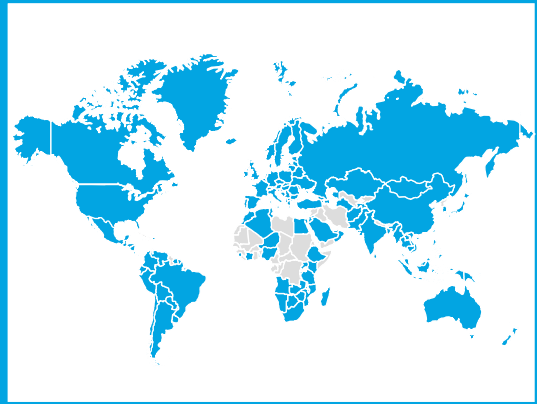


INPATRIATES

Guatemala

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

Employers are responsible for deducting (withholding) and remitting income taxes for any employees residing in Guatemala.

Any employer who pays, or credits payments of any kind, for services performed by an employee, whether temporary or permanent, must withhold income tax from the employee.

Similar obligations must be accomplished by public employees and officials who are responsible for the payment of salaries and other compensations for services rendered to state agencies, decentralized, autonomous entities, municipalities and businesses.

An individual is considered a resident for tax purposes when either of the following circumstances occur:

- That individual remains in national territory more than 183 days during the calendar year, even if it is not continuous;
- The individual's center of economic interest is located in Guatemala unless the taxpayer proves that his residence or fiscal domicile is in another country. This must be accomplished by providing the corresponding certificate issued by the tax authorities of that other country.

If foreign individuals provide services in an independent capacity in Guatemala, it is not necessary to obtain a work permit. However, they may be required to register an economic activity to request an authorization to issue invoices and make tax payments to the tax authorities.

If foreign individuals remain in Guatemala less than 183 days during the calendar year, they can provide services in Guatemala as independent service providers. It is not necessary to obtain a work permit or register with the Superintendencia de Administración Tributaria (tax authority).

Certain payments made to a non-resident individual is subject to income tax withholding at source. The payor is required to withhold the applicable rate based on type of income (5%, 15% or 25%).

REGISTRATION/FORMALITIES

Foreign employees in general must meet the following requirements:

- Legal immigration status;
- Apply for work permit;
- Process tax identification number

INCOME TAX RATES

Tax rate	Fixed tax	Range of taxable income
5% on taxable Income	Q0.00	Q0.01 to Q300,000.00
7% on the excess of Q300,000.00	Q15,000.00	Q300,000.00 onwards

Withholding of Income Tax from Non-Residents

Type of income	Tax rate
Dividends, distribution of profits, profits and other benefits, as well as any transfer or crediting in account to their parent companies abroad, without consideration from permanent establishments of non-resident entities. (payments to shareholders)	5%
<ul style="list-style-type: none">Salaries, allowances, commissions, bonuses and other remunerations that do not imply reimbursement of expenses.The payments or accreditation in bank account to athletes and artists of theater, television and other public or acting shows.The royalties, in the terms of article 4 of this book.The fees.Scientific, economic, technical or financial advice.	15%
Other taxable income not specified in the above numerals.	25%

SOCIAL TAX RATES

Social security	Social tax rate
Labor share	4.83%
Employer's contribution	12.67%

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

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