

EXPATRIATES

Peru

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE

Peruvian domiciled individuals are taxable on their worldwide income and gains.

An assignee will be considered tax domiciled (and subject to tax on worldwide income) when they reach more than 183 calendar days of presence within the country in any “twelve month” period.

Non-domiciled individuals are taxable on their Peruvian source income. Non-domiciled condition is generally effective from January 1st of the very next year.

Domicile is automatically broken when:

- A worker leaves Peru under a Resident Visa;
- A worker leaves Peru under a one-year (or more) employment contract endorsed by the Peruvian Consulate (in the host country).

BREAKING RESIDENCY - EXIT PROCEDURES

As a general rule, when an individual has more than 183 days of presence outside of Peru within any 12-month period, domicile is broken.

There is no specific registration procedure to be followed by an expatriate for tax purposes. If they are non-domiciled when leaving the country, a Form 1494 should be submitted, in which the assignee declares to have properly complied and paid all taxes that they are liable for.

INCOME TAX RATES

Domiciled Individual Income Tax Rates

Taxable income	Tax (progressive & cumulative rates)
Until PEN 21,500 or US\$ 6,140 approx. (5 Tax Units*) There is a non-taxable bracket of 7 Tax Units**	8%
From S/ 21,000 to S/ 84,000 or US\$ 25,455 approx. (5 to 20 Tax Units)	14%
From S/ 84,000 to S/ 147,000 or US\$ 44,545 approx. (20 to 35 Tax Units)	17%
From S/ 147,000 to S/ 189,000 or US\$ 57,273 approx. (35 to 45 Tax Units)	20%
Over S/ 189,000 or US\$ 57,273 approx. (45 Tax Units)	30%

* Tax Unit for 2020 = PEN 4,300 = US\$1,230 approx. | ** Deduction of 3 extra Tax Units can be applicable under certain conditions

Domiciled Individual Capital Income Tax Rates

Taxable income	Tax rate
Rental income	5%
Capital gains (including real state property sale)	5% as Effective Rate (6.25% x 80% Gross Income)
Dividends	5% (when they are received from a company domiciled in Peru)

Non-Domiciled Individual Income Tax Rates

Taxable income	Tax rate
US \$1 and over	30%

Non-Domiciled Individual Capital Income Tax Rates

Taxable income	Tax rate
Rental income	5%
Capital gains	5% 30% on sales outside Peruvian stock market
Income from real estate property sale	5%
Dividends	5% if they are received from a company domiciled in Peru

SOCIAL CONTRIBUTIONS

Superannuation (voluntary contribution inasmuch employee is not in Peruvian payroll)

Taxable income	Tax rate
Public National Pension System(Common Fund under Government Administration)	13%
Private Pension System (Individual Fund under administration of Private Pension Fund Management Companies - AFP)	Approx. 13% (including pension contribution and AFP's commission)

Health Insurance

Taxable income	Tax rate
Individual gross wage to be paid by employer. It´s not withheld	9%

* Applicable on remuneration amount

For further information and to register for future updates contact expat@bdo.global

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations. The information contained within this publication is based upon information available up to the version date indicated in the document footer, and is accurate only as of such version date. While every reasonable effort has been taken by BDO to ensure the completeness and accuracy of the matter contained in this publication, the information contained herein does not constitute an examination of any recipient's compliance with laws, regulations, or other matters. You should not act, or refrain from acting, upon the information contained herein without obtaining specific professional advice. Please contact the appropriate BDO Member Firm to discuss these matters in the context of your particular circumstances. Neither the BDO network, nor the BDO Member Firms or their partners, employees or agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO is an international network of public accounting, tax and advisory firms, the BDO Member Firms, which perform professional services under the name of BDO. Each BDO Member Firm is a member of BDO International Limited, a UK company limited by guarantee that is the governing entity of the international BDO network. Service provision within the BDO network is coordinated by Brussels Worldwide Services BVBA, a limited liability company incorporated in Belgium. Each of BDO International Limited, Brussels Worldwide Services BVBA and the member firms of the BDO network is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BVBA and/or the member firms of the BDO network.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

© Brussels Worldwide Services BV, December 2020

www.bdo.global