



Guatemala

General	Types of indirect taxes (VAT/GST and other indirect taxes).	VAT.
	Are there other indirect taxes?	Not applicable.
	What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes?	12% is the standard rate. There are no reduced VAT rates. Exports are VAT exempt with the right to recover input VAT. The exporter can request the reimbursement of the VAT paid on purchases of goods and services.
	Who is required to register for VAT/GST and other indirect taxes?	Any person or entity performing commercial activities is required to be registered as a taxpayer.
VAT/GST registration	Is voluntary registration for VAT/GST and other indirect taxes possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST and other indirect taxes registration threshold)?	No, it is possible only if the overseas company has a local branch or subsidiary registered with the tax authorities. Voluntary registration for VAT purposes only is not permitted.
	Does an overseas company need to appoint a fiscal representative?	No.
	Which forms and supporting documentation does an overseas company need to submit for VAT/GST and other indirect tax registrations?	Overseas companies need to set up a subsidiary or a branch to be registered in Guatemala in order to be able to perform commercial activities in the country and to register for VAT purposes.
	Is grouping* for VAT/GST and other indirect taxes possible?	No.
VAT/GST compliance	How frequently are VAT/GST and other indirect tax returns submitted?	Monthly.
	What are the exchange rate rules in your country?	If the transaction is billed in a foreign currency, the operation must be recorded in the local currency, taking into account the exchange rate published by the Guatemalan Central Bank on the day of the operation.
VAT/GST recovery	Can an overseas company recover VAT/GST and other indirect taxes if it is not registered for VAT/GST and other indirect taxes locally?	No.
	Are there any exemptions with the right to recover or deduct input VAT?	Only exporters that are taxpayers in Guatemala have the right to recover input VAT included in the invoices of purchases for goods and services received from its suppliers.

* By 'grouping' we mean: either a consolidation mechanism between taxpayers belonging to the same group (payment and refund are compensated but taxpayers remain distinct) or a fiscal unity for VAT/GST purposes (several taxpayers are regarded as a single taxpayer).

VAT/GST recovery (continued)	Are there any restrictions to the deduction of input VAT?	No.
Invoices	Is a business required to issue tax invoices?	Yes.
	Is it possible/mandatory to issue invoices electronically?	Yes, authorization is required from the tax authorities.
	Is it possible for the vendor to issue an invoice, i.e. is self-billing possible?	Yes, they are called special invoices.
Audits	Do tax audits take place on a regular basis?	Tax audits take place on a regular basis, but some taxpayers are required to file a detailed electronic list of the sales and purchases performed each semester, which is often reviewed and discrepancies are questioned.
	Are audits done electronically in your country (e-audit)? If so, what system is in use?	No, tax authorities perform their audits visiting the offices of the taxpayers.
	What penalties can arise from non-compliance?	Non-compliance with the filing of the electronic list (called <i>asistelibros</i>) could be subject to a formal penalty of 5,000 Guatemala quetzals (GTQ) (USD650) the first time. If it is repeated, the penalty is increased.
Special indirect tax rules	Are there any special rules for the sale of a company by one taxpayer to another where VAT is not due on the sale?	Yes, there is a provision in the local law that regulates the transfer of movable and immovable property that can be VAT exempt. It also applies to company mergers provided certain conditions are met.
	Are there unique specific indirect tax rules that you would not expect to find in 'standard' VAT jurisdictions?	Companies in the Free Trade Zone or covered by the Exporting and Maquila Promotion Law can request VAT and duties exemption. Services rendered by banks and financial institutions are VAT exempt.
	Does a reverse charge mechanism apply for goods or services?	Yes.
Rulings	Are there indirect tax incentives available (e.g. reduced rates, tax holidays)?	Free Trade Zones and Exporting and Maquila Promotion Law.
	Are rulings and decisions issued by the tax authorities publicly available?	Yes, they can be found at http://portal.sat.gob.gt/sitio/index.php/leyes/criterios-institucionales.html .