

NEWSLETTER

Legal and Tax Obligations 2024

JANUARY 2024





NEWSLETTER

Legal and Tax Obligations 2024

ABOUT BDO

BDO International is present in El Salvador through a Member Firm, BDO Figueroa Jiménez & Co., S.A. We operate in a market that is moving in one of two directions: a level of large corporations audited by large firms, but with very little affinity to personalized client service, and a local level audited by small firms with personalized services, but with a low level of international experience. We differentiate ourselves because we have the personal flexibility characteristic of a local firm, together with the experience, strength and worldwide presence of a global firm.

LEGAL AND TAX OBLIGATIONS 2024

Every entity that develops commercial activities or businesses, whether private, non-profit, etc., must keep in mind the fulfillment of fiscal and legal obligations during the year; therefore, in order to avoid penalties and fines for non-compliance, you will find below:

- A detail of the main legal and tax compliance issues that your Entity must comply with during 2024.
- Dates to keep in mind in your calendar for compliance activities with governmental entities.

Hoping that the information provided will be included in its program of activities on compliance with tax and legal matters and designate a person in charge of following up on them.

GENERAL DIRECTORATE OF INTERNAL TAXES

Tax Code

Reference	Obligations	Date of presentation
Article 90, Section II	Update address to receive notifications. Even if you have not made an effective change of address.	In the first 10 business days of January. Expires January 16, 2024.
Article 120-B	Report on Financial Statement Data. Applies only to Banks, Savings and Credit Cooperative Associations, Non-Banking Financial Intermediaries, and any other financial entity, Public or Private.	During the month of February of each year.
Article 123	Annual withholding report obligations.	In the month of January of each year.
Article 124, Subparagraphs I and II	Report of distribution of dividends, surpluses or profits and list of partners, shareholders or cooperators.	In the month of January of each year.
Article 123-A	Monthly report of Withholding, Perception or Advance on account of IVA.	15 working days of each month.
Article 124-A	Report on transactions with related parties.	Within the first 3 months of each year, expires on April 2, 2024.
Article 125	Informe de compras, incluyendo las efectuadas a sujetos excluidos y ventas para sujetos pasivos con ingresos iguales o superiores a dos mil setecientos cincuenta y tres salarios mínimos mensuales.	Enero y julio de cada año.
Article 131, Subparagraph II and III	Appointment and notification of the Fiscal Auditor.	Last day to appoint a tax auditor is May 31 and ten working days to report.
Article 134	Presentation of Fiscal Report.	Until May 31, 2024.
Article 142, Section IV	Report of physical inventory as of December 31, for taxpayers with income equal to or greater than two thousand seven hundred and fifty-three minimum monthly salaries.	Within the first 2 months of each year.
Article 146 Section I	Report of donations, applied for Corporations and Foundations of Law or Public Utility.	Within the first ten working days of the month following receipt of the donation.
Article 146 Section II	Report of the statement of origin and application of funds, applies to Corporations and Foundations of Law or Public Utility.	In the first ten working days of January, April, June and September of each year.

Other Tax Laws

Article 6 Fuel Excise Tax Law	Specific and Ad-Valorem Tax Report for Fuel Importers and Importers.	The first 10 working days of each month.
	IVA declaration and payment; monthly declaration of payment on account and income tax withholding.	The first 10 working days of each month.
	Declaration and Payment of Specific and Ad-Valorem Taxes on Soft Drinks, Tobacco, Alcoholic Beverages, Potable Ethyl Alcohol and Beer, Arms and Ammunition, Pyrotechnic Products.	The first 10 working days of each month.

Other Tax Laws (Continued)

Reference	Obligations	Date of presentation
	Report of Authorization or Modification to Accounting Systems, Legal Accounting Books, VAT Books or Registers and Certifications.	The first 10 working days of each month.
	Monthly Report on Sales to Producers, Distributors and Retailers of Tobacco and Tobacco Products.	The first 10 working days of each month.
	Semiannual Real Estate Registry Report (CNR).	The first 15 working days of January and July of each year.
	Semiannual report on the incorporation, transformation, merger, dissolution or liquidation of companies (CNR) for municipalities.	The first 15 working days of January and July of each year.
	Report of importers, distributors, vehicle manufacturers and their representatives.	The first 15 working days of January and July of each year.
	Semiannual reports to suppliers or creditors.	January and July of each year.
	Annual Income Tax Return, Balance Sheet and Income Statement for taxpayers that keep formal accounting for the year 2023.	April 30, 2024

MINISTRY OF THE GOVERNORSHIP

	Registration of Balance Sheet and Income Statement and its annexes as of 12/31/2023	Not later than February 29, 2024.
--	---	-----------------------------------

MINISTRY OF LABOR AND SOCIAL SECURITY

	Submission of Company Data Update Form.	January 2024.
	Presentation of Employment Contract.	Each time a new employee is hired or a contract is renewed.

REGISTER OF COMMERCE

Law on the Commercial Registry

Article 63, 64	Payment of fees and renewal of commercial registration.	In the month in which the articles of incorporation were registered in the Commercial Registry.
Article 71 of the Registration Law and 286 of the Commercial Code.	Deposit of financial statements. The following must be attached: Balance Sheet for the fiscal year, Income Statement, Statement of Changes in Equity, Certification of the point of approval of the Financial Statements, accompanied by the External Auditor's Opinion.	In accordance with Article 223 of the Code of Commerce, the Ordinary General Shareholders' Meeting shall approve the Financial Statements within the first five months following the fiscal year. (This date should be used as the basis for the deposit).

Code of Commerce

Article 223 Roman II	Registration of the appointment of the external and tax auditor in the Commercial Registry.	Within ten working days after the appointment.
----------------------	---	--

Reference	Obligations	Date of presentation
-----------	-------------	----------------------

Municipal taxes (municipal taxes of the municipality of San Salvador)

Article 7 paragraph II	Presentation of affidavit.	In San Salvador the affidavit for municipal taxes must be filed no later than February 29, 2024, and the tax must be paid 30 days after the filing of the affidavit, in other municipalities the municipal ordinance and the applicable tax rate must be considered.
	Withholding payment for the company's employee road fund.	January 2024.

GENERAL DIRECTORATE OF STATISTICS AND CENSUS

	Submit Financial Statements, detail of expenses 2023, and fill out form to request solvency for commercial registration.	Before applying to the CNR for registration as a Company and Establishment 2024. In the birthday month of each company.
--	--	---

GENERAL DIRECTORATE OF STATISTICS AND CENSUS

	Stockholders' List as of December 31, 2023.	The first 90 days of the year 2024.
	Balance Sheet as of December 31, 2023 registered in the Commercial Registry.	
	Financial Statements as of December 31, 2023 and its annexes.	
	Technical reports prepared by external auditors.	

PRESENTATION OF TAX OBLIGATIONS

	The aforementioned tax obligations must be submitted online at the Ministry of Finance platform, for which purpose the company's NIT number and user password must be entered at the following link.	Ministerio de Hacienda :: Direccion General de Impuestos Internos (mh.gob.sv)
--	--	--

FOR MORE INFORMATION

17 Av. Norte y Calle El Carmen, Centro de Negocios Kinetika
Nivel 8, Local 13B, Santa Tecla, La Libertad
T + (503) 2218-6400, 2218-6412
auditoria@bdo.com.sv
www.bdo.com.sv

RIGOBERTO ORANTES

ENCARGADO DE IMPUESTOS
+503 7578-4247
jose.orantes@bdo.com.sv



BDO EL SALVADOR

BDO is a global network of audit firms nominated as Member Firms, each of which is an independent legal entity in its own country. It has 1,776 offices in 166 countries and a team of more than 115,661 collaborators that provide services to companies around the world.

BDO Figueroa Jiménez & Co., S.A., duly incorporated and registered under the Laws of El Salvador, is a member of BDO International Limited, a company limited by guarantee in the United Kingdom, and forms part of the BDO international network of independent associated firms. BDO is the trade name of the BDO network and each of BDO's associated firms.

