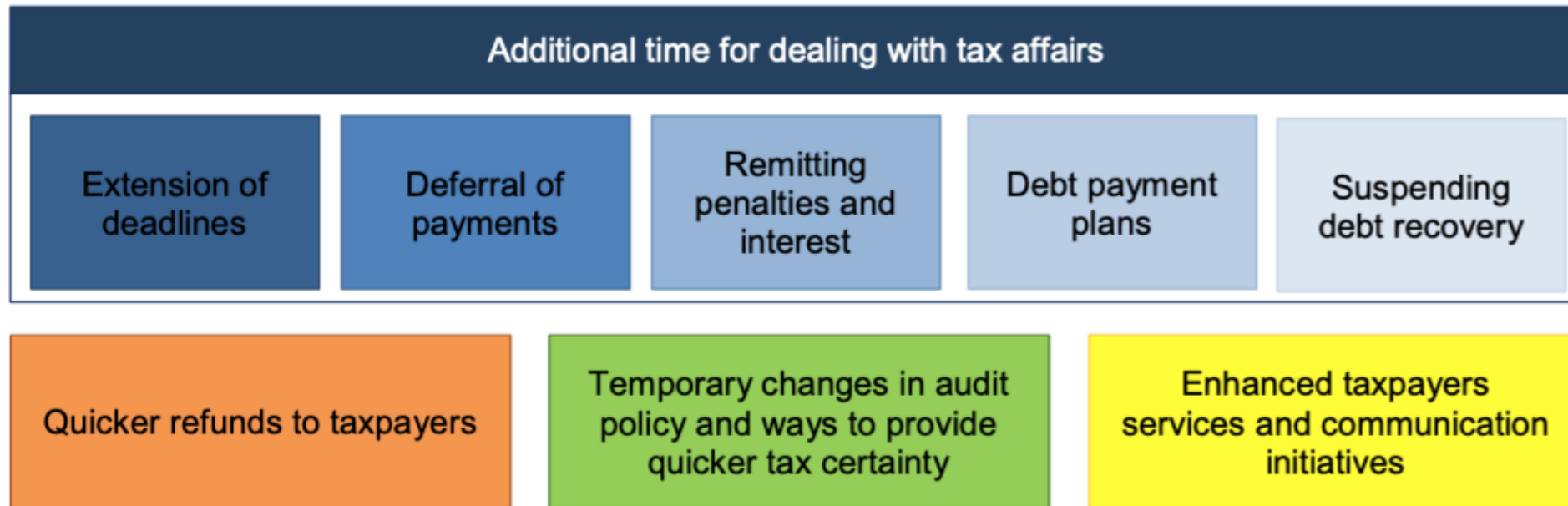
# Tax initiatives in LATAM due to COVID-19

## Tax Administration Responses to COVID-19: Measures Taken to Support Taxpayers

- Whether they adopt a targeted approach and only apply measures to taxpayers that are the most affected by COVID-19
- Whether to apply measures to all taxpayers, or all taxpayers within particular segments such as individuals, self-employed, SMEs and large businesses.
- The consequences which might arise for taxpayers from tax administration actions.
- The duration of measures.
- The possibility of fraud
- How to make options available to the digitally challenged



# Measures to support taxpayers



# Additional time for dealing with tax affairs

- Extension of deadlines
  - Income tax filing and payment.
  - PAYE and other withholding monthly obligations (involvement of third parties, complex with work from home)
  - Tricky situations when there are required for access to benefits. Consider separation of payment and filing moments or use previous year's return info.
- Non-taxative examples
  - Brazil, payments deferred for SIMPLES
  - Chile, VAT payments deferred for 3 months.
  - Colombia, filing and paying (net worth tax, regularization tax, foreign assets report)
  - Panama. Extension for individuals until May 30
  - Perú. New deadlines set between June and July



## Additional time for dealing with tax affairs

- Deferral of payments
  - Applied to payments due in installments
  - Downward advance payments (even if profits are expected)
  - Non taxative examples:
    - Chile. Income-tax pre-payments postponed for three months
    - Colombia. Deferral of the two-month advance payment for SIMPLE.
    - Costa Rica. Moratorium for VAT, selective consumption taxes and customs duties of April – June moved to December.
    - Panamá. Taxpayers may determine that estimated tax to be paid es 70% or more of previous year's without previous investigation.



## Additional time for dealing with tax affairs

- Remitting penalties and interests
  - Penalties for late filing of tax returns or for late tax payment may impose cash flow problems.
  - Chile, Costa Rica, El Salvador, Peru (limited waiver)
- Easy access to payment plans
  - Argentina, Chile
- Suspending debt recovery
  - Argentina (for small and medium-sized taxpayers), Costa Rica



## Other measures

- Quicker reforms. Processes for refunds might be prioritized
  - Chile, Panama, Peru
- Temporary changes in audit policy.





## Business continuity considerations

- Maintaining the safety of staff and taxpayers
- Continuous provision of critical services to taxpayers and government over a prolonged period.
- Delivering support to a wide range of taxpayers, including as a result of new government policy responses.
- Clear and timely decision-making processes in a rapidly changing environment and uncertain future states.
- Clear and timely communication with taxpayers and staff



## Business continuity considerations

- Governance. Pandemic decision-making committee
- Scenario planning
- Identification of critical and non-critical activities
- Understanding critical vulnerabilities and contingency planning
- Remote working
- Staff welfare
- External communications
- Training and redeployment



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