

The Electronic Invoice

The electronic invoicing system method will be mandatory for all those persons or legal entities registered in the General Directorate of Revenue as of January 1, 2022. The system can be executed through a free biller provided by the DGI or through Qualified Authorization Providers (PAC), depending on the volume of the activity or business.

Law 256 of November 26, 2021, modified articles 11 and 12 of Law 76 of 1976 regarding tax measures related to invoicing in Panama. Law 256 highlights the validity of the invoice as a negotiable instrument when billing through a tax machine or through electronic invoices. Based on the above, this law has forced previously exempted activities to migrate to these billing methods.

The most recent legislation (Executive Decree No.25 of June 27, 2022) regulates the aforementioned articles and establishes the calendar of new activities to implement the authorized tax devices and the Electronic Invoice System in Panama. It also establishes the obligation of all persons and legal entities in the territory of Panama, registered or not with the General Directorate of Revenue, to document through these tools any operation related to the transfer, sale of goods and/or services, unless exempted by law.

This Executive Decree established two dates to adopt these billing methods and divided them in two groups. The first group has companies authorized by the Maritime Authority in Panama, operations performed by the Securities Exchange of Panama (Latinex), public passenger transport services by air, oil cargo transport services, hostels that have at least seven rooms and leasing activities of movable property. For these activities, the adoption deadline is January 2, 2023. The second group has operations and services provided by banks and other financial institutions. This includes leasing companies and investment funds, as well as activities carried out by trusts or finance agencies subject to special laws; credit unions; savings, pension, and retirement funds; and savings and loan institutions.



For these activities the adoption deadline is February 1st, 2023.

It is important to point out that operations carried out between companies operating within free zones, duty free zones and special economic regimes, as well as sales carried out in the tax jurisdiction, have been included in the second group.

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To consult the complete text of Law 256 access the following link:

https://www.gacetaoficial.gob.pa/pdfTemp/29424_B/GacetaNo_29424b_20211126.pdf

Visita: www.focusalcogal.com