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### TAX MORATORIUM TAKES EFFECT IN PANAMA

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Panama's Law no. 45 of 5 August 2009 (*la ley 45 de 5 de agosto de 2009*) has been enacted. Law no. 45 grants a tax moratorium, which is to be administered by the Department of Revenue (Dirección General de Ingresos or DGI) of the Ministry of Economy and Finance (MEF) and applies to various specified taxes. The law makes provision for a deadline for the moratorium.

With its publication in the official gazette 26.339 (*Gaceta Oficial 26,339*), the law is in effect. The moratorium applies in respect of penalties, interest, and penalties applied to outstanding tax due (**up to 30 June 2009**) but which is paid during the period of the moratorium.

The law makes provision for delinquent tax payment arrangements. The last day for which the taxpayer may make such arrangements is 31 December 2009.

Under the law who can qualify for the moratorium?

- 1 People with tax "irregularities".
- 2 People who are in a state of delinquency, including those that have agreed with the tax authorities to payment arrangements.
- 3 Taxpayers, withholding agents, and others responsible for taxes.
- 4 Persons who are being or have been audited by the Department of Revenue and are awaiting the issuance or notification of the respective resolution.
- 5 Persons who are currently undergoing/undertaking litigation.

For further details, please refer to "[Moratoria Tributaria](#)" in *Carta Informativa* (6 de Agosto de 2009), a Spanish-language publication of the KPMG International member firm in Panama.

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The information contained in this newsletter was submitted by the KPMG International member firm in Panama. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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