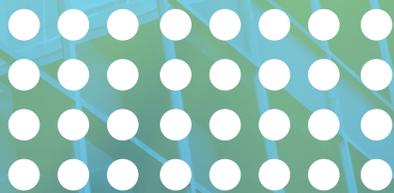




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Tax & Legal



# NEWS

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## RESOLUTION SRI

### UPDATED PROCEDURES FOR THE VERIFICATION OF VAT PAID BY INTERNATIONAL SPECIALIZED AGENCIES, NGOS AND LEGAL PERSONS DESIGNATED AS PERFORMERS IN INTERNATIONAL AGREEMENTS PRIOR TO THE BUDGET COMPENSATION PROCESS (VAT REFUND)

Through Resolution No. NAC-DGERCGC23-00000021 of September 1, 2023 published in the Official Gazette Supplement No. 388 of September 4, 2023; the Internal Revenue Service (SRI) establishes updated procedures for the verification of VAT paid on the local acquisition or imports of goods and demand for services, by International Specialized Agencies, NGOs and legal entities designated as performers in international agreements, government to government credits or multilateral organizations (hereinafter "International Organizations") prior to the process of budget compensation ("VAT Refund").

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The Resolution No. NAC-DGERCGC23-00000021 establishes verification procedures for **VAT refunds to International Organizations**, the main part of which is summarized below:

- **International Organizations must submit the request for verification of VAT paid as indicated on the SRI website for each month and each project;** for which the following requirements must be met:
  - ✓ Have Tax ID number (RUC).



- ✓ Identification of the registration code of the international agreement applied, generated by the Ministry of Foreign Affairs and Human Mobility (MRREE).
- ✓ Have the "project registration form for VAT budget compensation processes" duly updated and endorsed by the MRREE.
- ✓ Certificate from local financial institution to be submitted for the  
  
first time or when there is a modification.
- ✓ Pre-validation report from the SRI web portal. In case of inconsistencies, a copy of the sales and withholding vouchers reported with error must be submitted. If they are electronic vouchers, it is only required that such vouchers are listed.
- ✓ List in magnetic media of the sales vouchers that support the VAT and when applicable, they must also be found in the

Simplified Transactional Annex (ATS). In addition, submit it in PDF format duly signed.

- ✓ In the case of completed projects in the process of renovation, MRREE certification is required.
- ✓ All documentation must be translated into Spanish.
- VAT paid that has been used as a tax credit or compensated in any other way or that corresponds to values that do not come from international agreements is excluded from the VAT verification.
- **Local purchases and imports of goods and demand for services carried out with international funds shall not exceed the total amount allocated to each project or program.**
- The Resolution is effective as of **September 4, 2023.**



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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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