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# Global Tax Alert

News from EY Americas Tax

## Panama publishes rules on use of fiscal equipment in Panama

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Panama published, in the *Official Gazette*, Executive Decree No. 114 of 2020 (the Decree), which establishes rules for the use of fiscal equipment in issuing tax receipts and other documents. The Decree repeals Executive Decree No. 53 of 2010, which established rules regarding the adoption of fiscal equipment for the issuance of tax receipts and other documents.

The Decree applies to all individuals and entities that carry out commercial, industrial, professional or similar activities and requires them to use fiscal equipment to issue invoices to document their operations.

Besides the requirements previously established by Executive Decree No. 53 of 2010, the Decree requires taxpayers to have a communication device that is incorporated into the fiscal equipment or an external communication device that is compatible with the fiscal equipment. The communication device must be able to connect to the internet to allow the fiscal equipment to automatically and periodically report information contained in the daily report (i.e., Z Report) to the Data Repository of the General Directorate of Revenue (DGI for its Spanish acronym).

Taxpayers would have up to six months after the Decree's entry into force (i.e., 30 June 2020) to implement the necessary adjustments to comply with the Decree's provisions. If the current fiscal equipment is compatible with the new requirements, it must be submitted to the DGI to obtain a new authorization. The DGI's resolution to implement the Decree, however, is pending publication.

After 30 June 2020, taxpayers will be prohibited from using any other method to issue invoices, except for those duly authorized by the DGI to use another method.

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