

# Tax Agenda Bolivia

September 2024



No.	Fact	Action
1	<p><b>Electronic invoicing</b></p> <p>In relation to billing and VAT determination, as a result of the electronic invoicing rules established in 2021 taxpayers are migrating to electronic invoice systems. For such purpose, taxpayers' systems and processes may require significant amendments and improvements to comply with the requirements.</p>	<p>Taxpayers should review the due dates defined by the Bolivian Tax Authority (taxpayers were classified by groups) and plan necessary actions to confirm the compliance with the requirements established by the Electronic invoicing rules (e.g., ERP improvements, IT changes, logistics, procurement).</p> <div> <span>●</span> <span>●</span> <input type="checkbox"/> </div>

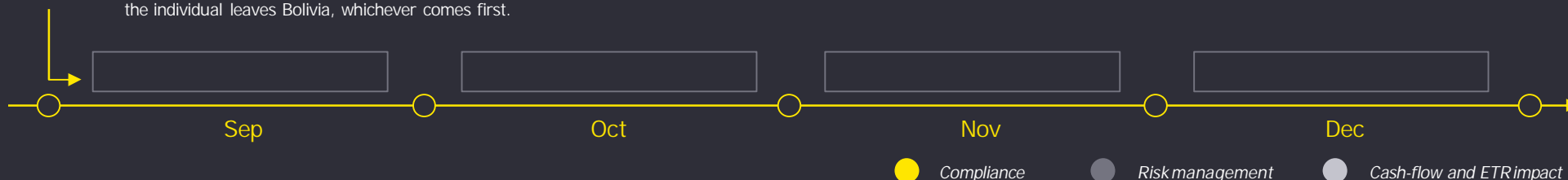
## Modifications to Personal Income Tax (PIT) regulations

The following amendments to the PIT regulations are effective since 01.01.2023:

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  - a) Income of individual that provide professional services is included within the scope of PIT (RC-IVA by its Spanish acronym) at a rate of 13% on a quarterly basis. Previously, such incomes were taxed under Corporate Income Tax (CIT) at a rate of 25% on yearly basis.
  - b) RC-IVA triggered by fees, remuneration or income obtained by non-Bolivian residents but related to work carried out in Bolivia, can be paid to the Bolivian Tax Authority by means of Tax Forms, within 3 days following each month or before the individual leaves Bolivia, whichever comes first.

Taxpayers should determine the possible effects that the PIT regulations may have on the individual labor cost (mainly of expatriates transferred to Bolivia). Consider the personal liabilities that the taxes may trigger for assignees.

It should be noted that any analysis on domicile and residence must be made based on facts and circumstances, as domestic tax regulations do not contain a definition on such concepts.



Use text boxes above the timeline to plan your actions for coming months

No.	Fact	Action
3	<p><b>Contributions of foreign personnel</b></p> <p>Expatriates must pay social security contributions in Bolivia. Contributions can be transferred to the expatriate's home country if the following conditions are met:</p> <ol style="list-style-type: none"> <li>The expatriate ends his or her employment relationship and leaves definitively the country.</li> <li>The expatriate has not accessed his or her pensions in Bolivia.</li> <li>A bilateral or multilateral social security agreement is in effect with the destination country.</li> </ol> <p>Currently, it is not possible to apply to the mentioned transfer as procedures are not available.</p>	<p>Expatriates should analyze tax and social security treatment of payments to expatriates working in Bolivia.</p> <p>The Ibero-American Multilateral Agreement on Social Security, signed by Bolivia, should be considered. Countries that have effectively implemented this agreement are Argentina, Bolivia, Brazil, Chile, Ecuador, El Salvador, Spain, Paraguay, Peru, Portugal and Uruguay.</p>
4	<p><b>Digital economy</b></p> <p>Bolivia does not have specific rules on digital economy:</p> <ol style="list-style-type: none"> <li>Resident providers of digital services (e.g. marketplaces, delivery, streaming, education, video games, online advertising and gambling from Bolivia, etc) should obtain a Tax ID and comply with full direct and indirect taxation.</li> <li>There are no rules for the payment of taxes in Bolivia for Non-residents providers of digital services.</li> </ol>	<p>Taxpayers should analyze digital services operations from or to Bolivia, considering the application of source principle for tax collection, under which, any activity carried out in Bolivia should be taxed.</p>
5	<p><b>Transfer pricing (TP)</b></p> <p>Under the TP regime, the following formalities will apply, depending on the amounts of yearly transactions:</p> <ol style="list-style-type: none"> <li>Greater than BOB15 million (USD2,155,172), a transfer-pricing study and Informative Tax Form must be filed.</li> <li>Between BOB7,500,000 (USD1,077,586) and BOB15 million (USD2,155,172), only informative Tax Form must be filed.</li> <li>Less than BOB7,500,000 (USD1,077,586), count with information requested by Bolivian Tax Authority.</li> </ol>	<p>Taxpayers should comply with TP rules and determine possible effects that may trigger on transactions with related parties.</p> <p>The following should be considered on Bolivia's TP regime:</p> <ol style="list-style-type: none"> <li>Applies only over international transactions (i.e., it is not applicable for domestic related parties).</li> <li>Defines a special formula to define the market price range, which is different to the interquartile range (IQ range).</li> </ol>
6	<p><b>Financial statements</b></p> <p>Bolivian legislation establishes the following tax year-ends, depending on the type of business: industry (including oil and gas): 31 March, agriculture and agribusiness: 30 June, mining: 30 September, all other businesses: 31 December</p> <p>Annual tax returns and financial statements must be filed with the Bolivian Tax Authority within 120 days after the end of the tax year.</p> <p>Following formalities in relation to the preparation of accounting records and financial statements are defined: accounting records should follow Bolivian GAAP, accounting records should be kept physically in Bolivia, a statutory audit is needed when yearly revenues are equal or higher than BOB1,200,000 (USD 172,414).</p>	<p>Taxpayers should comply with the deadlines and formalities.</p>

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