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NEWS

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RULINGS SRI

RULINGS ISSUED BY SRI IN JULY 2023

Through Supplements of the Official Gazette No. 358 and 361 of July 21 and 26, 2023, 2 Rulings issued by the Internal Revenue Service (SRI) were published establishing application criteria for payments made to (Simplified Tax Regime) RIMPE taxpayers and Excise Tax (ICE) on blank firearms.

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Ruling No. **NAC-DGECCGC23-00000004** establishes criteria for the application of the regulations related to withholding at source to taxpayers subject to Simplified Tax Regime (RIMPE), which must be applied by national financial system, credit card issuers and taxpayers acting as withholding agents:

Firstly, on payments made to RIMPE called "Popular Business", neither Income Tax (IT) nor Value Added Tax (VAT) withholdings should be made.

On the other hand, payments made to RIMPE called "Entrepreneurs" will be subject to IT and VAT withholdings according to the percentages established in Resolutions Nos. NAC-DGERCGC14-00787 and NAC-

DGERCGC20-00000061 (at the present date the IT withholding is 1% and VAT withholding can be 30% for goods and 70% for services), respectively. However, if those payments are made through credit or debit cards, collection or debit agreements, or other electronic means of payment (e.g. bank transfers), no IT or VAT withholding will be made.

Ruling No. **NAC-DGECCGC23-00000005** establishes as an application criterion that blank weapons are firearms and therefore, such weapons and their ammunition acquired are subject to Excise Tax (ICE) (current ad valorem rate: 300%).

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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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