

Peru

Peru Modifies Index to Determine Withholding Tax Rate Applicable to Foreign Loan Interest Payments

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The Ministry of Economy has modified the index that must be considered to determine the amount of foreign loan interest payments that are subject to a withholding tax of 4.99% (See *Note*).

The Ministry of Economy amended section c of article 30 of the Income Tax Regulations due to the discontinuation of the LIBOR rates publication. Accordingly, the LIBOR index was replaced by the SOFR average 30 days index.

Supreme Decree 137-2023-EF was published in the Official Gazette on 29 June 2023 and entered into force on 30 June 2023. Supreme Decree 137- 2023-EF can be accessed [here](#) (in Spanish only).

Note: The Income Tax Law establishes that international loan interest payments up to the amount resulting from index + 7 points are subject to a withholding tax rate of 4.99%. Interest paid in excess of that amount is subject to a withholding tax rate of 30%.

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