Tax Highlights

Latest Tax Updates in the Region

April , 2026

KPMG Costa Rica

Tax

Key Updates

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Subjects

01 Important updates within Annexes and Structures 4.4 of Electronic Invoices for Tax Purposes

02 Tax Administration Issues Interpretative Criteria of IFRS in Relation to Tax Regulations

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01. Important updates within Annexes and Structures 4.4 of Electronic Invoices for Tax Purposes

On April 22, 2026, the Tax Administration issued a notice indicating several updates within Annexes and Structures 4.4 of Electronic Invoices for tax purposes.

In this regard, the changes introduced are outlined below:

- **Implementation date:** Initially, in accordance with the notice issued by the Tax Administration, the changes described below must be implemented in electronic invoicing systems starting November 1, 2026. However, these may be used by taxpayers in their systems prior to the official implementation of the changes.

- **Adjustments to the identification number:** According to the provisions indicated by the Tax Administration, the description of fields related to the identification number of a legal entity is adjusted, allowing the use of alphanumeric sequences for companies, in accordance with the provisions of the National Registry.

In this regard, it should be clarified that, according to an official notice from the General Directorate of the National Registry, a change was announced regarding the assignment of corporate identification numbers, moving to an alphanumeric format (i.e., 3-101-A00001).

This change will only affect new legal entities or those that request the change after the date established to carry it out. At this time, there is no set date to implement the change, so it is expected to be formalized starting in the fourth quarter of 2026.This change implies that, once the National Registry establishes the date to formalize the assignment of corporate identification numbers under the alphanumeric format, the corresponding electronic invoice must include the identification number of those companies that already have such identifier.

- **Incorporation of new codes and reference documents:** Within the adjustments made to codes and documentation related to electronic invoices, the following points can be observed:

Incorporation into Annexes and Structures 4.4	
Updated Elements	**Main Changes**
Note 9	Code 12, entitled “Financial credit note due to tax exemption after invoicing,” is amended. This code will be used exclusively for financial credit notes when applicable. When a specific exemption from local taxes is approved after the transaction has taken place, its accounting effect must be recognized in the same period in which the credit note is issued.
Note 9	The following codes are incorporated: - **Code 13:** “Cancels reference document due to material error” - **Code 14:** “Corrects amount due to material error” - **Code 15:** “Replaces electronic invoice due to material error” When Codes 13 and 14 are used in credit or debit notes, their accounting effect must be reflected in the same period in which the electronic invoice being modified was issued. In the case of Code 13, when it is necessary to generate a new electronic invoice, Code 15 must be indicated in the reference section under the “reference codes” field.
Note 9	The following codes are incorporated: - **Code 16:** “Replaces rejected electronic invoice” - **Code 17:** “Payment to electronic invoice” These codes are used for the purpose of referencing a rejected electronic invoice. Code 17 is for the exclusive use of the Electronic Payment invoice.
Note 10	The following codes are incorporated: - **Code 19:** “Electronic Export Invoice” - **Code 20:** “Electronic Payment invoice” The implementation of these codes is intended to ensure proper referencing of electronic invoices.

02.

Tax Administration Issues Interpretative Criteria of IFRS in Relation to Tax Regulations

The Directorate General of Taxation, through Scope N° 45 of the Official Gazette La Gaceta dated April 29, issued Resolution MH-DGT-RES-0015-2026, entitled: “Interpretative Criteria on the Application of International Financial Reporting Standards in Relation to Tax Regulations.”

Through the issuance of this resolution, the applicable criteria governing the relationship between the International Financial Reporting Standards (IFRS) and the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) are updated, with the aim of properly integrating them into the tax regulatory framework.

Among the main changes and additional topics addressed by the new resolution, the following stand out:

- **Criterion of international economic realities:** The Tax Administration clarifies that accounting and economic criteria applied in other jurisdictions are not necessarily compatible with the Costa Rican tax reality. Therefore, they should not be used as a reference for the application of this resolution, particularly for tax reconciliation purposes, in accordance with Recital X of the resolution.

- **Incorporation of IFRS for SMEs:** Unlike the previous resolution, the new regulation incorporates Chapter III, aimed at the interpretation of IFRS for SMEs. Likewise, it specifies that the application of these standards does not produce differentiated tax effects or imply modifications to taxpayer's substantive tax obligations.

- **Exclusion of sustainability standards:** As stated in Recital XIV of the resolution, it is expressly established that international standards related to sustainability and climate (IFRS S1 and S2) are excluded from the tax interpretative scope of this resolution.

- **Obligation for Large National Taxpayers:** Taxpayers classified as Large National Taxpayers are required to keep their accounting records in accordance with IFRS. Other taxpayers may choose to keep their accounting records under IFRS or, alternatively, under IFRS for SMEs.

- **Strengthening of the tax reconciliation concept:** The resolution reinforces the relevance of tax reconciliation as an essential mechanism for proper tax compliance and full compliance with accounting standards. In this regard, it recognizes and accepts the information contained in financial statements prepared in accordance with IFRS; however, pursuant to the Regulations to the Income Tax Law, taxpayers must carry out the corresponding tax reconciliation for the correct determination of their tax obligations.

- **Exceptions to the application of interpretative criteria:** Under the terms of the resolution, it is specified that taxpayers subject to the Simplified Taxation Regime and the Special Agricultural Regime are excluded from the scope of the established interpretative criteria. This is because these regimes are based on estimated determination methodologies, rather than on profits calculated from financial statements prepared in accordance with IFRS.

For more information: MH-DGT-RES-0015-2026

Case Law

01. Private Letter Rulling Nº MH-DGT-CONS-119-001-2026

General Directorate of Taxation – Private Letter Rulling N° MH-DGT-CONS-119-001-2026	
Background	The taxpayer is a company engaged in international logistics and cargo transportation services (air, land, and maritime). Therefore, it contracts non-resident providers (without this implying the generation of a permanent establishment in Costa Rica). The consultation arises from the need to determine the applicable tax treatment for payments made abroad for these services, particularly in relation to the Tax on Remittances Abroad and VAT. Within the scenarios described by the taxpayer, several cases are mentioned where services may be performed wholly or partially abroad, or may include segments within national territory, including situations linked to imports (CIF value), exports, and the potential obligation to issue a purchase electronic invoice under the reverse charge mechanism.
Taxpayer's Arguments	The taxpayer maintains that international transportation services provided by non-resident suppliers without the intermediation of agents or permanent establishments in Costa Rica qualify as foreign-source income and, therefore, should not be subject to Tax on Remittances Abroad b. The taxpayer argues that Article 55 of the Income Tax Law limits the characterization of Costa Rican-source income in international transportation to cases where there is domicile in the country or contracting through local agencies, which does not occur in this case. Regarding VAT, the taxpayer considers that only the portion of land transport carried out within national territory should be taxed, while other services may not be subject or could even be exempt, especially when related to exports or when the supplier is non-resident. Likewise, the taxpayer believes that issuing a purchase electronic invoice is not always required, particularly when the service is part of the CIF import value or when both parties are non-domiciled.
Analysis and Criteria	The General Directorate of Taxation rejects the taxpayer's position and adopts a broad interpretation of the territoriality principle in tax matters. It states that IRE taxes all Costa Rican-source income destined abroad, understanding this to include not only services rendered within the country, but also those that generate effects, are used, or have an impact within national territory. Consequently, even when the provider is non-resident and the service is partially performed abroad, if it is economically linked to Costa Rica, the taxable event is considered to occur. Regarding VAT, the Tax Administration confirms that the tax applies according to specific rules: for land transport, it applies to the portion of the route within the country; for maritime and air transport, when the service originates in Costa Rica; and in all cases where the recipient is a local taxpayer, the reverse charge mechanism applies if the provider is non-domiciled. Additionally, it clarifies that the obligation to issue a purchase electronic invoice depends on whether the foreign supplier can issue electronic invoices, and it distinguishes the treatment depending on whether the services are included in the CIF value of an import.
Final Decision	The Tax Administration concludes that payments for international transportation services made to non-resident providers do constitute Costa Rican-source income and, therefore, are subject to IRE at a 25% rate. Regarding VAT, it determines that the tax applies based on the territorial rules of the service, including the portion of transportation performed in Costa Rica or when the service originates in the country. In such cases, the reverse charge mechanism applies, requiring the local taxpayer to self-assess the tax. Furthermore, it establishes that a purchase electronic invoice must be issued when applicable, except in cases where the service is included in the CIF value and VAT has already been settled at customs. Finally, it acknowledges the existence of exemptions for services related to exports, provided that the applicable legal and regulatory requirements are met.

For more information: MH-DGT-CONS-119-001-2026

01. Considerations regarding Private Letter Rulling N° MH-DGT-CONS-119-001-2026

In our view, the position held by the Tax Administration regarding the taxation of international transport services under income tax appears to be based on a broad interpretation of the territoriality principle set forth in Articles 52 and 54 of the Income Tax Law.

In particular, the administrative analysis seems to extend the concept of Costa Rican-source income beyond situations in which the service is materially rendered within the national territory, incorporating additional connecting factors linked to the economic effects or the use of the service in the country.

Along the same lines, the criterion put forward by the Administration could be understood as an approach that goes beyond the scope defined both by the general rule of Article 54, which links source to activities carried out or managed within the national territory, and by the specific provisions of Article 55, which expressly regulate cases of international transport.

In this way, the interpretation adopted by the Tax Administration, by introducing considerations that are not explicitly provided for in the regulations, is in practice expanding the scope of application of the tax beyond a strictly literal reading of the applicable legal provisions.

Particularly in the case of international transportation, the Income Tax Law establishes clear rules regarding the circumstances under which these services are taxable. Accordingly, the position issued by the Tax Administration does not align with the conditions defined by the Law for international transportation services to be considered taxable. Thus, by introducing considerations that are not explicitly established in the regulations, the interpretation adopted by the Tax Administration is, in practice, expanding the scope of application of the tax beyond a strictly literal reading of the applicable legal provisions. Consequently, from this perspective, we disagree with the criterion adopted by the Tax Administration on this matter.

Guatemala

Subjects

01 Income tax withholdings on employment income

01. Income tax withholdings on employment income

The Congress of the Republic approved modifications to the determination of Income Tax on salary income. The approved modification eliminates the tax for employees earning the minimum wage, and the change is scheduled to take effect in 2026. Therefore, for this year, an extraordinary deduction of Q3,024 is established without supporting documentation in order to eliminate the tax payment.

The official decree has not yet been published. Therefore, employers, in their role as withholding agents, should be attentive to the publication that will officially announce the change and update their withholding calculations for their employees accordingly.

For more information: Detalle de la Reforma

Panamá

Subjects

01 Bill # 641: New Economic Substance Rules for Foreign-Source Passive Income

02 Tax Audits Initiated Due to the Application of the Multilateral Instrument (MLI) in Panama

03 Rulling of Unconstitutionality: Article 379 of the Tax Procedure Code

04 Rulling on the Lack of Evidentiary Support for Costs for the Non-Application of CAIR

05 Rulling on the Violation of Due Process in the Evaluation of the CAIR Request

01. Bill # 641: New Economic Substance Rules for Foreign-Source Passive Income

Relevant Developments and Implementation

Panama's tax environment is facing a significant reform proposal aimed at strengthening the territoriality principle and aligning the tax system with international standards. Through Bill # 641, economic substance rules are introduced, applicable to certain foreign-source passive income earned by entities that are part of multinational groups.

This initiative establishes that such income will retain its favorable tax treatment only if it is supported by genuine economic activity within the national territory. Consequently, entities that do not meet the economic substance requirements will be subject to taxation in Panama, thereby modifying the traditional scope of the territoriality principle.

Specific Aspects of the Bill

➢ **Economic Substance Rules:**
A new chapter is added to the Tax Code requiring entities within multinational groups to demonstrate the existence of adequate human resources, assets, and operating expenses, as well as effective management and control in Panama to support the generation of foreign-source passive income.

➢**Taxation of Passive Income:**
Non-qualified entities will be subject to a 15% tax on gross income derived from certain types of foreign-source passive income, including dividends, interest, royalties, capital gains, and income from movable and immovable property.

➢**Reporting Obligations:**
An obligation is introduced to annually report foreign-source passive income and demonstrate compliance with economic substance requirements within the income tax return.

➢**Non-Compliance Triggers**:
Failure to comply with reporting obligations or economic substance requirements will result in automatic classification as a non-qualified entity, triggering the corresponding tax liability.

➢**Oversight:**
The Ministry of Economy and Finance will oversee compliance with these regulations.

The legislative proposal responds to Panama's need to strengthen its international reputation, reduce risks associated with inclusion on non-cooperative jurisdictions lists, and promote the attraction of investment based on real economic activity.

For more information: Proyecto de Ley No. 641

02.

Audits Begin Due to the Application of the Multilateral Instrument (MLI) in Panama

Relevant Updates and Implementation

The international taxation landscape in Panama is experiencing a significant tightening of controls. The General Directorate of Revenue has begun auditing the provisions of the Multilateral Instrument (MLI), substantially raising the evidentiary standards for taxpayers seeking to benefit from Double Taxation Avoidance Agreements (DTAs).

As a result of these measures, the DGI now requires comprehensive proof of the economic substance of the foreign recipient and the genuine business reasons for the transaction. The primary purpose, reinforced in the preamble and text of the agreements, is to prevent the abusive use of tax treaties and the artificial shifting of profits (Principal Purpose Test or PPT).

Specific Aspects

To demonstrate that the principal purpose of a transaction is not merely to obtain a tax benefit, the DGI has begun issuing remedial resolutions requiring documentation and explanations regarding:

- **Substance Abroad:**

It must be demonstrated that the beneficiary in the other country has a real operational structure. This includes evidence of operating expenses, actual decision-making, and the human, technical, and operational resources used to provide the service.

- **Commercial Rationale and Business Purpose:**

There is a requirement to justify why the beneficiary is located in that jurisdiction, expressly indicating the nature of its establishment, its operations, and its role within the multinational group structure.

- **Corporate Structure and Beneficial Ownership:**

A detailed corporate organizational chart of the entity receiving the funds must be provided.

- **Tax Treatment and Permanent Establishment Risk:**

Documentation must demonstrate that no Permanent Establishment (PE) is created in Panama, as well as include an analysis of the tax treatment of the income in the source country.

- **Evidentiary Rigor:**

All documents generated abroad (invoices, corporate certificates, proof of substance) must be duly apostilled or legalized. Locally issued private documents (such as bank records) must be notarized copies.

Regulatory and Procedural Framework

This measure arises from the update and ratification of Panama's international commitments to prevent the erosion of the tax base:

- **Law 170 of October 15, 2020:** Ratifies the Multilateral Convention (MLI). Article 7 establishes that treaty benefits will not be granted if it is reasonable to conclude that one of the principal purposes of an arrangement was to obtain such benefit.
- **Law 52 of 2012 (Article 762-Ñ of the Tax Code):** Restricts the application of treaties solely to those who demonstrate compliance with all provisions of the respective agreement.
- **Tax Procedure Code (Law 76 of 2019):** Pursuant to Article 122, since international tax evidence must be obtained abroad, the DGI grants taxpayers a maximum period of forty-five (45) business days to cure deficiencies and submit this complex documentation before ordering the filing or rejection of the request.

For more information: Proyecto de Ley No. 641

Case Law

03. Rulling of Unconstitutionality: Article 379 of the Tax Procedure Code

Supreme Court of Justice – Full Court (Case No. 84315-2025) of March 23, 2026	
Central Issue	Constitutional review of ATax Administrative Tribunalcle 379 of the Tax Procedure Code, which established a summary proceeding before the Tax Administrative Tribunal to claim damages for reckless actions.
Actions of the DGI and Background	Article 379 empowered the Tax Administrative Tribunal to hear claims from taxpayers affected by actions of officials of the General Directorate of Revenue , allowing it not only to initiate sanctioning proceedings, but also to determine the existence of damages and losses and to set compensation within a period of 90 days. This implied that an administrative body could declare the State's patrimonial liability arising from actions of the DGI.
Taxpayer's Arguments	The claimant argued that the provision was unconstitutional because: • It violates due process (Article 32) by assigning jurisdiction to a body that is not the natural judge. • It disregards Article 206, which establishes the exclusive jurisdiction of the Third Chamber to hear claims for damages against the State. • It allows the Tax Administrative Tribunal to exercise jurisdictional functions without being part of the Judicial Branch. • It breaks the separation of powers by transferring decisions inherent to administrative litigation into the administrative sphere.
Analysis and Criteria of the Tax Administrative Tribunal	The Supreme Court concluded that: • The Tax Administrative Tribunal is a specialized administrative body whose functions are limited to reviewing tax acts, without jurisdictional powers. • The State's patrimonial liability and the ordering of compensation for damages correspond exclusively to the Third Chamber (Article 206 of the Constitution). Article 379 violates the principle of the natural judge and due process by allowing an administrative entity to resolve compensation disputes. • There is an encroachment on the powers of the Judicial Branch and a breach of the separation of powers. • The determination of damages requires an independent, impartial, and judicial body, which the Tax Administrative Tribunal is not.
Final Decision	The Full Bench of the Supreme Court declared Article 379 of the Tax Procedure Code unconstitutional, finding that it violates due process, the principle of the natural judge, and the exclusive jurisdiction of the Third Chamber to determine the State's patrimonial liability.

For more information: Fallo

04. Rulling on the Lack of Evidentiary Support for Costs in the Non Application of the CAIR

Resolution Tax Administrative Tribunal-RF-007 (File No. 182-2025) dated March 23, 2026	
Central Issue	Determination of whether the request for non-application of the CAIR is admissible, based on the proper substantiation of costs and the effective income tax rate.
Actions of the DGI and Background	The General Directorate of Revenue rejected the taxpayer's request for non-application of the CAIR for fiscal year 2022. The rejection was based on inconsistencies identified between local purchases declared in the income tax return and those reported in the ITBMS (VAT) returns, resulting in a significant discrepancy. This difference was added to taxable income, reducing the taxpayer's effective rate below 25%, thereby failing to meet the legal requirement to qualify for the CAIR benefit.
Taxpayer's Arguments	The taxpayer argued that the difference corresponded to local purchases exempt from ITBMS, which should not be reported under that tax but should be included in the income tax return. Additionally, the taxpayer asserted that such purchases constituted necessary costs for generating income and therefore should be accepted as deductible.
Analysis and Criteria of the Tax Administrative Tribunal	The Tribunal determined that: • Local exempt purchases must also be reported in the ITBMS return, in accordance with the design of the form. • There were inconsistencies in the amounts and contradictions in the information presented by the taxpayer. • Sufficient documentary evidence (invoices or equivalent documents) was not submitted in a timely manner to substantiate the claimed costs. • The burden of proof lies with the taxpayer, who must demonstrate the accuracy of the costs to support the request. • The Tribunal reiterated that costs are not presumed and must be properly documented in accordance with tax regulations.
Final Decision	The DGI's decision is upheld, and the request for non-application of the CAIR is denied, as the costs were not proven and the requirement of an effective tax rate above 25% was not met.

For more information: EXP-182-2025.pdf

05. Rulling on the Violation of Due Process in the Evaluation of the CAIR Application

Resolution Tax Administrative Tribunal-RF-005 (File No. 098-2024) dated March 23, 2026	
Central Issue	Analysis of the legality of the rejection of the request for non-application of the CAIR, in relation to due process, the reasoning of the administrative act, and the proper conduct of the Tax Administration.
Actions of the DGI and Background	The General Directorate of Revenue rejected the request for the non-application of the CAIR corresponding to fiscal year 2013, arguing that the taxpayer had not provided sufficient documentation to support travel expense deductions. Subsequently, during the reconsideration stage, the DGI introduced new evidentiary requirements (invoices or tax documents) that had not been specified in the original resolution. The process was also characterized by prolonged delays and actions that had already been declared null in previous stages.
Taxpayer's Arguments	The taxpayer argued that: • Information regarding travel expenses had indeed been provided (notes to the financial statements and a breakdown of the expenses). • The DGI did not request additional information before rejecting the application. • Due process was violated by not allowing the correction of alleged deficiencies. • Violations were committed, such as lack of proper reasoning and the introduction of new objections at later stages.
Analysis and Criteria of the Tax Administrative Tribunal	The Tribunal established that: • The DGI should have requested the documentation it considered missing from the taxpayer, granting a period to remedy the deficiencies in accordance with applicable regulations. • It was not valid to reject the request based on lack of documentation without previously requesting such information. • A violation of due process and the right of defense occurred. • The Administration may not introduce new objections at the reconsideration stage, as this worsens the taxpayer's situation (principle prohibiting reformatio in peius). • The original resolution lacked sufficient reasoning and clarity regarding its legal grounds.
Final Decision	The resolutions issued by the DGI are revoked, the request for non-application of the CAIR is upheld, and it is ordered that the traditional income tax calculation method be applied for the relevant period and subsequent periods.

For more information: EXP-098-2024.pdf

Dominican Republic

Subjects

01 The General Agency for Internal Taxes reports on inflation adjustment multipliers and exchange rates for the treatment of foreign exchange differences for the March 2026 fiscal year-end

02 The General Agency for Internal Taxes reiterates the obligation to identify and report Ultimate Beneficiary Owners

03 Case Law: The Constitutional Court confirms the constitutionality of judicial decisions regarding the tax treatment of foreign exchange differences

01. The General Agency for Internal Taxes reports on inflation adjustment multipliers and exchange rates for the treatment of foreign exchange differences for the March 2026 fiscal year-end

On April 15, the General Agency for Internal Taxes (DGII) issued Resolution No. DDG-AR1-2026-00003, informing taxpayers of the updated inflation adjustment multipliers and exchange rates applicable to the treatment of foreign exchange differences for the March 2026 fiscal year-end.

With respect to the inflation adjustment multiplier, it was set at 1.0463, while the exchange rates for the treatment of foreign exchange differences were established at DOP/USD 60.2552 and DOP/EUR 69.2814.

For more information: Resolution No. DDG-AR1-2026-00003

02. The General Agency for Internal Taxes reiterates the obligation to identify and report Ultimate Beneficiary Owners

Through Notice No. 04 26, dated April 17, the General Agency for Internal Taxes (DGII) reiterated that legal entities and entities without legal personality, whether resident or non resident, are required to identify and maintain updated information regarding their Ultimate Beneficiary Owners (UBOs), in accordance with Section 104 of Law No. 155 17, on Money Laundering and Financing of Terrorism.

Such identification must be carried out both upon registration or updating corporate information in the National Taxpayer Registry (RNC) and upon the filing of the Corporate Income Tax Return.

In this regard, the obligation encompasses the identification and reporting of individuals who meet any of the following criteria:

- **Ultimate Beneficiary Owner by Shareholding Control**: A natural person who holds a direct or indirect ownership interest of 20% or more in the reporting legal entity.

- **Ultimate Beneficiary Owner by Effective Control**: A natural person who, even if holding a direct or indirect ownership interest of less than 20%, effectively exercises control over the reporting legal entity, either directly or through a control chain.

Additionally, the DGII clarified that Individual Limited Liability Companies (EIRL) and natural persons are not subject to this reporting obligation.

Finally, taxpayers are reminded that failure to comply with this obligation constitutes a breach of formal tax duties, subject to the sanctions regime provided under the Dominican Tax Code.

For more information: Notice No. 04 26

Case Law

01. Judgment No. TC/0182/26 issued by the Constitutional Court

Constitutional Court Judgment No. TC/0182/26	
Background	On April 13, 2026, the Constitutional Court ruled on a constitutional review of a judicial decision filed by a commercial entity against Judgment No. 033-2021-SSEN-00211, issued by the Third Chamber of the Supreme Court of Justice. The dispute originated from an administrative resolution issued by the General Agency for Internal Taxes (DGII) requiring payment of taxes associated with the tax treatment of foreign exchange differences derived from transactions carried out in foreign currency. The tax adjustment assessed by the DGII was upheld by the Superior Administrative Court and subsequently by the Supreme Court of Justice, which led to the filing of the constitutional review.
Arguments	The taxpayer argued that the judicial decisions upheld the application of a tax not established by law, in violation of the constitutional principle of tax legality. In this regard, it explained that the entity carries out transactions in foreign currency, which are invoiced and subsequently collected at a later date, giving rise to foreign exchange differences as a result of fluctuations in the exchange rate between those dates. According to the taxpayer, such differences constitute financial income arising from an event subsequent and independent from the underlying transaction, and therefore fall outside the scope of Value-Added Tax (VAT), as they do not form part of the taxable event. Consequently, it argued that requiring VAT on such amounts amounted to the creation of a non-existent tax obligation, thereby infringing Articles 40.15 and 93.1 of the Dominican Constitution, which provide that no person may be compelled to do what the law does not require and that the authority to establish taxes exclusively lies with the Congress. For its part, the tax authority argued that the case did not involve the creation of a new tax, but rather an incorrect classification of taxable transactions as exempt. In particular, it maintained that foreign exchange differences must be analyzed within the context of the underlying transactions subject to VAT, whose taxable base was affected by the manner in which the taxpayer reported such transactions. Additionally, the tax authority held that the VAT exemption invoked by the taxpayer applies exclusively to financial services rendered by regulated financial intermediation entities, a criterion that was confirmed by the Supreme Court of Justice, which determined that the taxpayer does not belong to that sector.
Decision of the Constitutional Court	The Constitutional Court rejected the constitutional review of the judicial decision and upheld the Ruling under review, concluding that no violation of the principle of tax legality nor of the fundamental rights invoked by the claimant was established. The Court determined that the Supreme Court of Justice, in confirming the tax adjustments assessed by the DGII, did not create a new tax nor impose a non-existent obligation, but rather limited its analysis to the interpretation and application of the existing tax framework. Accordingly, the Constitutional Court confirmed the constitutional validity of the challenged judicial decision.

For more information: Judgment No. TC/0182/26

Honduras

Subjects

01 Minimum wages update by economic activity and number of employees

02 Social security implications - Private Contributions Regime ("RAP")

03 Average minimum wage update for FY26 - Revenue Administration Service ("SAR")

01. Minimum wages update by economic activity and number of employees

On the 29th of April 2026 it was published on the official newspaper the gazette the Agreement No. SETRASS-233-2026, which mentions textually on its first article the next:

Adjustment to the minimum wage that will rule countrywide for a 2 years period (2026 & 2027), the same is valid from the 1st of january until de 31st of december of each year, according to the table next:

Tabla de Porcentaje de Ajuste al Salario Mínimo		
Categorías	Año 2026	Año 2027
De 1 a 10 Trabajadores	6%	6%
De 11 a 50 Trabajadores	6%	6%
De 51 a 150 Trabajadores	7%	7%
De 151 Trabajadores en adelante	7%	7.5%

Furthermore, on the second article mentions textually the next:

Approve the new minimum wage table due to the negotiation of percentages of adjustment to the minimum wages, that will rule countrywide for FY26 and FY27, according to the economic activities and number of employees in the following:

TABLA DE SALARIO MÍNIMO PARA EL AÑO 2026

No.	RAMA DE ACTIVIDAD ECONÓMICA	TAMAÑO DE LAS EMPRESAS POR NÚMERO DE TRABAJADORES	SALARIO MÍNIMO 2026 MENSUAL	SALARIO MÍNIMO 2026 JORNADA ORDINARIA DE 8 HORAS LABORABLES	SALARIO MÍNIMO 2026 POR HORA
1	Agricultura, silvicultura,caza y pesca	De 1 a 10	9,596.64	319.89	39.99
		De 11 a 50	10,137.04	337.90	42.24
		De 51 a 150	11,313.45	377.11	47.14
		De 151 en adelante	12,349.49	411.65	51.46
2	Explotación de minas y canteras	De 1 a 10	13,110.80	437.03	54.63
		De 11 a 50	13,527.23	450.91	56.36
		De 51 a 150	16,248.28	541.61	67.70
		De 151 en adelante	18,530.19	617.67	77.21
3	Industria manufacturera	De 1 a 10	12,869.14	428.97	53.62
		De 11 a 50	13,714.21	457.14	57.14
		De 51 a 150	16,472.88	549.10	68.64
		De 151 en adelante	18,786.37	626.21	78.28

01. Minimum wages update by economic activity and number of employees

4	Electricidad, gas y agua	De 1 a 10	13,533.74	451.12	56.39
		De 11 a 50	13,963.55	465.45	58.18
		De 51 a 150	16,772.40	559.08	69.88
		De 151 en adelante	19,127.95	637.60	79.70
5	Construcción	De 1 a 10	13,292.06	443.07	55.38
		De 11 a 50	13,714.21	457.14	57.14
		De 51 a 150	16,472.88	549.10	68.64
		De 151 en adelante	18,786.37	626.21	78.28
6	Comercio al por mayor y menor.	De 1 a 10	13,292.06	443.07	55.38
		De 11 a 50	13,714.21	457.14	57.14
		De 51 a 150	16,472.88	549.10	68.64
		De 151 en adelante	18,786.37	626.21	78.28
7	Restaurantes y hoteles	De 1 a 10	13,292.06	443.07	55.38
		De 11 a 50	13,714.21	457.14	57.14
		De 51 a 150	16,317.57	543.92	67.99
		De 151 en adelante	18,092.32	603.08	75.38
8	Transporte, almacenamiento y comunicaciones	De 1 a 10	13,412.92	447.10	55.89
		De 11 a 50	13,838.87	461.30	57.66
		De 51 a 150	16,622.64	554.09	69.26
		De 151 en adelante	18,957.14	631.90	78.99
9	Establecimientos financieros, bienes inmuebles y servicios prestados a las empresas	De 1 a 10	13,654.55	455.15	56.89
		De 11 a 50	14,088.24	469.61	58.70
		De 51 a 150	16,922.16	564.07	70.51
		De 151 en adelante	19,298.72	643.29	80.41
10	Servicios comunales, sociales y personales, seguridad y limpieza	De 1 a 10	13,050.39	435.01	54.38
		De 11 a 50	13,464.88	448.83	56.10
		De 51 a 150	16,173.38	539.11	67.39
		De 151 en adelante	18,444.80	614.83	76.85
11	Actividades de hospitales	De 1 a 10	13,050.39	435.01	54.38
		De 11 a 50	13,464.88	448.83	56.10
		De 51 a 150	15,979.13	532.64	66.58
		De 151 en adelante	17,881.65	596.06	74.51

02. Social secutirty implications – Private Contributions Regime ("RAP")

The Agreement No. SETRASS-233-2026 also impacts employer obligations under Decree 47-2024, specifically:

- A mandatory contribution ceiling equivalent to three (3) minimum wages at its highest level.
- For 2026 the highest minimum wage is L 19,298.72
- According to the last, the contribution ceiling is equivalente to L 57,896.16
- Considering the last amount, the 4% monthly contributions will be applicable.

03. Average minimum wage update for FY26 – Revenue Administration Service ("SAR")

The 12th of may of 2026 the SAR published the Communication SAR 19-2026, which mentions textually the next:

According to Agreement No. SETRASS-233-2026 published on the official newspaper the gazette No. 37,129 with date 29th of april of 2026; it is established that the current average minimum wage is fourteenth thousand, nine hundred seventeenth lempiras with twenty cents (L 14,917.20)

The tax implication of the last, is that this amount is used as reference for the penalties calculation caused by formal faults, according to the tax code.

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