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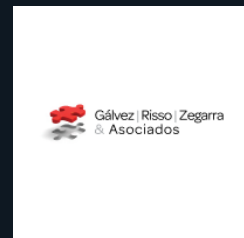
Country Comparative Guides 2025

Peru

Tax

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This country-specific Q&A provides an overview of tax laws and regulations applicable in Peru.

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Peru: Tax

1. How often is tax law amended and what is the process?

Peru's tax system is based on separate statutes for each major tax (for example, the Income Tax Law, the VAT Law, the Excise Tax Law and the Tax Code). These laws are amended periodically, but not necessarily on a fixed annual basis. Comprehensive reform packages usually appear every few years, when Congress delegates temporary powers to the Executive. In between, there may also be targeted amendments, which can address either formal aspects or specific substantive matters.

By constitutional rule, any creation, amendment or elimination of a tax must be enacted by law. This can be done either through an Act of Congress or a Legislative Decree issued by the Executive under congressional authorization. Secondary regulations and administrative resolutions then provide for implementation.

2. What are the principal administrative obligations of a taxpayer, i.e. regarding the filing of tax returns and the maintenance of records?

Individuals and legal entities deemed as Peruvian tax residents are required to register with the Taxpayer Registry (Registro Único de Contribuyentes – RUC), designating a tax domicile within the national territory.

Additionally, Peruvian taxpayers are bound to maintain accounting records in accordance with the rules issued by the Tax Authority (SUNAT). In general terms, these records consist of ledgers, journals, account statements, inventories, payroll books, invoices, customs documentation, financial statements, and any supporting documentation that evidences the transactions carried out. Depending on the tax regime, such records may be kept in physical form or through the electronic accounting books system.

Accounting records must generally be retained for five years, counted from the year following that in which the tax return is due to be filed. However, Peruvian case law has clarified that records from years already statute-barred must still be preserved if they have an impact on non-prescribed periods, such as in the case of carried-forward losses, depreciation schedules, or the cost basis of assets.

In general, taxpayers are required to file:

- Monthly advance payments of Income Tax, calculated either on the basis of net taxable income or under the coefficients provided by law.
- An annual Income Tax return, which is definitive and consolidates all income, deductions and credits.
- Monthly VAT (IGV) returns, which are considered definitive.

Depending on the taxpayer's activities, structure or cross-border operations, additional informative returns may apply. These include, for example: transfer pricing reports, operations with related parties, transactions carried out with entities domiciled in low-tax jurisdictions, or disclosure of indirect ownership through fiscally transparent entities or vehicles. Taxpayers may also submit rectifying returns to amend or correct data filed in prior returns.

Failure to comply with the above formal obligations – whether registering with the RUC, properly keeping accounting records, or filing the corresponding returns – may result in penalties and interests.

As from 2022, new rules on the disclosure of ultimate beneficial owners (UBOs) require legal entities and certain legal arrangements to identify and report their controlling beneficiaries. This information must be maintained as part of the accounting records and provided to SUNAT upon request. The obligation applies to companies, trusts, and other legal vehicles, as well as to notaries and financial institutions in specific circumstances.

3. Who are the key tax authorities? How do they engage with taxpayers and how are tax issues resolved?

In Peru, the National Superintendency of Customs and Tax Administration (Superintendencia Nacional de Aduanas y de Administración Tributaria – SUNAT) is the central tax authority in charge of administering and collecting national taxes, including Income Tax, Value Added Tax (IGV), Excise Tax, customs duties and social contributions. SUNAT is also responsible for tax audits, enforcement and the issuance of binding rulings and administrative guidelines.

At the local level, municipal governments are responsible for administering municipal taxes, such as property tax, vehicle tax and certain licensing fees.

The interaction between SUNAT and taxpayers is primarily conducted through the virtual tax portal (SUNAT Operaciones en Línea), where taxpayers register, file tax returns, submit electronic invoices and respond to official notifications. SUNAT may engage through electronic audits, in-person audits or information requests.

When tax issues arise, they are first addressed through an administrative claim before SUNAT. If the dispute is not resolved at this stage, the taxpayer may appeal to the Tax Court (Tribunal Fiscal), which is the last administrative instance and whose decisions are binding on SUNAT.

4. Are tax disputes heard by a court, tribunal or body independent of the tax authority? How long do such proceedings generally take?

In Peru, tax disputes are first resolved at the administrative level. A taxpayer that disagrees with an assessment or penalty may file a claim before SUNAT. If the decision is not favorable, the taxpayer can appeal to the Tax Court (Tribunal Fiscal), which is an autonomous body attached to the Ministry of Economy and Finance but functionally independent from SUNAT. The Tribunal Fiscal acts as the final administrative instance and its resolutions are binding on SUNAT.

If the taxpayer is not satisfied with the Tax Court's decision, the case may be challenged before the judicial courts through contentious-administrative proceedings. These cases are heard by specialized courts and may ultimately reach the Supreme Court.

As to timing, the duration of proceedings can vary significantly. At the administrative level, a claim before SUNAT may take between 9 to 12 months to be decided, while an appeal before the Tax Court may take on average three to four years, depending on the complexity of the case and the Tribunal's workload. If the dispute proceeds to the judicial stage, full litigation before the courts can extend the overall resolution time to three to five years or more.

5. What are the typical deadlines for the payment of taxes? Do special rules apply to disputed amounts of tax?

In Peru, most taxes are paid on a monthly basis. Value

Added Tax (IGV) and monthly advance payments of Income Tax must be declared and paid in the month following the taxable period, according to a schedule published annually by SUNAT based on the last digit of the taxpayer's registration number (RUC). For example, obligations corresponding to January are generally due in the first half of February.

Taxpayers are also required to file and pay an annual Income Tax return within the deadlines set each year by SUNAT, usually between March and April of the following year, depending on the RUC number. The annual return consolidates all income, deductions and credits, and any balance due must be paid upon filing.

Regarding disputed amounts, the filing of a claim or appeal against a tax assessment suspends the enforceability of the debt until the administrative proceedings are resolved. SUNAT cannot initiate collection actions while the dispute is pending before the Tax Court. If the case is later taken to the judiciary, enforcement may only proceed unless the taxpayer obtains a precautionary measure from the court to suspend collection.

6. Are tax authorities subject to a duty of confidentiality in respect of taxpayer data?

Yes. In Peru, the Tax Code (Código Tributario) establishes that all information obtained by the Tax Administration in the exercise of its powers is subject to **tax secrecy (secreto tributario)**. This duty of confidentiality covers tax returns, financial data, accounting records and any other information provided by taxpayers.

Disclosure is only permitted in limited cases expressly provided by law, such as information required by the judiciary in criminal proceedings, requests from the tax authority of another country under an international treaty, or aggregated data published for statistical purposes. Even in those cases, access is restricted to the specific scope authorized by law.

Breach of tax secrecy by SUNAT officials constitutes a serious infringement and may lead to administrative, civil and criminal liability.

7. Is this jurisdiction a signatory (or does it propose to become a signatory) to the Common Reporting Standard? Does it maintain (or intend to maintain) a public register of beneficial ownership?

Peru is a signatory to the OECD Common Reporting Standard (CRS) and has implemented the automatic exchange of financial account information with other participating jurisdictions. The legal framework for CRS compliance is incorporated in domestic regulations issued by the Tax Administration (SUNAT) and the financial supervisory authority.

With respect to beneficial ownership, Peru requires legal entities and certain legal arrangements to identify their ultimate beneficial owners (UBOs) and report them to SUNAT. This obligation was introduced in 2019 and further reinforced in 2022. The information is kept in a central register administered by SUNAT, but it is not publicly available; access is restricted to the tax authority and other competent authorities for anti-money laundering and tax transparency purposes.

8. What are the tests for determining residence of business entities (including transparent entities)?

In Peru, the concept of tax residence for business entities is based on the place of incorporation. A company, partnership or other legal person is considered a resident taxpayer if it has been incorporated or established under Peruvian law, regardless of where its management or operations are effectively carried out.

Entities incorporated abroad but carrying out activities in Peru through a permanent establishment (such as a branch, agency or other fixed place of business) are treated as non-residents; however, they are subject to Peruvian tax on the income attributable to that permanent establishment.

Peruvian law does not provide for special "place of effective management" tests nor does it apply residence criteria based on control or management abroad. For tax purposes, transparent entities (such as partnerships without legal personality) are generally taxed at the level of their partners or members, but if they are organized under Peruvian law they are deemed resident for determining the source and allocation of income.

9. Do tax authorities in this jurisdiction target cross border transactions within an international group? If so, how?

Yes. The Peruvian tax authority (SUNAT) places significant focus on cross-border related-party transactions. The Income Tax Law contains comprehensive transfer pricing rules that apply to

transactions carried out with related parties and with residents in low-tax jurisdictions. These rules require that the terms and conditions of such transactions conform to the arm's length principle.

Taxpayers engaged in cross-border transactions within an international group may be required to prepare and submit transfer pricing documentation, including the Local File, Master File, and Country-by-Country Report, depending on revenue thresholds. SUNAT actively uses this information in audits and has the power to make adjustments to taxable income when it considers that prices, margins or conditions deviate from arm's length standards.

10. Is there a controlled foreign corporation (CFC) regime or equivalent?

Yes. Peru introduced a Controlled Foreign Corporation (CFC) regime in 2013, effective from 2019, through amendments to the Income Tax Law. The regime applies to Peruvian resident taxpayers (individuals or legal entities) that, alone or together with related parties, hold more than 50% of the capital, voting rights or results of a non-resident entity.

Under these rules, certain categories of passive income obtained by the CFC – such as dividends, interest, royalties, capital gains and income from financial investments – must be attributed and taxed currently in Peru, even if not distributed. Active income (for example, from genuine business operations) is excluded.

The CFC rules also extend to transparent or fiscally disregarded entities abroad when they meet the participation and passive income thresholds.

Taxpayers subject to the regime must include the CFC income in their annual return, and non-compliance can lead to penalties and adjustments by SUNAT.

11. Is there a transfer pricing regime? Is there a "thin capitalization" regime? Is there a "safe harbour" or is it possible to obtain an advance pricing agreement?

Yes. Peru has a transfer pricing regime that follows the arm's length principle and is broadly consistent with OECD guidelines. It applies to transactions with related parties and with residents in low-tax jurisdictions. Taxpayers that meet revenue or transaction thresholds must prepare and submit Local File, Master File and Country-by-Country Report documentation. SUNAT

actively reviews these filings and may adjust taxable income where prices or margins deviate from arm's length conditions.

Peru also applies a thin capitalization regime. Interest on related-party loans and loans from third parties is deductible only up to a limit of 30% of the taxpayer's EBITDA (earnings before interest, taxes, depreciation and amortization), calculated according to the rules of the Income Tax Law. Any excess interest above this cap is non-deductible.

There are no general safe harbour rules for transfer pricing purposes. However, Peruvian law allows taxpayers to request Advance Pricing Agreements (APAs) with SUNAT. These agreements can be unilateral, bilateral or multilateral, depending on the jurisdiction involved, and provide certainty on the transfer pricing methodology to be applied in future transactions.

12. Is there a general anti-avoidance rule (GAAR) and, if so, how is it enforced by tax authorities (e.g. in negotiations, litigation)?

Yes. Peru has a General Anti-Avoidance Rule (GAAR), incorporated into the Tax Code through Legislative Decree No. 1121 (2012). The rule empowers SUNAT to recharacterize transactions or arrangements that, while formally valid, are deemed to have been carried out with the main purpose of avoiding or reducing taxes, provided that they lack relevant economic substance.

The effective application of the GAAR was initially suspended, but it entered into force on July 19, 2019. Enforcement requires the participation of a specialized body, the Review Commission on Tax Avoidance (Comisión Revisora de la Norma XVI), which must issue a prior opinion before SUNAT can apply the GAAR in a specific case.

In practice, GAAR enforcement occurs mainly during tax audits. SUNAT may challenge structures, financing arrangements or reorganizations if it considers that they were designed primarily to obtain a tax benefit without sufficient economic justification. Taxpayers can contest SUNAT's application of GAAR through the regular administrative dispute process, first before SUNAT itself and then before the Tax Court (Tribunal Fiscal). Ultimately, decisions may be subject to judicial review.

13. Is there a digital services tax? If so, is there an intention to withdraw or amend it once a

multilateral solution is in place?

Peru does not levy a stand-alone digital services tax. Instead, digital services are taxed under existing rules of Income Tax and VAT:

- For Income Tax purposes, payments to non-resident providers of digital services are subject to a 30% withholding tax on gross income. This regime has been in place since 2003 and applies to services such as online advertising, software, subscriptions and similar services provided from abroad. The obligation to withhold falls on the Peruvian company payer of the service.
- For VAT purposes, the use of digital services in Peru is subject to IGV at the general rate of 18%. Since 2024, SUNAT has been empowered to designate non-resident providers and intermediaries as withholding or collection agents to ensure compliance.

Peru has not announced any intention to withdraw or modify these rules once a multilateral solution under the OECD/G20 Inclusive Framework (Pillar One) is implemented.

14. Have any of the OECD BEPS recommendations, including the BEPS 2.0 two-pillar approach been implemented or are any planned to be implemented?

Peru has adopted several measures inspired by the OECD/G20 BEPS Project. In particular:

- Transfer pricing documentation: Peru requires Local File, Master File and Country-by-Country Report, following thresholds and formats consistent with OECD standards.
- Interest limitation rules: Since 2021, interest deductions are limited to 30% of EBITDA, in line with BEPS Action 4.
- Beneficial ownership disclosure: Since 2019, companies and other legal vehicles must identify and report their ultimate beneficial owners to SUNAT, in line with transparency recommendations.
- Automatic exchange of information (CRS/AEOI): Peru joined the CRS framework and requires financial institutions to report information to SUNAT under Resolution 270-2019/SUNAT. Peru started exchanging information with partner jurisdictions in 2020.
- Treaty-related measures (MLI): Peru signed the OECD Multilateral Instrument (MLI) in 2017 and ratified it in June 2025. The MLI will begin to modify Peru's tax treaties as from 2026, incorporating anti-abuse and

dispute resolution provisions consistent with BEPS Actions 6 and 14.

With respect to BEPS 2.0, Peru is a member of the Inclusive Framework and has expressed political support, but no legislation has yet been enacted to implement Pillar One (reallocation of taxing rights) or Pillar Two (global minimum tax)

15. How has the OECD BEPS program impacted tax policies?

The OECD BEPS program has had a direct influence on Peru's recent tax policy. Rather than introducing entirely new taxes, its impact has been reflected in the orientation of legislative reforms and compliance requirements. Peru has used BEPS as a framework to align its rules with international standards, with an emphasis on anti-avoidance, transparency and international cooperation.

Key areas where this influence is visible include:

- Transfer pricing: adoption of the three-tiered documentation system (Local File, Master File, Country-by-Country Report).
- Interest deductibility: replacement of the former 3:1 debt-to-equity thin capitalization rule with a cap of 30% of EBITDA, following BEPS Action 4.
- Transparency: introduction of beneficial ownership reporting (2019) and participation in the CRS with automatic exchange of financial account information (since 2020).
- Treaty policy: ratification of the Multilateral Instrument (2025), which will update Peru's double tax treaties with anti-abuse and dispute resolution clauses.

Peru has not yet implemented measures under BEPS 2.0 (Pillars One and Two).

16. Does the tax system broadly follow the OECD Model i.e. does it have taxation of: a) business profits, b) employment income and pensions, c) VAT (or other indirect tax), d) savings income and royalties, e) income from land, f) capital gains, g) stamp and/or capital duties? If so, what are the current rates and how are they applied?

Yes. Peru's tax system broadly follows this structure:

- a. Business profits. Resident corporations are taxed on worldwide income at a 29.5% corporate income tax rate. Non-resident companies are taxed only on

Peruvian-source income, generally through withholding.

- b. Employment income and pensions. Resident individuals are subject to a progressive income tax on worldwide employment income and pensions: 8%, 14%, 17%, 20% and 30% depending on brackets. Non-residents are taxed at a flat 30% on Peruvian-source employment income.
- c. VAT (IGV). The general VAT rate is 18%. It applies to sales of goods, provision and use of services in Peru, construction contracts and imports.
- d. Savings income and royalties.
 - Dividends: 5% withholding when paid to individuals or non-residents.
 - Interest: generally subject to 30% withholding for non-residents, reduced to 4.99% for qualifying long-term loans.
 - Royalties: subject to 30% withholding.
 - Resident individuals pay 5% on most savings income (interest, dividends, capital gains on securities), unless the income is attributable to a business.
- e. Income from land. Rental income received by individuals outside a business is subject to a 5% final tax. If earned through a business, it is subject to the progressive rates for individuals or the 29.5% corporate rate.
- f. Capital gains. Taxable as ordinary income. For individuals, capital gains on listed securities traded on the Lima Stock Exchange may be exempt if certain liquidity conditions are met; otherwise, taxed at 5%. For corporations, capital gains are subject to the 29.5% corporate rate.
- g. Stamp and/or capital duties. Peru does not levy stamp duties or capital duties on incorporations or capital increases. However, companies are subject to the Temporary Net Assets Tax (ITAN), a 0.4% annual tax on net assets as of December 31, creditable against corporate income tax. This is a net worth tax, not a capital duty in the strict sense.

17. Is business tax levied on, broadly, the revenue profits of a business computed in accordance with accounting principles?

Corporate income tax is levied on the net taxable income of the company, which is determined starting from the accounting profit as reported under Peruvian Financial Reporting Standards (largely aligned with IFRS).

Taxable income is then computed by making the adjustments required by the Income Tax Law. These adjustments include adding back non-deductible expenses, applying limitations on deductions (e.g., thin

capitalization rules, non-deductibility of certain provisions, caps on representation expenses), and incorporating tax depreciation and amortization rules, which may differ from accounting treatment.

Thus, while accounting profit serves as the basis, the final taxable profit is determined by applying the specific rules of the tax legislation.

18. Are common business vehicles such as companies, partnerships and trusts recognised as taxable entities or are they tax transparent?

In Peru, the treatment depends on the type of vehicle:

- Companies (sociedades anónimas, sociedades de responsabilidad limitada, etc.). These are treated as separate taxable entities subject to corporate income tax at the standard 29.5% rate on their worldwide income if resident.
- Partnerships (sociedades colectivas, sociedades en comandita). They are also treated as taxable entities in their own right and subject to corporate income tax on their profits.
- Consortia or joint ventures without independent legal personality. These may be treated as transparent for tax purposes if they do not maintain independent accounting. In such cases, the partners or participants are taxed directly on their share of income. If they maintain independent accounting, the consortium is treated as a separate taxpayer.
- Trusts (fideicomisos). Tax treatment depends on the type:
 - Securitization trusts (fideicomisos de titulización): treated as taxable entities.
 - Other trusts (e.g., management or guarantee trusts): in general, income is attributed to the settlor or beneficiary, so they operate in a tax transparent manner.

In summary, most incorporated entities are taxable in their own right, while certain contractual arrangements (consortia, trusts) can be treated as transparent depending on their structure and the applicable rules

19. Is liability to business taxation based on tax residence or registration? If so, what are the tests?

In Peru, liability to corporate income tax is based on tax residence.

- Resident entities (companies incorporated in Peru

under Peruvian law, or branches and permanent establishments of foreign entities registered in Peru) are taxed on their worldwide income.

- Non-resident entities (foreign companies without tax residence in Peru) are taxed only on their Peruvian-source income, generally through withholding at source.

The residence test is therefore formal: a company is deemed resident if it is incorporated or established under Peruvian law. Unlike individuals, there is no management-and-control test for companies. Branches or permanent establishments of foreign companies registered in Peru are subject to tax in Peru on the income attributable to their local operations.

20. Are there any favourable taxation regimes for particular areas (e.g. enterprise zones) or sectors (e.g. financial services)?

Peru offers several preferential tax regimes, mainly targeted at geographic areas and specific industries:

- Amazon Region regime. Businesses established in the Peruvian Amazon that carry out industrial, agricultural, aquaculture, fishing or tourism activities may qualify for exemptions or reduced rates of corporate income tax (0%, 5% or 10%, depending on the activity and location). Sales of goods produced in the region are also exempt from VAT, subject to conditions.
- Special Economic Zones (Zonas Especiales de Desarrollo – ZEDs, formerly CETICOS). Enterprises operating in ZED Paita, Ilo and Matarani enjoy income tax exemptions, VAT and customs duty exemptions on certain operations conducted within the zone, provided they comply with regulatory requirements.
- Agricultural sector. The applicable corporate income tax rate depends on company size and period:
 - Under Law 31110, smaller taxpayers (up to 1,700 UIT) continue at a 15% rate through 2030. Larger agribusiness taxpayers are currently at 25% for 2025–2027, moving to the general rate thereafter.
 - With the enactment of Law No. 32434 (September 2025), agribusiness companies covered by this new law will be subject to a 15% rate from 2026 through 2035, after which the rate reverts to the general corporate tax (currently 29.5%).

Peru does not have a preferential regime specifically for financial services, but it has historically used targeted incentives for strategic industries (such as agribusiness and Amazon-based projects) and geographic zones.

21. Are there any special tax regimes for intellectual property, such as patent box?

Peru does not provide a patent box or similar regime that grants reduced tax rates on income derived from intellectual property. IP income (e.g. royalties, licensing fees) is taxed under the general rules: 29.5% corporate rate for residents, and 30% withholding for non-residents unless reduced by treaty.

However, Peru has introduced a special deduction regime for R&D+i expenditures under Law No. 30309, allowing taxpayers to deduct up to 175% of qualified expenses in approved research and innovation projects. This incentive applies through December 31, 2025, subject to requirements and limits.

22. Is fiscal consolidation permitted? Are groups of companies recognised for tax purposes and, if so, are there any jurisdictional limitations on what can constitute a tax group? Is there a group contribution system or can losses otherwise be relieved across group companies?

No. Peru does not allow fiscal consolidation for income tax purposes, nor does it recognize groups of companies as a single taxpayer. Each company is taxed individually on its own results.

There is no group contribution system and tax losses cannot be offset across companies within a group. Losses may only be carried forward at the level of the individual taxpayer, subject to the rules established in the Income Tax Law (choice between four-year carryforward or indefinite carryforward limited to 50% of taxable income).

As a result, related entities — even if wholly owned or operating under common control — are required to calculate and report their taxes separately, without jurisdictional exceptions or group relief mechanisms.

23. Are there any withholding taxes?

Yes. Peru imposes withholding taxes on payments to non-domiciled entities for Peruvian-source income. The applicable rates depend on the type of income:

- Dividends and profit distributions: 5% (6.8% for 2015–2016; 4.1% for profits earned up to 2014).
- Interest: 4.99% on qualifying interest paid to unrelated non-domiciled lenders (meeting statutory conditions); 30% when paid to related parties.

- Technical assistance: 15% if the service is economically used in Peru and properly supported.
- Royalties: 30%.
- Capital gains: 5% on gains from the disposal of securities through the Lima Stock Exchange (including indirect disposals of Peruvian shares); 30% on disposals outside the exchange.
- Factoring or credit transfers with risk assumption: 30%.
- Other business income from activities conducted in Peru: generally 30%.

In addition, non-domiciled companies carrying out certain activities partly in Peru and abroad are subject to effective withholding rates defined by law, such as:

- Air transport 0.3%
- Maritime transport 0.6%
- Vessel lease 24% (statutory rate 10% withholding applied to gross income)
- Aircraft lease 18% (10% withholding applied to gross income)
- Supply of transport containers 4.5%
- Demurrage of transport containers 24%
- Insurance 2.1%
- International news agencies 3%
- Motion picture distribution 6%
- Television broadcasting rights assignment 6%
- Telecommunication services 1.5%
- Sale of hydrobiological resources to Peruvian companies 2.7%

These rates reflect the Peruvian-source taxation principle, under which non-residents are taxed through withholding on income derived from activities connected with Peru.

24. Are there any environmental taxes payable by businesses?

Peru levies certain taxes and contributions with an environmental purpose, though they are limited in scope:

- Excise Tax (Impuesto Selectivo al Consumo – ISC). Applied to fuels and other petroleum derivatives, as well as to vehicles depending on their environmental impact. Rates vary by product and are intended both as a revenue source and as a corrective environmental measure.
- Plastic bag tax. Since 2019, businesses that provide plastic bags must charge a specific levy per unit delivered to consumers. The rate started at PEN 0.10 per bag and increases gradually each year until reaching PEN 0.50 in 2023 and onwards.

Peru does not currently impose a general carbon tax or a comprehensive environmental tax system, but rather applies specific excise-type measures designed to discourage pollution and single-use plastics.

25. Is dividend income received from resident and/or non-resident companies taxable?

- Dividends from resident companies.
 - When distributed to Peruvian resident legal entities, dividends are generally exempt to avoid double taxation at the corporate level.
 - When distributed to resident individuals or non-resident shareholders, dividends are subject to a withholding tax of 5% (6.8% for profits generated in 2015–2016; 4.1% for profits up to 2014). The withholding is applied by the distributing company at the time of distribution.
- Dividends from non-resident companies:
 - When received by a Peruvian resident company or individual, dividends are included in taxable income and subject to Peruvian income tax (corporate rate of 29.5% or progressive rates for individuals). Relief may be available under a tax treaty to avoid double taxation.

In summary, Peru exempts intercompany dividends paid between resident entities but taxes dividends distributed to individuals and non-residents. Dividends from abroad are fully taxable in the hands of Peruvian residents, unless a treaty provides otherwise.

26. What are the advantages and disadvantages offered by your jurisdiction to an international

group seeking to relocate activities?

Peru offers a combination of stability and openness that can be attractive for international groups considering relocation. On the positive side, the country has maintained almost uninterrupted economic growth over the past 25 years, supported by low inflation, prudent fiscal management, and strong international reserves. Public debt levels are well below the regional average, and this macroeconomic discipline provides a predictable environment for long-term investment. Peru's openness to international markets through multiple trade agreements, coupled with ongoing improvements in infrastructure and human capital, reinforces its position as a gateway for regional operations. In addition, the tax system provides targeted incentives for activities in the Amazon region, special economic zones and agribusiness, which can be advantageous for certain industries. The resilience of the economy was also demonstrated during the COVID-19 crisis, when robust fiscal measures allowed for a rapid recovery and steady growth outlook of around 3% per year through 2027.

On the other hand, investors should be aware of some structural limitations. Peru does not recognize tax groups for consolidation purposes, meaning that profits and losses must be determined on a company-by-company basis. In addition, the tax authority (SUNAT) plays an active role in auditing cross-border transactions, and disputes can take a significant amount of time to be resolved, both at the administrative and judicial levels. That said, this risk can be effectively managed through robust compliance practices and periodic tax reviews, which help anticipate potential challenges and reduce exposure to litigation.

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