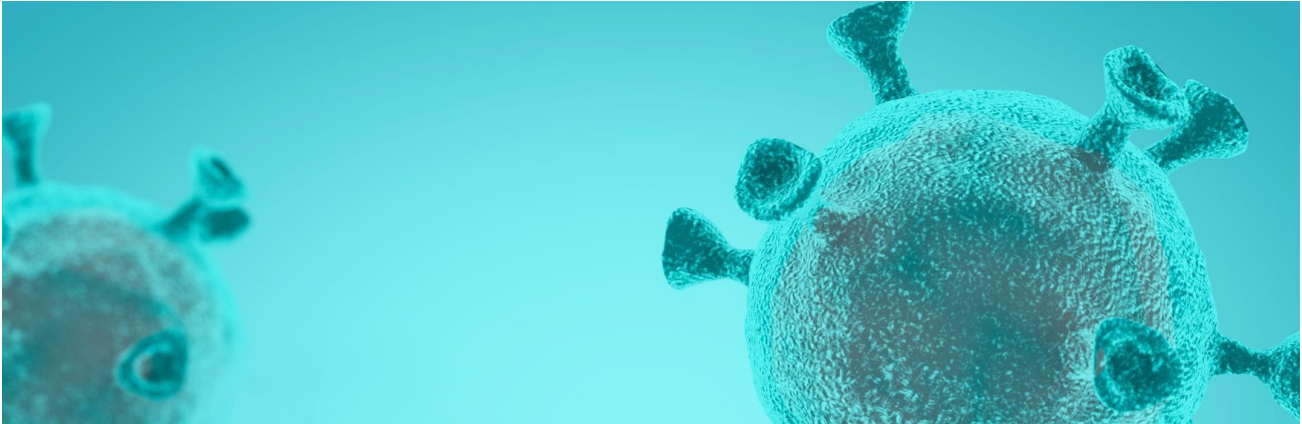


ONTIER BOLIVIA - COVID 19

TAX DEPARTMENT**SUPREME DECREE 4198 OF EMERGENCY AND
TEMPORARY TAX MEASURES**

March 19, 2020

On March 19, the Supreme Decree No. 4198 was published in the Official Gazette of Bolivia, establishing emergency and temporary tax measures to combat the situation created by COVID-19.

Although there is a lot of information that indicates that this situation will be prolonged for a longer time, there are also many measures that the Government is going to adopt to face this situation.

The recently approved measures are discussed below:

- i. The payment of Corporate Income Taxes, that closes as of December 31, is deferred until May 29, 2020. Taxable persons may pay the Corporate Income Taxes through payment facilities of up to three (3) monthly installments, without maintenance of value and interest or the constitution of guarantees. It is important to mention that this benefit will proceed when the taxpayer pays 50% of the tax determined until before June 1, 2020. (Article 2).
- ii. In case the taxpayer pays the Corporate Income Taxes in cash until May 15, 2020, this payment will be deducted as payment on account of the Transaction Tax in the following proportion (Article 3):

- For taxpayers such as Large Taxpayers (GRACO) and Main Taxpayers (PRICO) a factor of one to one point one (1: 1.1) will be applied.

- For taxpayers of the General Regime categorized as Rest, a factor of one to one point two will be applied (1: 1.2)

It is important to emphasize that the Corporate Income Taxes is not deductible against the Transaction Tax payments that must be made for transfers of goods and rights for consideration or free of charge.

- iii. Donations in money that are made until December 31, 2020 in favor of a public and/or private health center, authorized by the Ministry of Health, which are intended for prevention, control, diagnosis, care and treatment of patients before the emergency of COVID-19 will be deductible for the determination of the Corporate Income Taxes corresponding to the donor's fiscal period 2020, as long as it does not exceed 10% of the net taxable income obtained from January 01 to December 31, 2019 (Article 4).

The deduction must be documented and must appear in the accounting records of the donor and the beneficiary entity.

- iv. The Supreme Decree approves that the computable Value Added Tax credit for independent professionals includes that originated in the purchase of food, contracting of health services and education of their direct family nucleus (Article 5).

- v. For the period of three (3) months for taxpayers of the General Regime that are categorized as GRACO and PRICO and for the period of six (6) months for taxpayers of the Rest category, the Value Added Tax (VAT) duly paid will not form part of the Gross Income that make up the tax base of the Transaction Tax (Article 6).

We remain at your disposal for any question regarding this or any other matter.

ONTIER BOLIVIA



Tax Department

Contact: Mauricio Saldaña (msaldana@ontier.net)

EL PRIMER DESPACHO GLOBAL
ALMA LOCAL