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RESOLUTIONS SRI

RESOLUTIONS ISSUED BY SRI IN JULY 2023

The First Supplement of the Official Gazette No. 366 of August 2, 2023 published 2 Resolutions issued by the Internal Revenue Service of Ecuador (SRI) that establishes guidelines regarding the Overseas Remittance Tax (ISD) related to exports to Argentina and the inclusion and exclusion of certain subheadings which may be used as tax credit for Income Tax (IT).

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Resolution No. CPT-RES-2023-001

SRI specify the following amendments related to the Income Tax Credit derived from the Overseas Remittance Tax (ISD):

- a) **Inclusion of subheadings**, which correspond to raw materials, supplies and capital goods for whose import payments the respective ISD is incurred and which by this Resolution are **included** as part of the subheadings that grant the right to income tax credit for **the whole year 2023 (January to December)**.

The subheadings correspond to plastic derivatives (polyacetals,

epoxy resins) and stainless-steel flanges.

- b) **Exclusion of subheadings**, which correspond to raw materials, supplies and capital goods for whose import payments the respective ISD is incurred and that by this Resolution are **excluded** as part of the subheadings that give right to Income Tax credit as **from August 2023**.

The subheadings correspond to rolled products (hot or cold) of iron or steel, alloy steel ingots, tanks, cisterns, vats of iron or steel, hydraulic pumps for the oil sector, sugar cane juice clarifiers, valves,

electrical connectors, hydrants, among others.

On pages 72 and 73 of the First Supplement of the Official Gazette you can see the details of said subheadings, which can be reviewed in the "Legal Reference" tab of this Blog.

Resolution No. CPT-RES-2023-002

The SRI extends the deadline for the application of the ISD assumption on exports of goods or services from Ecuador to Argentina for an additional three (3) months.

Therefore, such extension of the deadline will allow payments corresponding to such exports to return to Ecuador in an additional period of three (3) months, in addition to the initial six (6) months, counted from the arrival of the goods at the port of arrival or the beginning of the provision of the service. This deadline extension will apply to exports from November 2022 onwards.

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As experts in the field, we understand that **legislative changes and regulations** can generate doubts and concerns. So we are committed to being your trusted partner and providing clear and accurate answers to all your questions. **Our team of highly trained professionals** is here to guide you through any legal or tax challenges you may face.

If you have any questions, concerns or would like to take advantage of our services, please do not hesitate to contact us. We are eager to listen to your inquiry and offer solutions tailored to your business needs.



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