Tax Highlights

Latest Tax Updates in the Region

June, 2026

KPMG Costa Rica

Tax

Key Updates

Scope

Costa Rica

Subjects

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02 Amendment to Law N° 7786, Law on Narcotic Drugs, Psychotropic Substances, Unauthorized Drug Use, Related Activities, Money Laundering, and Terrorism Financing

03 Bill to amend Article 22 of the Tax Procedure Regulations

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01. Legislative Assembly introduces a bill to repeal certain tax levies and improve the efficiency of Costa Rica's tax system

On June 8, 2026, the bill entitled "Protection of Taxpayers and Repeal of Taxes" was published in the Official Gazette.

This bill arises as a direct response to the structural problems of Costa Rica's tax system, which is considered excessively complex, fragmented, and inefficient. In this regard, it is argued that the current system is characterized by a large number of taxes and multiple collecting entities, generating high compliance costs, complicating administrative management, and ultimately affecting both tax collection and economic activity.

Under this rationale, the initiative seeks to simplify the system and make it more competitive, based on the premise that a clearer, more organized, and more accessible model can encourage investment, reduce informality, and improve voluntary taxpayer compliance.

Broadly speaking, the main proposed changes include:

- The bill proposes a comprehensive reform primarily aimed at simplifying and modernizing the tax system. First, it seeks to concentrate revenue collection on a limited number of taxes that generate the majority of government revenues, eliminating the current dispersion and making the system more efficient.

- A strong digitalization process would be introduced through the creation of a digital tax system, including the mandatory use of electronic invoicing and the implementation of pre-filled tax returns. This is intended to significantly facilitate compliance with tax obligations and reduce the administrative burden on taxpayers.

- Taxpayer protection would also be strengthened through the incorporation of a taxpayer rights framework designed to provide greater legal certainty, limit the discretion of the Tax Administration, and ensure more agile, transparent, and balanced processes. Examples include the right to expedited tax refunds, establishing a maximum period of 15 business days for the Tax Administration to refund tax credits, and a requirement for the Tax Administration to respond to inquiries submitted under the Tax Code within 10 business days.

- As part of this reform, the bill contemplates the elimination of 35 taxes, fees, and stamp duties that have limited relevance in terms of revenue collection but unnecessarily increase the complexity of the system.

At present, there are no further developments regarding the bill. Therefore, it will be necessary to wait for its approval by the Legislative Assembly before it can proceed through the corresponding legislative process for enactment into law in Costa Rica.

For more information: Proyecto de Ley

02. Amendment to Law N° 7786, Law on Narcotic Drugs, Psychotropic Substances, Unauthorized Drug Use, Related Activities, Money Laundering, and Terrorism Financing

On May 25, 2026, the Legislative Assembly approved, in second debate, an amendment to Law N° 7786, entitled the "Law on Narcotic Drugs, Psychotropic Substances, Unauthorized Drug Use, Related Activities, Money Laundering, and Terrorism Financing."

This amendment responds to international requirements established by the Financial Action Task Force (FATF) aimed at strengthening the regulation and supervision of Virtual Asset Service Providers (VASPs) in order to prevent and mitigate risks associated with money laundering, asset laundering, and terrorism financing.

Subsequently, through Supplement N° 78 of June 19, 2026, published in the Official Gazette, this legal reform entered into force.

In this context, the principal changes introduced by this amendment are summarized below:

- **Definition of Virtual Asset:** The bill defines a Virtual Asset as a "digital representation of value or funds that can be traded or transferred digitally and used for payments or investments, without implying its recognition as legal tender in Costa Rica or as currency by the Central Bank."

- **Registration of Virtual Asset Service Providers:** One of the most significant aspects of the reform is the requirement for Virtual Asset Service Providers to register with the General Superintendency of Financial Entities (SUGEF). SUGEF will be responsible for supervising and maintaining a registry of virtual asset service providers. However, registration will not constitute authorization of the provider's operations.

- **Due Diligence Measures:** The reform establishes that Virtual Asset Service Providers must apply due diligence measures when transactions equal or exceed the threshold established by the National Council for the Supervision of the Financial System (CONASSIF), based on international standards.

- **Information Sharing:** The amendment also empowers financial supervisory authorities to request and exchange information with domestic and foreign supervisors, as well as to enter into coordination and information-sharing agreements for supervisory purposes both within and outside Costa Rica. Such information will be treated as confidential.

- **Sanctions Regime:** The reform incorporates Virtual Asset Service Providers into the sanctions framework. Accordingly, article 81 (as amended) may be applied, imposing fines ranging from 5% to 50% of the total transaction amount, or between 2 and 100 base salaries (approximately CRC 924,000 to CRC 46,220,000), in cases of non-compliance with registration obligations, due diligence requirements, reporting obligations, information disclosure requirements, or internal control measures.

For more information: Reforma de la Ley 7786

03. Bill to amend Article 22 of the Tax Procedure Regulations

On June 25, 2026, through the Official Gazette, in its Supplement N° 81, the General Directorate of Taxation published a notice granting a period of 10 business days, counted from its publication, for individuals with general or diffuse interests to express their views regarding the proposed amendment to the Tax Procedure Regulations, Executive Decree N° 38277-H of March 7, 2024.

The purpose of the proposal is to add subsection 3) to article 22 of the Tax Procedure Regulations, introducing the obligation to register before the Tax Administration the telephone numbers associated with electronic payment methods used in the conduct of the taxpayer's economic activities, including those intended for receiving payments through platforms such as the National Electronic Payment System, known in Spanish as "SINPE Móvil", as well as others of a similar nature.

In this regard, the proposed amendments are summarized below:

- **New formal reporting obligation:** Taxpayers would be required to register with the Tax Administration the telephone number(s) associated with the electronic payment methods used in the course of their economic activity.

- **Scope of the obligation:** This includes telephone numbers used to receive payments through platforms such as SINPE Móvil and other similar technological applications duly authorized by the competent authorities.

- **Registration in the Single Tax Registry (RUT):** The information must be provided either at the time of registration in the RUT or through a data update for taxpayers already registered.

- **Relationship with electronic invoicing:** The amendment is intended to complement the changes introduced through version 4.4 of the electronic invoicing requirements, effective as of September 1, 2025, which incorporated the identification of the payment method used in transactions.

- **Implementation and deadlines:** The Tax Administration will have a maximum period of two months from the entry into force of the decree to make the necessary adjustments to the RUT forms and systems, as well as to issue the general resolution regulating the applicable procedure.

Taxpayers already registered in the RUT will have a maximum period of twelve months to register the telephone numbers associated with their electronic payment methods.

In any event, this proposal is expected to come into force in the near future; therefore, it is advisable to anticipate this requirement from the Tax Administration in order to comply with the formal obligation to include the telephone number where it is used in the conduct of economic activities.

For more information: Proyecto de reforma

Case Law

01. Private Letter Ruling N° MH-DGT-OF-0379-2026 Issued by the General Directorate of Taxation

Private Letter Ruling N° MH-DGT-OF-0379-2026 Issued by the General Directorate of Taxation	
Background	The Foreign Trade Promotion Agency of Costa Rica (PROCOMER) submitted a consultation to determine whether article 22 of the Free Trade Zone Regime Law applies to processing companies classified under subsection f) of Article 17 of the same law, particularly with respect to sales made in the local market and the application of the preferential corporate income tax rate. Through Official Letter MH-DGT-DSC-OF-0100-2025, the Tax Administration initially concluded that local market sales could not fully benefit from the preferential income tax rate, applying the criterion established under article 22 of the Law. Subsequently, PROCOMER requested a review of this criterion, arguing that processing companies are subject to a special regulatory framework contained in article 21 ter of the Law and article 136 of its Regulations.
Arguments of the Parties	PROCOMER argued that, pursuant to Article 21 ter of the Free Trade Zone Regime Law, processing companies covered by subsection f) of article 17 are expressly excluded from the application of article 22. Likewise, it maintained that article 136 of the Regulations confirms this exclusion and establishes a special regime for local market sales carried out by these companies. According to PROCOMER, the amendment introduced by Law N° 8794 (which amended the Free Trade Zone Regime Law) created a business category whose tax incentives are not dependent on export performance. Consequently, the income tax apportionment mechanism established in Article 22 should not apply. Upon reconsideration of the matter, the Tax Administration analyzed the special provisions contained in articles 21 bis and 21 ter of the Free Trade Zone Regime Law, as well as article 136 of its Regulations. Based on this analysis, it concluded that processing companies classified under subsection f) are subject to a specific and differentiated regulatory framework that allows them to introduce their goods into the domestic market without triggering the application of Article 22 of the Law. In addition, the Tax Administration determined that the tax incentives granted to these companies are not conditioned upon the export of goods or services, as expressly established in article 21 ter.
Final decision	Consequently, the Tax Administration revoked the criterion set forth in the Private Letter Ruling MH-DGT-DSC-OF-0100-2025 and concluded that article 22 of the Free Trade Zone Regime Law does not apply to processing companies classified under subsection f) of article 17. As a result, sales made by these companies in the local market are not subject to the apportionment mechanism established in that article and may benefit from the income tax rate or exemption provided under article 21 ter of the Free Trade Zone Regime Law, in accordance with the conditions established in their respective Granting Agreement.

For more information: Oficio MH-DGT-OF-0379-2026

02. Private Letter Ruling N° MH-DGT-DNTI-DCN-CONS-0029-2026 Issued by the General Directorate of Taxation

Private Letter Ruling N° MH-DGT-DNTI-DCN-CONS-0029-2026 Issued by the General Directorate of Taxation	
Background	A company incorporated in Panama submitted a consultation to the General Directorate of Taxation regarding the income tax and capital gains tax treatment applicable to the sale of shares in a Costa Rican company. The taxpayer had acquired the shares in 2018 and subsequently made extraordinary capital contributions to the company without increasing its share capital or issuing new shares. In January 2026, the taxpayer sold a portion of those shares and requested confirmation regarding the possibility of applying the special 2.25% tax rate established for the first sale of assets or rights acquired before the entry into force of the Law for the Strengthening of Public Finances (July 1, 2019).
Arguments of the Parties	The taxpayer argued that the transferred shares were acquired in 2018 and, therefore, the transaction qualified as the first sale of an asset acquired before July 1, 2019. The taxpayer further maintained that the capital contributions made after the acquisition did not modify the acquisition date of the shares nor imply the acquisition of new equity interests. Consequently, the transaction should be eligible for the special 2.25% rate provided for under Article 31 ter of the Income Tax Law. Additionally, the taxpayer stated that such capital contributions would only be relevant for determining the taxable basis under the general 15% capital gains tax regime. The General Directorate of Taxation substantially agreed with the taxpayer's position. The Tax Administration acknowledged that the shares subject to the transfer were acquired in 2018 and that the subsequent extraordinary capital contributions neither increased the company's share capital nor resulted in the issuance of new shares. Accordingly, the Tax Administration concluded that the transaction qualified as the first sale of an asset acquired before the entry into force of the Law for the Strengthening of Public Finances, thereby allowing the application of the special 2.25% rate. Nevertheless, it clarified that the taxpayer also retains the option of applying the general 15% regime, under which the taxable basis must be determined in accordance with the legal rules applicable to the acquisition value and transfer value.
Final decision	The Tax Administration concluded that the sale of 8.5% of the shares acquired in 2018 qualifies as the first sale of an asset acquired before the entry into force of the Law for the Strengthening of Public Finances. Consequently, the taxpayer may choose either to apply the general 15% rate on the capital gain determined under the ordinary rules or to apply the special 2.25% rate on the total transfer value. The Tax Administration further clarified that the choice between the two options will depend on the specific circumstances of each case and the determination of the corresponding taxable basis. Therefore, it expressly recognized the possibility of applying the special first-sale regime established in Article 31 ter of the Income Tax Law.

For more information: Oficio Nº MH-DGT-DNTI-DCN-CONS-0029-2026

Panamá

Subjects

01. Panama Adopts Form 930 Version 3 for the Transfer Pricing Report

The General Directorate of Revenue (DGI), through Resolution No. 201-4247 of June 16, 2026, published in the Official Gazette on July 1, 2026, adopted Form 930 Version 3 (V:3) for the Transfer Pricing Report, which will be used for filing information corresponding to fiscal year 2026 and subsequent periods.

The update maintains the general structure of the current form but incorporates new fields and schedules aimed at collecting additional information regarding transactions carried out with related parties. The DGI also indicated that the purpose of this update is to facilitate both the filing process and the audit of information provided by taxpayers.

Among the most significant changes is the addition of a new section titled “Other Concepts”, as well as three new schedules that will form part of the report. The first is the Financial Information Schedule, which includes financial data related to the tested party analyzed in the transfer pricing study. The second is the Related Party Information Schedule, which requires information such as the type of relationship, country, physical address, and legal representative of the related party. Finally, the Fixed Assets Schedule requires information regarding the description, condition, depreciation method, useful life, and location of the reported assets.

The resolution also establishes that Form 930 Version 2.0 will continue to be used for reporting information related to fiscal periods prior to 2026, while the new version will apply exclusively to fiscal year 2026 and subsequent periods. In addition, the report must continue to be submitted electronically through the DGI’s E-Tax 2.0 platform.

Furthermore, the Tax Administration announced that the instructions for completing Form 930 V:3 will be published on its website and reminded taxpayers of the importance of keeping the information in their Taxpayer Identification Registry (RUC) up to date.

Applicable Legal Framework

- Resolution No. 201-4247 of June 16, 2026.
- Articles 762-I and 762-L of the Tax Code.
- Executive Decree No. 390 of October 24, 2016.

For more information: Gaceta Oficial N° 30558 A

02. Panama Strengthens Beneficial Ownership Identification Rules under FATCA and CRS

By means of Executive Decree No. 25 of June 29, 2026, published in Official Gazette No. 30556-C, Panama amended the definition of “Controlling Persons” set forth in Executive Decree No. 124 of 2017, which regulates the automatic exchange of financial account information for tax purposes under FATCA and the Common Reporting Standard (CRS).

The amendment introduces more detailed criteria for identifying beneficial owners and controlling persons of legal entities, with the objective of strengthening tax transparency and maintaining alignment between Panamanian regulations and the international standards promoted by the Financial Action Task Force (FATF).

Among the most significant changes, the regulations provide that individuals who directly or indirectly own or control 10% or more of the shares, equity interests, or voting rights of an entity will be considered controlling persons. In cases where no individual can be identified under this ownership threshold, individuals who exercise control through other means, or ultimately senior managing officials, must be treated as controlling persons.

The amendment also expands the rules applicable to trusts, foundations, and similar legal arrangements by adopting a broader definition of the individuals who must be identified and reported for purposes of compliance with tax information exchange obligations.

In addition, the decree recognizes the use of information collected through anti-money laundering and know-your-customer (AML/KYC) procedures, provided such procedures are consistent with FATF Recommendations 10 and 25.

This measure forms part of Panama’s ongoing efforts to strengthen its tax transparency and international tax information exchange framework, providing greater clarity regarding the identification of beneficial owners in corporate structures and legal vehicles used in cross-border operations.

For more information: Gaceta Oficial N° 30556 C

Case Law

03. Ruling on the Statute of Limitations for Income Tax Related to CAIR

Tax Administrative Court (TAT) Decision Merits Resolution No. TAT-RF-009 dated April 13, 2026	
Main Issue	1. Statute of Limitations: The TAT analyzed whether the DGI's authority to collect Income Tax for fiscal year 2016 had become time-barred because more than seven years had elapsed without effective collection actions. 2. Non-Application of CAIR: The TAT evaluated whether the taxpayer met the requirements to qualify for the non-application of CAIR by alleging a tax loss for fiscal year 2016.
DGI Actions and Background	The taxpayer requested the non-application of CAIR for fiscal year 2016, claiming losses. The DGI rejected the request through Resolution No. 201-4777 of August 14, 2017, alleging inconsistencies in the reconciliation of income, lack of support for certain costs and expenses, and an excess provision for bad debts. Subsequently, through Resolution No. 201-5899 of July 14, 2025, the DGI upheld the rejection.
Taxpayer's Arguments	The taxpayer argued that the differences between the income reported in the income tax return and the ITBMS returns were properly supported; that the details of costs and expenses were included in the tax return annexes; that the bad debt provision was correctly calculated; and that, in any event, the Government's collection authority had become time-barred because more than seven years had passed without effective collection actions.
TAT Analysis and Findings	The TAT concluded that one of the DGI's objections regarding the discrepancy between income reported in the income tax return and ITBMS returns was successfully rebutted by the taxpayer. However, it upheld the objections related to other costs, other expenses, and the bad debt provision due to non-compliance with the applicable requirements. Consequently, the TAT determined that the taxpayer was not in a loss position and therefore did not qualify for the non-application of CAIR. Nevertheless, the TAT found that the tax liability related to fiscal year 2016 was time-barred because the seven-year limitation period established in Article 737 of the Tax Code expired on December 31, 2024, and the DGI failed to demonstrate any valid collection actions that interrupted the limitation period before its expiration.
Relevant Criterion (Precedent)	The TAT established that the statute of limitations may be examined within a proceeding concerning a request for the non-application of CAIR when the outcome of the proceeding determines an enforceable tax obligation. Likewise, it held that filing and processing a request for the non-application of CAIR does not suspend or interrupt the statute of limitations for tax collection purposes.
Final Decision	The TAT resolved to: • Uphold the rejection of the request for the non-application of CAIR for fiscal year 2016. • Determine that the tax must be calculated under the CAIR method. • Declare proven the statute of limitations defense regarding the Income Tax corresponding to fiscal year 2016. • Recognize that the DGI lost its legal authority to collect such tax because the statutory limitation period elapsed without a valid interruption.

For more information: Resolución TAT-RF 009 de 13 de abril de 2026 (Precedente prescripción del CAIR).pdf

Dominican Republic

Subjects (1/2)

01 Law No. 30-26 on Economic Growth Measures, Tax Simplification and Mitigation of the International Crisis

02 Resolution No. DDG-AR1-2026-00005 issued by the General Agency for Internal Taxes regarding the settlement of the special contribution for integrated solid waste management

03 Resolution No. DDG-AR1-2026-00004 issued by the General Agency for Internal Taxes on the indexation of specific excise tax amounts for the July–September 2026 period

04 Notice No. 08-2026 issued by the General Agency for Internal Taxes regarding public consultation on a proposed rule exempting electronic invoicing issuers from withholding obligations

05 Notice No. 09-2026 issued by the General Agency for Internal Taxes regarding public consultation on amendments to the regulation of temporary transit license plates

06 Notice No. 10-2026 issued by the General Agency for Internal Taxes regarding the implementation schedule of Law No. 30-26

Subjects (2/2)

07 Case Law: The Administrative Superior Court confirms that clerical errors in tax returns do not relieve taxpayers from the tax consequences arising from the information reported

08 Case Law: The Administrative Superior Court upholds the DGII's authority to verify tax credits before authorizing their offset

01. Law No. 30-26 on Economic Growth Measures, Tax Simplification and Mitigation of the International Crisis

The Dominican Republic enacted Law No. 30-26 on Economic Growth Measures, Tax Simplification and Mitigation of the International Crisis, introducing significant amendments to the Dominican Tax Code and several special tax laws. The reform includes important changes affecting income taxation, real estate capital gains, inheritance and gift taxes, and taxes related to the real estate sector.

With respect to income taxation, the law creates a specific regime for capital gains derived from the disposal of real estate owned by individuals, subjecting such gains to a final and definitive tax rate of 10%. It also establishes an exemption where the proceeds from the sale of a primary residence are reinvested in the acquisition of a new primary residence within six months of the transfer. An additional exemption applies to individuals over the age of 65 who transfer their primary residence. This treatment may also apply to legal entities or entities whose exclusive activity is the holding of real estate assets, provided that such assets are not used for commercial activities. Furthermore, for fiscal years 2026, 2027, and 2028, taxpayers with annual income equal to or exceeding DOP 1 billion will be subject to a 30% income tax rate on taxable income, instead of the general corporate income tax rate of 27%.

The reform also introduces significant changes in the area of wealth taxation. Among these changes, inheritance tax exemptions are expanded for transfers with a total value of less than DOP 1 million, and, where transfers occur between direct-line relatives, for transfers valued below DOP 2 million. The law also amends the rules governing gift tax and updates several exemptions established under Law No. 2569-50 on Inheritance and Gifts.

From a Tax Authorities perspective, the law strengthens the powers of the Tax Authorities by incorporating failure to pay tax liabilities as a cause for suspension of the statute of limitations under Article 24 of the Dominican Tax Code. It also introduces a new payment agreement regime, modifies the rules governing compensatory interest and late-payment surcharges, and establishes a framework for reductions based on prompt payment. Additionally, a temporary tax amnesty is enacted through December 31, 2026, for certain taxpayers with disputed tax liabilities, final tax debts, or omitted tax returns.

The law further introduces changes to withholding taxes and international taxation, including an increase of the withholding tax rate on rental payments made to individuals from 10% to 15%, and a 15% withholding tax on outbound payments for royalties, software licenses, online advertising services, and data storage services.

Finally, in the real estate sector, the law provides for the gradual reduction of the unified ad valorem tax applicable to real estate transactions currently governed by Law No. 2914 on Mortgage Registration and Conservation and Law No. 173-07 on Revenue Collection Efficiency. The applicable rate will decrease from 2% to 1% beginning in 2027 and will be fully eliminated as of 2028.

For more information: Law No. 30-26

02. Resolution No. DDG-AR1-2026-00005 issued by the General Agency for Internal Taxes regarding the settlement of the special contribution for integrated solid waste management

On June 26, 2026, the General Agency for Internal Taxes (DGII) issued Resolution No. DDG-AR1-2026-00005, implementing the automatic and generalized semiannual installment payment mechanism for the special contribution established for integrated solid waste management.

This payment facility applies to companies whose fiscal year ended on December 31, 2025, and allows the contribution to be paid in two equal installments of 50% of the total amount due, with payment deadlines on June 30, 2026, and December 31, 2026.

The Tax Authorities also announced that the corresponding installments will be generated automatically for taxpayers that have filed their 2025 Corporate Income Tax Return, thereby simplifying compliance with this obligation.

For more information: Resolution No. DDG-AR1-2026-00005

03. Resolution No. DDG-AR1-2026-00004 issued by the General Agency for Internal Taxes on the indexation of specific excise tax amounts for the July–September 2026 period

Through Resolution No. DDG-AR1-2026-00004, the General Agency for Internal Taxes (DGII) announced the indexation of specific amounts applicable to the Selective Consumption Tax (ISC) for the period covering July through September 2026.

The ISC applicable to cigarettes was established as follows:

- DOP 64.65 per pack of 20 cigarettes.
- DOP 32.33 per pack of 10 cigarettes.

The applicable ISC amount for alcoholic beverages was set at DOP 764.29.

For more information: Resolution No. DDG-AR1-2026-00004

04. Notice No. 08-2026 issued by the General Agency for Internal Taxes regarding public consultation on a proposed rule exempting electronic invoicing issuers from withholding obligations

The General Agency for Internal Taxes (DGII) announced the opening of a public consultation process regarding a draft General Rule that proposes exempting taxpayers authorized as electronic invoicing issuers from the withholding requirements established under General Rule No. 02-2025, as amended. The initiative aims to facilitate tax compliance and further encourage the adoption of electronic invoicing throughout the country.

Under the proposed rule, the VAT (ITBIS) withholding obligations established under current regulations would not apply to transactions carried out by taxpayers authorized as electronic issuers before the DGII, provided that such transactions are supported by Electronic Fiscal Receipts (e-CFs).

The consultation period will remain open from June 18 through August 20, 2026, through the Taxpayer Forum available on the DGII website. The Tax Authorities have invited taxpayers and other interested parties to submit comments and observations.

For more information: Notice No. 08-2026

05. Notice No. 09-2026 issued by the General Agency for Internal Taxes regarding public consultation on amendments to the regulation of temporary transit license plates

The General Agency for Internal Taxes (DGII) announced the opening of a public consultation process on a draft General Rule that would amend General Rule No. 11-2021, which regulates the characteristics, issuance procedures, and use of temporary and transit license plates for motor vehicles and trailers.

The proposal seeks to expand the scope of the existing regulation, redefine the concept of temporary license plates, and update the procedures governing their application and use.

The consultation period will remain open from June 26 through August 28, 2026, through the Taxpayer Forum available on the DGII's online portal. The Tax Authorities have invited taxpayers and other interested stakeholders to submit comments and observations on the proposal.

For more information: Notice No. 09-2026

06. Notice No. 10-2026 issued by the General Agency for Internal Taxes regarding the implementation schedule of Law No. 30-26

The General Agency for Internal Taxes (DGII) published the implementation schedule for Law No. 30-26, detailing the effective dates of the principal measures introduced by the tax reform.

The notice outlines the implementation timelines for various provisions concerning tax procedures, income tax, withholding obligations, outbound payments, advance tax payments, the simplified taxation regime, and other taxes.

The schedule also distinguishes between measures with immediate effect and those that will become effective gradually during fiscal years 2026, 2027, and subsequent years, providing taxpayers with guidance regarding the implementation of the new legislation.

For more information: Notice No. 10-2026

Case Law

01. The Administrative Superior Court confirms that clerical errors in tax returns do not relieve taxpayers from the tax consequences arising from the information reported

Administrative Superior Court Judgment No. 0030-1642-2026-SSEN-00235	
Background	On June 11, 2026, the Fourth Chamber of the Administrative Superior Court heard a tax litigation claim filed by Almacenes Generales del Caribe, S.A. (ALMACARIBE) against Resolution No. RAT-11-2024 issued by the General Agency for Internal Taxes (DGII). The dispute arose from a tax audit conducted by the Tax Authorities in connection with fiscal year 2022, during which an inconsistency was identified in expenses reported in the 606 Report and in the Corporate Income Tax Return (IR-2). The taxpayer argued that, due to a clerical error, an expense of DOP 9,557,075.00 had been reported when the correct amount was DOP 9,557.75, resulting in a tax adjustment relating to "*Costs and Expenses Supported by Minor Expense Tax Receipts Numbers (NCFs) Not Properly Justified*" The dispute had previously been reviewed by another chamber of the Administrative Superior Court and was later remanded to the Fourth Chamber following a cassation decision with remand issued by the Supreme Court of Justice.
Arguments	ALMACARIBE argued that the DGII failed to properly assess the audited financial statements, accounting records, and supporting documentation demonstrating that the discrepancy resulted from a simple clerical error in the tax return. The company contended that the Tax Authorities incorrectly presumed the expense to be invalid and made a tax assessment that did not reflect the economic reality of the transaction. Accordingly, it requested the reversal of the tax assessment, surcharges, and interest arising from the alleged inconsistency. For its part, the DGII argued that, regardless of the alleged clerical error, the taxpayer had in fact reported the incorrect amount in its tax filings and obtained a tax benefit as a result of the information reported. Consequently, the DGII maintained that the error directly affected the tax determination and fully justified the adjustment made. The DGII further noted that Resolution No. RAT-11-2024 partially corrected certain findings but maintained those supported by the evidence obtained during the audit process.
Decision of the Administrative Superior Court	The Fourth Chamber dismissed the tax litigation claim and upheld Resolution No. RAT-11-2024 issued by the DGII. The Court acknowledged the existence of the clerical error alleged by the taxpayer. However, it found that the incorrect information had in fact been incorporated into the taxpayer's tax returns and had generated concrete tax consequences in the determination of Corporate Income Tax and the corresponding advance payments. The Court further held that the existence of a clerical error does not automatically eliminate the legal and tax effects arising from information reported by the taxpayer itself. As a result, it concluded that the DGII acted within the powers granted to it under the Dominican Tax Code and that the challenged resolution was properly reasoned, supported by evidence, and consistent with the principle of tax legality. Accordingly, the Court upheld the administrative action in its entirety.

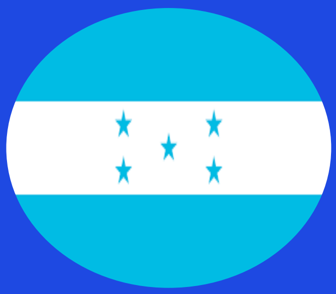
For more information: Judgment No. 0030-1642-2026-SSEN-00235

02. The Administrative Superior Court upholds the DGII's authority to verify tax credits before authorizing their offset

Administrative Superior Court Judgment No. 0030-1642-2026-SSEN-00236	
Background	On June 11, 2026, the Fourth Chamber of the Administrative Superior Court heard a tax litigation claim filed by Autos Ejecutivos Logistics Zayas Agüero, S.R.L. against Communication No. ALFER FI 4 issued by the General Agency for Internal Taxes (DGII). The dispute arose when the taxpayer sought to offset a VAT (ITBIS) tax credit amounting to DOP 28,846,103.78, generated from vehicle importations, against various outstanding tax liabilities relating to the Tax on Assets and Corporate Income Tax. The DGII rejected the offset request through an administrative communication, stating that the alleged tax credit first had to undergo a verification or audit process to determine whether it met the requirements established under the Dominican Tax Code to qualify as a certain, liquid, and enforceable credit.
Arguments	The taxpayer argued that the DGII's decision constituted an unlawful administrative act and that the Dominican Tax Code does not require a prior audit as a condition for authorizing the offset of tax credits. The company maintained that the credit balance was already recorded in the Tax Authorities's systems and satisfied all legal requirements for offsetting. Accordingly, it contended that the DGII's refusal violated the principles of legality, legal certainty, good faith, and the taxpayer's right to offset claims as recognized under Articles 18 and 19 of the Dominican Tax Code. For its part, the DGII argued that it had not definitively denied the claimed credit, but had merely required its prior validation through the verification procedures established under tax legislation. The DGII asserted that an offset may only be approved when the credit is effectively certain, liquid, and enforceable, and that these conditions must be verified through a formal audit process pursuant to Articles 19 and 265 of the Dominican Tax Code.
Decision of the Administrative Superior Court	The Fourth Chamber dismissed the tax litigation claim and upheld the actions taken by the DGII. The Court held that, for a tax credit to be eligible for offset, it is not sufficient for a taxpayer to merely show a credit balance in its online tax account or submit evidence of tax payments. Rather, the taxpayer must demonstrate that the credit effectively satisfies the requirements of certainty, liquidity, and enforceability established under Article 19 of the Dominican Tax Code. The Court further noted that Article 265 of the Dominican Tax Code sets forth a series of documentary requirements and prior verification procedures that enable the Tax Authorities to determine the validity of the credit being claimed for offset purposes. Consequently, it found the DGII's requirement of a prior audit or verification process to be legitimate and concluded that the taxpayer had failed to provide sufficient evidence demonstrating that the claimed credit met the legal requirements for offset. For these reasons, the Court rejected the claim and upheld the challenged administrative decision.

For more information: Judgment No. 0030-1642-2026-SSEN-00236

Honduras



Subjects

01 Tax amnesty programs extended

01. Tax amnesty programs extended

Decree No. 78-2026 (June 12, 2026) approves the extensions of various amnesty programs, representing an opportunity to regularize tax, social security, municipal, and public utility obligations without incurring additional penalties.

National tax relief

- Previously expired on June 13, 2026.
- Effective for four months starting from the publication of the decree in the official gazette.
- Exempts taxpayers from fines, penalties, surcharges, and interest related to unpaid taxes.
- Applies to taxpayers with outstanding material or formal obligations as of December 31, 2025, regardless of whether payments were late, partial, or remain outstanding.
- Principal tax must be paid within the specified period to access the benefits; otherwise, the benefits are lost and the corresponding liabilities are reactivated.

Honduran Social Security Institute amnesty

- Four-month period that waives surcharges, fines, and interest on debts related to employer and employee contributions.
- Applies to employers in both the public and private sectors.
- Employers with outstanding obligations must pay the principal debt or document and guarantee it within the amnesty period.
- The IHSS must restore health and social protection services to affiliates when their employers regularize their outstanding debts.
- The IHSS must clean up and write off accounts receivable deemed uncollectible from liquidated and deceased contributors.

Municipal tax relief

- Previously expired on May 13, 2026.
- Granted for a four-month period in all municipalities.
- Exempts taxpayers from fines, surcharges, interest, additional taxes, and other late fees.
- Applies to individuals and legal entities, including those with active payment plans.
- Municipalities may establish new payment plans extending beyond the amnesty period while maintaining the exemption of specified surcharges.
- The "Prompt Payment" discount benefits are extended for an additional 30 days.
- Municipalities must report the impact of these amnesties to the National Congress of Honduras within 60 days following their completion.

Comparison with prior decree

- The newly published decree contains several key differences compared to the previous amnesty decree published in the official gazette on February 13, 2026:
- Addition of the national tax amnesty and the IHSS amnesty with specific rules
- No renewal of the energy amnesty for the National Electric Energy Company (ENEE), the vehicle amnesty, the amnesty for the Honduran Telecommunications Company (HONDUTEL), and the immigration amnesty, which were included in the February 2026 decree
- Incorporation of a 30-day extension for municipal "Prompt Payment" discounts
- Express inclusion of employers under the IHSS amnesty provisions
- Inclusion of an obligation for the IHSS to clean up and write off uncollectible accounts of liquidated or deceased contributors

Contacts

Costa Rica
Cristina Sansonetti
Lead Partner
csansonetti@kpmg.com

El Salvador
Flor Jaime
Directora
fjaime@kpmg.com

Panamá
Jair Montúfar
Lead Partner
jmontufar@kpmg.com

Honduras
Luis Zelaya
Director
lzelaya@kpmg.com

Guatemala
Christian Aldana
Partner
christianaldana@kpmg.com

Nicaragua
Willhem Salgado
Director
wsalgado@kpmg.com

República Dominicana
Carlo Mercedes
Partner
cmercedes@kpmg.com

KPMG

KPMG Costa Rica

www.kpmg.com/cr

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