



Central and South America Region

Taxes Information

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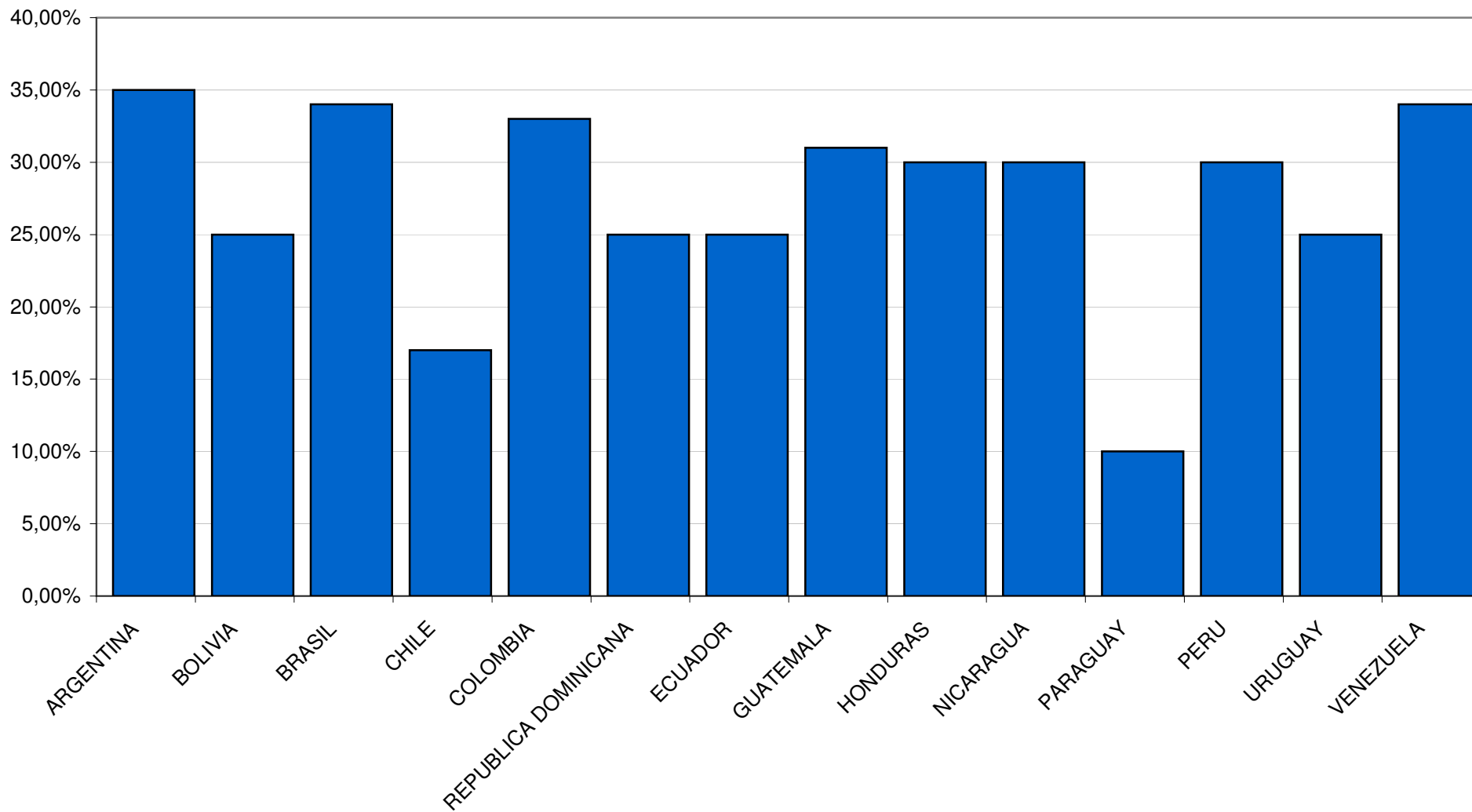
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COUNTRY	INCOME TAX						VAT
	INCOME SOURCE	RATE	DIVIDENDS	INTERESTS	CAPITAL GAINS	TAX LOSSES	
ARGENTINA	Worldwide source for corporation and individuals domiciled in Argentina	35%	Exempt in the case that the profit distributed have been subject to income tax Otherwise a withholding of 35% is applied	The payment of interest made to an foreign bank wich follows the standards of the Basilea Banking Committee is subject to a withholding of 15,05%. In the remaining cases the withholding aumounts to 35%	They are generally tax However sales of shares from an argentina company made by a foreign company is exempted.	Could be carry foward for 5 years	Levies the sale of goods and rendering of services including imports. The general rate is 21% and there are special rates of 10,5% and 27% for certain goods and services
BOLIVIA	Bolivian source	25%	Investor must paid a tax on dividends of 13%	Not burdened	Only if they are remited abroad at the rate of 12,5%		Levies the sale of goods and rendering of services including imports at the rate of 13%
BRAZIL	Worldwide source for corporation and individuals domiciled in Brazil	15% but 10% must be added for those companies with annual income exceding R\$ 240.000 and 9% for social security so the total rate amounts to 34%	Are exempted	For not residents the wiholding amounts to 15% and increase to 25% if the beneficiary is domiciled in a tax haven	Taxed For not residents the wiholding amounts to 15% and increase to 25% if the beneficiary is domiciled in a tax haven	Could be carry foward for ever without state of limitation But each year the tax loss to be offset should not exceed 30% of the taxable income	Applied at federal and municipal level
CHILE	Worldwide source for corporation and individuals domiciled in Chile	17% but in the case of dividends distribution a 35% is withheld considering the 17% as advance payment	Are exempt the dividends collected by a chilean company paid by another chilean company In the case of payments made to individuals or foreign companie a withholding of 35% is applied considering 17% as advance payment	For non residents there is a withholding system of 35% wich can be reduce for 4% if the loan is granted by a foreing bank or financial entity not related to the borrower	Taxed	Coud be carry foward or carry back with out state of limitation	Levies the sale of goods and rendering of services including imports at the rate of 19%
COLOMBIA	Worldwide source for corporation and individuals domiciled in Colombia	33%	Exempt in the case that the profit distributed have been subject to income tax Otherwise a withholding of 33% is applied	For non residents there is a withholding system of 33%	Taxed	Coud be carry foward without state of limitation	Levies the sale of goods and rendering of services including imports at the rate of 16%

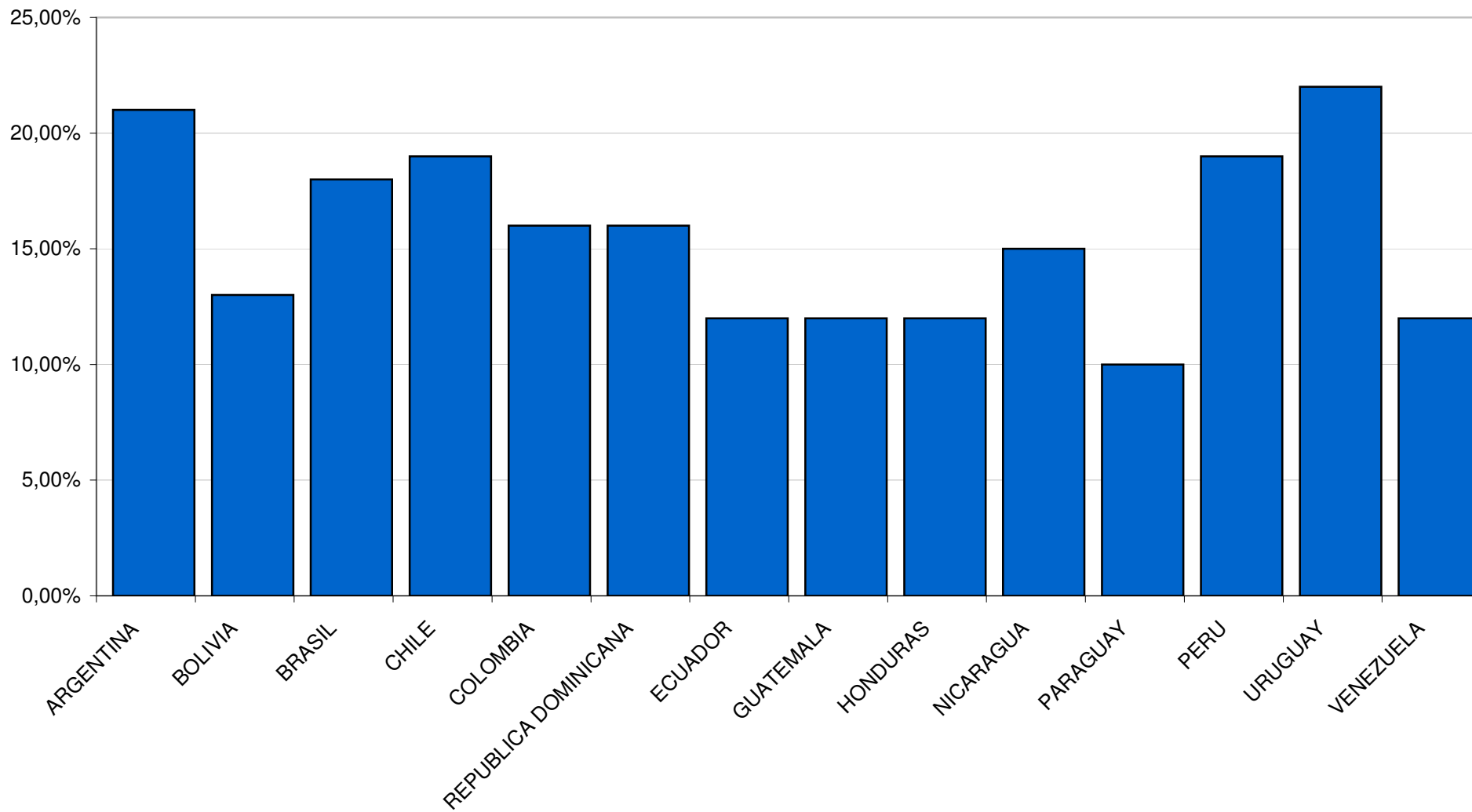
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REPÚBLICA DOMINICANA	Dominican Republic source	25%	There is a withholding system of 25%	There is a withholding system of 25% wich can be reduce for 10% if the loan is granted by a foreing bank or financial entity	Taxed	Can be carry foward for 5 years The first 3 years the deduction can not be more than 20% of the taxable income in the 4th year can be 80% of the taxable income, and 70% in the 5th year. The tax losses of the first year can be deducted the next year without limitation.	Levies the sale of goods and rendering of services including imports at the rate of 16%
ECUADOR	Worldwide source for corporation and individuals domiciled in Ecuador	25% but reduce to 15% in the case of reinvest the income.	Are exempt the dividends and does not exist a whithholding system.	There is a withholding system of 25%	Taxed	Can be carry foward for 5 years but the deduction can not be more than 25% of the taxable income each year.	Levies the sale of goods and rendering of services including imports at the rate of 12%
GUATEMALA	Guatemala source	In the general system is 5% over the monthly gross income and in the optional system is 31% over taxable income	Exempt in the case that the profit ditributed have been subject to income tax Otherwise a withholding of 10% is applied	There is a withholding system of 10%	Taxed at 10% in the general system and at 31% in the optional one	Can not be carry foward neither carry back. Nevertheless in the case of capital losses can be carry foward for 5 years but the deduction only can be against capital gains.	Levies the sale of goods and rendering of services including imports at the rate of 12%
HONDURAS	Worldwide source for corporation and individuals domiciled in Honduras	25% but increase to 30% temporary	Are exempt the dividends and does not exist a whithholding system.	There is a withholding system of 5%	Taxed at 10%	Can not be carry foward neither carry back.	Do not apply. Nevertheless exists a tax that levies the sale of goods and rendering of services at he rate of 12% and a rate of 15% for the sale of alcoholic beverage and tobacco
NICARAGUA	Worldwide source for corporation and individuals domiciled in Nicaragua	30%	Are exempt the dividends and does not exist a whithholding system.	There is a withholding system of 22,5% in the case of interests paid to non residents that are not a bank or financial institution	Taxed	Can be carry foward for 3 years	Levies the sale of goods and rendering of services including imports at the rate of 15%
PARAGUAY	Paraguay source	10%	There is a withholding system of 15%	There is a withholding system of 15% but reduce to 6% in the case of interest paid to a bank or financial instutution.	Taxed	Can not be carry foward neither carry back.	Levies the sale of goods and rendering of services including imports at the rate of 10% but reduce to 5% in some cases.
PERU	Worldwide source for corporation and individuals domiciled in Peru	30%	Are exempt but applied a withholding system of 4,1% for non residents.	There is a withholding system of 30% but reduce to 4,99% in some cases	Taxed	Can be carry foward for 5 years or without state of limitation, but in this case can not be deducted more than the taxable income each year.	Levies the sale of goods and rendering of services including imports at the rate of 19%

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URUGUAY	Uruguay source	25%	Are exempt but applied a withholding system of 7% for non residents.	There is a withholding system of 3%, 5% or 12% that depends of the period of time of the loan	Taxed	Can be carry foward for 5 years	Levies the sale of goods and rendering of services including imports at the rate of 22% but reduce to 10% in some cases.
VENEZUELA	Worldwide source for corporation and individuals domiciled in Venezuela	The general rate is 34% but applied 50% for oil companies	Exempt in the case that the profit ditributed have been subject to income tax Otherwise a withholding of 34% is applied	There is a withholding system of 34% but reduce to 4,95% in the case of interest paid to a bank or financial instutution.	Taxed	Can be carry foward for 3 years but those that have source in the inflation adjustment only can be carry foward for one year	Levies the sale of goods and rendering of services including imports at the rate of 12%

INCOME TAX RATE



VAT RATE



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