

TAXES IN PANAMA

The following are national taxes, as per the provisions of Article 683 of the Panamanian Tax Code:

1. Import taxes
2. Income taxes
3. Property taxes
4. Taxes imposed on Vessels
5. Stamp taxes
6. Operation notice taxes
7. Banking, financial and exchange taxes.
8. Insurance taxes.
9. Fuel consumption and petroleum derivatives taxes.
10. Taxes for the transfer of tangible personal property and services.
11. Taxes imposed on the selective consumption of certain goods and services.
12. Taxes imposed on the transfer of real estate.
13. The Dividend (Supplemental) tax
14. The Capital Gain tax

A. Income Tax on corporations or similar entities

The first and most important tax to take into account in Panama is the income tax. Any income that is produced in Panama is subject to this tax, regardless of the nationality, domicile or residence of the beneficiary of the income, the venue or where the contract has been signed, the place where payment is made and received and who receives or is the payer of the same.

Foreign individuals staying more than one hundred eighty-three (183) days (either continuous or in alternative days) in the fiscal year in Panama, and that have received or accrued income subject to tax, shall determine the same in accordance with the rules established by the Fiscal Code and pay such tax in accordance to the rate shown in Article 70 of the Fiscal Code.

This tax for corporations and legal entities is twenty-five percent (25%).

However, legal entities whose principal activity is the generation and distribution of electricity, telecommunications services, insurance in general, reinsurance, lending institutions governed by Law 42 of July 23, 2001, cement manufacturing, operation and administration of gaming, mining in general and persons engaged in the business of banking in

Panama, pay taxes due on their taxable income based on the following rates:

For the fiscal period starting as of January 1, 2010: 30%

For the fiscal period starting as of January 1, 2012: 27.5%

For the fiscal period starting as of January 1, 2014: 25%

Companies in which the State has a stake greater than forty percent (40%) of the shares, pay income tax at the rate of thirty percent (30%).

Income is considered to be generated in Panama (or of Panamanian source), and therefore subject to tax, when proceeding from any civil, commercial, industrial or similar activity, and income from professions, crafts and all kinds of services performed, fulfilled or exercised within the territory of the Republic of Panama, as well as generated by international transport activities for freight, fares, charges and other services whose origin or final destination is the Republic of Panama, regardless of the place of incorporation or domicile and any income or revenue obtained within the Republic, either by the use of goods or the performance of services.

Corporations with taxable income exceeding one million five hundred thousand dollars (US\$1,500,000.00) annually, will pay tax at the rate that corresponds to the legal person concerned in accordance with Article 133-A of Executive Decree 170 of 1993 and referred to in the preceding paragraphs, that is, the largest sum resulting from:

- The net taxable income resulting from deducting from the taxable income of the taxpayer, any tax incentives granted by development or production regimes and legally authorized year losses, i.e. calculated by the traditional method established by the Fiscal Code, or
- The net taxable income resulting from applying the total taxable income calculated by fourth point sixty-seven percent (4.67%).

Companies or legal entities engaged in agricultural activities will pay an income tax that is the higher amount resulting from:

- The net taxable income calculated by the traditional method, or
- The net taxable income resulting from applying to the total taxable income, at the following annual progressive rate:

2011: 2%

2012: 3%

2013 and thereafter: 3.25%

The total taxable income used for the alternative method of calculating the income tax, is the amount resulting from subtracting the taxpayer's total income, exempt income and/or taxable, and income of foreign source. For the purposes of this calculation, there are no other deductions, except for returns and discounts.

Legal entities whose total taxable income does not exceed the sum of one million five hundred thousand dollars (US\$1,500,000.00) per year, are not subject to the application of alternative calculation of income tax.

If due to the payment of income tax, the legal entities engaged in agricultural or fishing activities incur losses, or their effective rate of income tax exceeds the established rates, they are entitled to apply to the Department of Revenue the suspension of the implementation of the alternative calculation of income tax, up to a period of three (3) years.

The traditional method allows the deduction of all expenses incurred to produce income or preservation of the source, and consequently are not deductible, among others, those expenditures, activities or investments whose income is of foreign source or free. The Law specifically indicates which are the costs or expenses that are not deductible for taxable net income in the traditional method of income tax.

Remittances abroad are taxed based on the rates of Articles 699 (legal entity) and 700 (individual) of the Fiscal Code and applied on 50% of total remittances. Also, considered exempt from income tax, will be the non-Panamanian sources which are not considered deductible by the taxpayer for purposes of this tax.

The main exemptions from income tax are the activities ranging from international transport activities of freight derivatives, passages and services to passengers or cargo in transit across the territory of the Republic of Panama, interests, agricultural research, insurance payments in general and international leasing. Exemptions are divided on the basis of economic activity, the person and the amount for individuals.

Costs and expenses shall be assigned as appropriate as it is found conclusively to the satisfaction of the Department of Revenue, taxable income, exempt income or foreign source income. However, the costs and deductible expenses cannot exceed the ratio obtained by dividing the taxable income to total income including exempt and foreign source.

The resulting ratio is multiplied by the amount of total costs and expenses. An exception to the above are the uncollectible accounts, donations to the State and educational institutions of the country or charitable nonprofit entities, tax on Operation Notices and technical operating costs directly related to the risk assumed by insurance companies and other expenses established by the Executive Branch through the Ministry of Economy and Finance.

The taxpayer must compute its revenues, costs and expenses in the fiscal year based on accounting records using the accrual system on the basis of International Financial Reporting Standards or NIIFs.

There is a special tax regime of income tax that applies to investment companies registered with the Securities Exchange Commission and the Department of Revenue, whose shares or participation shares are listed and traded on stock exchanges or other organized markets capital, in which case the income tax of the investment company on the holders of shares of shares or participation shares, at the rates provided in Articles 699 and 700 of the Tax Code, as appropriate, leaving the company investment required to withhold twenty percent (20%) of the amount distributed at the time of each distribution which the taxpayer may be consider as the final income tax payable.

B. Income Tax on Individual Persons

This tax is applicable to taxable income which occurs, from any source, within the territory of the Republic of Panama, regardless of the location where the income is received.

Taxpayer, as the term is used in this title, is the natural person or legal entity, domestic or foreign, who receives taxable income subject to the tax.

PARAGRAPH 1.

Income considered as produced within the territory of the Republic of Panama:

b. Income from salaries, wages, representation expenses or other remuneration in cash or in kind to be paid to workers or persons by reason of the exercise of their profession or trade.

ARTICLE 696.

Considered as Gross income, is the total income before deducting any amount of the taxpayer's income in cash, in kind or in value, which includes total amounts received in respect of:

a. Wages, salaries, overtime payments, bonuses, wages, allowances, bonuses, commissions, pensions, fees, expenses, bonuses, shares in profits, use of homes or vehicles, recreational or leisure travel, family education costs, and other similar remuneration for personal services, whatever their denomination, even if they are not subject to the system of contributions social security system, excluding expenditure on health insurance.

Individuals pay income tax in accordance to the following rates:

If the net taxable income is:	The tax is:
Up US\$11,000.00	0%
More than US\$11,000.00 to US\$15,000.00 (applicable to the surplus between US\$11,000.00 and US\$50,000.00)	15%
More than US\$50,000.00, for the first US\$50,000.00 and a tariff of 25% on the excess of US\$ 50,000.00	pays US\$5,850.00

Article 709.

Once the taxable income on which it has to pay income tax is computed, individuals are entitled to deductions for the following year:

Spouses, the sum of eight hundred dollars (B/.800.00), when submitting their income tax declarations jointly.

For the purposes of this article, the term "married couple" means a couple that is united by the bond of marriage and marital life in terms of stability and uniqueness for at least five (5) consecutive years duly verified by interested parties. This marital life can be proved with the statements of two (2) witnesses, under oath.

The amounts paid as interest on mortgage loans as intended or used exclusively for the acquisition, construction, building or home improvements of the taxpayer's own use, provided that it is located in the Republic of Panama. This deduction can be applied up to a maximum annual sum of Fifteen Thousand Dollars (US\$15,000.00). If the house

belongs to several contributors, the amount of interest will be apportioned among them.

Interest paid for loans that are used exclusively for education within the national territory of the taxpayer or of those who hold it or educate, and those caused by loans provided by the Institute for Training and Development of Human Resources (IFARHU).

Medical expenses incurred within the national territory by the taxpayer, if duly proven. For the purposes of this Article, the following are considered medical expenses:

- a. Premiums for insurance policies for hospitalization and medical care to cover the costs referred to in subparagraph b) of this section;
- b. The amounts paid by the taxpayer in respect of hospitalization, diagnosis, cure, prevention, mitigation or treatment of a disease, provided that such sums are not covered by insurance policies.

The amounts to be levied in respect of representation expenses will be subject to withholding income tax as detailed below:

- 1. Until US\$25,000.00: 10%.
- 2. More than US\$25,000.00: payable US\$2,500.00 for the first US\$25,000.00 and a rate of 15% on the excess.

The taxpayer who receives, in addition to salary or wages, additional income, must submit and income tax declaration for the purposes of the income tax deductions established in this Fiscal Code, as well as the contributions to pension funds established by Law No. 10 of 1993. However, revenues from representation expenses are not cumulative salary and other taxable income not falling expenses.

b. Stamp Tax.

Documents executed and subject to the laws of the Republic of Panama are subject to stamp duty at a rate of US\$0.10 per US\$100.00 value. The stamps must be affixed to the document at the time of execution. The Stamp Duty will be paid through enabled plain paper, affidavit or any other system or mechanism that according to the Ministry of Finance, through the Department of Revenue, meets the audit and tax collection. All acts valued at more than US\$10.00 are subject to tax.

Any natural or legal person is obliged to pay the stamp duty, payable monthly by sworn declaration.

There are a series of acts that cause no stamp duty. These include acts or contracts that must be documented and that cause transfer of property and services. As an example, a construction contract would not have to pay the stamp duty, because it already generates the tax on the transfer of movable property and services.

Among other important tax exemptions are: those not conforming to the Panamanian source income, negotiable documents, purchase orders, samples, plane tickets.

The tax structure is amended in order to seek greater flexibility, reducing the application exclusively to all checks and other negotiable instruments that have no other tax, whose administration is given by the banking and financial sector of our country. Besides, any document containing an act, contract or obligation of an amount exceeding ten dollars that has no special tax and relates to a business subject to the jurisdiction of the Republic for a hundred dollars or fraction percent of value expressed in the document.

c. Operations Notice Tax.

The tax is levied directly in net assets of corporations. The same is taxed at the time of starting operations as notified to the Ministry of Trade and Industry who grants the license to operate in the Republic of Panama. The initial rate of this tax is fifty-five dollars (US\$55.00) when applying the Operation Notice and successively your taxable income is over the net assets of the company, allocating a rate of two percent (2 %) on this basis. There is a minimum of one hundred dollars (US\$100.00) and a maximum of sixty thousand dollars (US\$60,000.00). The same is paid annually, three (3) months after the end of the fiscal year, and the income tax statement is used for the reporting and payment of tax.

Should the company be established within free trade areas, they own or operate in the Colon Free Zone or any other free zone or area established or created in the future will not be subject to have the Operation Notice Tax, but are required to pay one percent (1%) per year on the capital of the company with a minimum of one hundred dollars (US\$100.00) and a maximum of fifty thousand dollars (US\$50,000.00).

d. Transfer Tax Personal Property and Service (ITBMS)

This tax is commonly known in other jurisdictions as Value Added Tax

(VAT). The same is seven percent (7%) and is caused, among others, by the provision of services by all types of traders, producers, industrialists, professionals, landlords and property service providers in general, excluding the personal services provided as an employee and paid to the State.

The following services and operations fall within this concept:

1. Performing works with or without delivery of materials
2. Any intermediation in general
3. The use of staff by owners, legal representatives, officers or shareholders of the company, or the services rendered by it
4. The lease of real estate and tangible property or any other convention or action that causes or is intended to give the use or enjoyment of the property
- Public performances, events, seminars, conferences, lectures, presentations of artistic or musical groups, artists, singers, performers, sports professionals and professionals in general, that are not free of charge, that are made within the territory of the Republic of Panama.
5. The local and international air transport of passengers

The obligation to pay the tax emerges on the service delivery, with any of the following events, whichever occurs first:

- The issuance of the invoice.
- Completion of the service.
- Receipt of full or partial payment of the service to be provided.

According to the tax laws, the tax base of this tax will be:

a) In the transfer of goods and provision of services for consideration, the price paid. The same shall consist of all amounts charged to the buyer whether billed jointly or separately, such as ancillary services performed by the taxpayer which benefit the acquirer.

Ancillary means all actions, events or goods that are inherent or necessary for the completion of the transfer of goods or provision of services, such as delivery or home delivery, packaging, assembly or installation expenses and interest on financing. These benefits will be the tax treatment of the main operation.

Deducted from that price, shall be the rebates and discounts and rebates or current general use in the domestic market in accordance with the nature of the operation in question, provided that the invoice or other documents establishing the DGI, according with the provisions of

paragraph 17 of Article 1057-V of the Tax Code. The result obtained is called net price.

b) In the performance of services by way of lease or transfer of use or enjoyment of property, the price agreed. For these cases, the net price will not be less than the value of the tax depreciation or amortization, where appropriate, that affects the asset in the same period, plus a percentage of fifteen percent (15%) of this value. When the property is already depreciated or amortized, or where appropriate the embodiment thereof, will apply the net price agreed.

c) The lease of real property and acts in which is given the use or enjoyment of the same, the tax base will be the amount of consideration agreed in the contract or included in the invoice or equivalent document admitted tax, whichever is greater, accruing in the tax assessment period.

d) Involvement in the use or consumption of the property of the company, the taxable amount is the book value, while in the inventory or personal use of the services provided by the company as well as in cases of awards or operations gratuitously or without specified price, the tax base will be the cost price of the goods placed on the company in a position to be sold or the price the cost of the service to the company.

It shall be presumed, unless proven otherwise, that differences in the inventories of companies marketing goods come from involvement with the use or consumption thereof.

e) In the permute, the best value arising from comparing the price set by the transfer or service provision with goods or services that the taxpayer receives as consideration. The amount of money that must be assigned to the consideration shall be determined using the following valuation:

- The shares, securities, bonds, debentures, bills, bonds and any other securities private or public, issued in the country or abroad, according to the market value on the Stock Exchange. If quotes are not registered, the face value of the document shall be applied.
- The buildings and other property or services, shall be computed by the value the greater of the assessed value, the book value, or cost price of the goods placed in a position to be sold or the cost price for the case of services. The Department of Revenue may challenge such securities for reasonable cause.

f) In all the cases mentioned in the preceding paragraphs, the base shall include the taxable amount of other taxes that affect the operation excluding tax itself, except in services where the Selective Consumption Tax (ISC) has also been applied, which shall not be part of the tax base.

g) In imports, the CIF value plus all taxes, fees, duties, taxes or customs duties affecting imported goods, and other customs duties even in cases where their application is exempt, provided that affect the operation prior to removal of goods. In cases where the FOB value is not known, thirteen point five percent (13.5%) of that value and freight cost, one point five percent (1.5%) for insurance.

h) In all cases of mediation and/or services, the basis on which the tax is to be calculated on the commissions, fees or amounts agreed or agreed, with total exclusion of reimbursement.

i) In the case of services provided by restaurants, bars, clubs and the like, the basis on which the tax is to be calculated is the total turnover.

Taxpayers may propose procedures for the determination of the tax base of those services rendered partly within the territory or in cases which by their nature can not establish with precision. In both cases the DGI shall issue a decision based on that effect.

Payments made on behalf of third parties related to the service provided will not integrate the tax base up to the amount of the payment made by another person, provided that they are properly supported with the appropriate legal documentation. Such documentation must accompany the invoice of the service and filed jointly.

e. Dividend Tax (Supplementary Tax).

Any corporation that requires Operation Notice, is required to withhold tax on dividend of 10% of the amounts distributed to their shareholders of subsidiaries, where these are from Panamanian sources, and 5% in the case of foreign income, foreign or export. The same tax treatment of 5% will be imposed on income from international maritime trade, the interests that are recognized as the product of savings accounts, installments of any kind that are kept in banks in the Republic of Panama. Also taxed with 5% are the amounts received or accrued by persons abroad in royalties from persons located in the Colon Free Zone.

For the dividend distribution, the regime established by international treaties will prevail, and before distributing dividends from foreign sources in order of preference, dividends on Panamanian income must be distributed as a priority over exports.

Bearer shares are taxed at 20% on its resulting balance used in the foundations of the 5% and 10% respectively.

The companies that are formed as foreign branches that are extensions of foreign entities are taxed 10% on 100% of the net taxable income.

The tax assessment will be within the first ten (10) days when retention is done upon declaring a dividend or participation fee.

Consistent dividend tax, the surtax is a preview to the latter which is paid if no profits are distributed in the same fiscal period or generated profits are distributed in the same fiscal period were not within the levels established by legislation.

If the dividend is greater than 40% will proceed to liquidate the dividend tax to 10% or 20% if they are registered or bearer shares respectively.

In the event that no distribution of dividends or the total amount distributed as dividend or participation fee is less than forty percent (40%) of the amount of net earnings for the fiscal period, less the tax paid by the legal person, that should cover 10% of the difference.

For those operations that are dividend distribution, Panamanian source is 10% of 40% of taxable income. And for the purposes of external operations, exports and foreign source income will be 10% on 20% of taxable income.

Any loan or credit that a corporation accords to its shareholders should pay 10% tax on dividends, including cases in which the tax on dividends is 5%. Where ever made prior withholding tax on dividends of 10%, shall be done and paid the tax. Where the retention has been only 5%, the company must retain an additional 5% to complete the 10% required for the dividend tax cases contained in this paragraph. Exempted are the bearer shares, which must retain 20% in dividends, before being lent to the shareholder carrier.

Excluded from paying taxes on income, are the dividends or participation quotas distributed and corresponding to preferred shares, provided their maturity does not exceed five years, which are not part of

the capital, in accordance with the Reporting Standards International Finance, which belong to owners of common stock of the issuing company, earning a yield of no more than 6% per year, which are not transferable and that emissions of such preferred shares do not exceed 40% of equity.

f. Capital Gains Tax.

The capital gains tax is based on the income tax on the utility from the sale. Whenever there is a transfer of real property, the taxable income is the difference between the sales value and the cost basis of the property, including the improvements and expenses required to complete the transaction. There is important legislation that defines the basic cost and the lower amount between the assessed value and book value for legal persons.

In this particular case, the sale of real property is not in the ordinary course of business of the taxpayer. This tax is a flat rate of 10%. However, the legislation provides for an advance of 3% of the value obtained from the sale of the property value or whatever the greater. In any case the income tax of immovable property for farming and residential use properties whose assessed value is US\$10,000.00, to the same basis of calculation is 3%.

In any case, if the advance of 3% ends up being higher than the amount resulting from the 10%, you can file an affidavit certifying the payment, and the surplus tax paid may be returned in cash or as a tax credit for paying taxes.

Tax law has the same special treatment when the gain arises on the sale of marketable securities. The rate is 5% based on the difference between the sales value and the carrying amount as established by the financial statements as base cost or acquisition value in question.

g. Adequacy rules for treaties or agreements to avoid double taxation.

The transfer pricing regimes oriented regular tax purposes transactions are between related parties, the terms defined in this Chapter, so that trade-offs among them are similar to those made by independent parties.

The benefits of the Treaties to Avoid Double Taxation signed by the Republic of Panama and other countries which have entered such into

force, shall apply only if the taxpayer demonstrates, at any time, which that is a resident of the country in question, and he has complied with the relevant provisions of the Treaty. In order to prove the residence, the records issued by foreign authorities will give faith upon official translation and legalization.

h. Annual franchise tax (corporation tax).

Corporations, private foundations, limited liability companies and any other legal entities, whether domestic or foreign, must pay, at the time of registration, and in subsequent years, the annual single rate amounting to three hundred dollars (US\$300.00).

The private foundations must pay, at the time of registration, a first single annual fee of three hundred fifty dollars (US\$350.00). In subsequent years, the payment for this item shall be four hundred dollars (US\$.400.00).

For all legal purposes, a corporation or foundation will be considered validly existing and in full force, if duly registered within the Public Registry of Panama. This obligation does not extend to non-profit organizations, cooperatives and civil entities.

Each time the taxpayer incurs in non-payment of the annual tax for three consecutive periods, the effect will be that in addition to the surcharge, a fine of three hundred dollars (US\$300.00) will be applied and a marginal notation indicating that the corporation is in a state of delinquency. When the taxpayer pays the delinquent taxes with their respective surcharges and the hereby referenced fine, the effect will be the restoration of services by the Public Registry of Panama and deletion of the marginal note.

MUNICIPAL TAXES

Regarding municipal taxation, it is important to note that all the municipalities of the Republic are authorized by law to create and collect taxes, duties and contributions which are established at the level of each district. We can basically identify three (3) that could impact the operation intended to be done in Panama: the tagline and advertising tax, the business tax and the road tax (plate). Let the most important features of each.

a. Tax Tag and Propaganda.

The event for this tribute is the public display of placards passer. The

same is assessed by the municipal treasurer based on the size and location of the sign or label.

b. Activity Tax.

The tax on commercial and industrial profit activities is assessed as well by the municipal treasurer. On the criteria number of staff, location, inventory, gross sales, commissions or transactions. The same is taxed on a monthly basis based on criteria selected range is between US\$25.00 and US\$2,000.00 as a stop.

c. Road Tax (Board).

The road tax is based on the type of vehicle: motorcycle, automobile, trailer, truck, depending on the number of passengers and gross vehicle weight. It is paid on an annual basis and the minimum is US\$1.00 to US\$242.00 corresponding to a crane over 24 tons gross vehicle weight.

SOCIAL SECURITY

Employees and employers must pay the share of the Social Security Fund, in accordance with the provisions of the Social Security Law, on all wages paid by the employer and received by the employee.

For purposes of this Law and the Cabinet Decree 68 of 1970, and subject to the definition of wages contained in the Labor Code, wages shall mean all remuneration, wage or salary without exception, in cash or in kind, received by employees from their employers as remuneration for their services or in connection with these, including:

1. The commissions
2. The holidays
3. Bonuses
4. Diets, provided they are recurrent exceeding twenty-five percent (25%) of one month's salary. If this percentage is exceeded, such excess will be treated as wages.
5. The raw production, always exceeding fifty percent (50%) of one month's salary.
6. The costs of employee representation of public and private sector from January 1, 2006, for both sectors. Such representation allowances are taxed with the following gradual:
 - c. From 1 July 2010 onwards, one hundred percent (100%).

The resources of the Social Security Fund to cover administrative expenses that requires the administrative management of the organization and performance of sickness and maternity, invalidity, old

age and death, shall consist of the following income:

1. The fee paid by the employees, which will:
 - d. From 1 January 2011 to 31 December 2012, equivalent to nine percent (9%) of their salaries.
 - e. As of January 1, 2013, the equivalent of nine point seventy-five percent (9.75%) of their salaries.
2. The fee paid by employers, which will:
 - a. From 1 January 2011 to 31 December 2012, equivalent to twelve percent (12%) of their salaries.
 - b. As of January 1, 2013, the equivalent of twelve point five percent (12.25%) of their salaries.
3. The special contribution of the employer, to be held on the basis of each of the three games of the thirteenth month, equivalent to ten point seventy-five percent (10.75%) of the amount paid by the employer in this concept to its employees.
4. The special contribution that will be made by the employee, on the basis of each of the three games of the thirteenth month, which is equivalent to seven point five percent (7.25%).

PROCEDURE - performance or payment of tax liabilities

1. Pay period.
 - a) The import. The same is collected by the Customs Authority and the same is paid when drawing up the customs clearance.
 - b) The income. This tax is paid in the following manner: The tax for the period ending December 31 of each year, is paid no later than March 31 of the following year. In addition, the Monthly Advance Income Tax, can be settled by affidavit within twenty (20) days following the previous month calendars.
 - c) The Property Tax. This tax is annual and is settled in three parts before April 30, July 30, and December 30.
 - d) The Stamp Tax. There must be an affidavit 15 calendar days monthly at year end. The same may be payable bimonthly, quarterly, semi-annually, but must seek permission from the tax authorities and should prompt resolution of this organization encouraging and authorizing the period selected by the taxpayer.
 - e) The Operations Notice Tax. The first year is US\$15.00 at the time of entering the information portal at PANAMA EMPRENDE ICIM. After 3 months of the second year following the close of the fiscal year.
 - f) The fuel consumption and petroleum derivatives. It should be settled 15 calendar days after the close of each month.
 - g) The transfer of tangible personal property and services. It is liquid and depends on the type of taxpayer. If type one class to 5000 dollars 3000 is quarterly as well as those of the professions. Any other type 2

greater than 5000 presented and taxed the tax monthly.

h) The transfer of real estate. It will be taxed once the transfer is made of the property before closing and the deed of sale before a notary.

i) Dividend (Supplemental). The tax on dividends is paid 10 days after completing additional retention and for the filing of the affidavit of income 3 months after the close of the year.

j) The Capital Gain Tax. Once transfer is done well and before closing the sales deed notarized.

k) Social Security: You must pay the worker-employer contributions between days 21 and 30 the following month.