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## flash International Executive Alert

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### Peru – Government Sets New Value for Tax Unit for 2014

by KPMG, Peru (KPMG  
Asesores SCRL in Peru is a  
KPMG International member  
firm)

Peru has modified the value of the "UIT"<sup>1</sup> tax unit. The "UIT" tax unit is used as a reference amount in Peruvian tax law when determining taxable income, deductions, fines, etc.

#### Why This Matters

The UIT is a tax adjustment index whose value is modified annually. As noted, it is used to determine tax rates, deductions, credits, and fines.

This adjustment should be noted by payroll administrators with respect to withholdings. And for purposes of budgeting for international assignments, the adjustment should be factored into calculations.

On December 11, 2013, Peru's Supreme Decree N° 304–2013–EF was published in the Official Gazette "*El Peruano*" setting the value of the UIT for the 2014 fiscal year at PEN 3,800 (previously PEN 3,700).

*Footnote:*

1 "UIT" stands for *Unidad Impositiva Tributaria*.

\* \* \* \*

PEN 1 = EUR 0.2612

PEN 1 = USD 0.354

PEN 1 = COP 711.925

*For further information or assistance, please contact your local KPMG professional or one of the professionals with the KPMG International member firm in Peru noted below:*

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The information contained in this newsletter was submitted by the KPMG International member firm in Peru. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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