

VALUE ADDED TAX (VAT) SPECIAL ADVANCE RECOVERY REGIME

We encourage private investment in Peru



In order to encourage private investment through the implementation of new projects, Peru has a special system that allows the return of the Value Added Tax (VAT), currently at a rate of 18%. This tax is paid on imports and/or local purchases of capital goods and/or new intermediate goods, services and construction contracts; it will be refunded as they comply with the following conditions:

- That the goods, services and/or construction contracts have been used in the project implementation planned in the investment contract¹ signed with the Peruvian government.
- That the goods, services and/or construction contracts were acquired during the pre-operational phase and directly by the beneficiary of the regime.

Additionally with this regime, liquidity is granted to investors and implementation of new investment projects is promoted; improving the country's competitiveness in terms of attracting capital.

The Private Investment Promotion Agency - ProInversión is responsible for the processing of this benefit.

Who can benefit from this regime?

Individuals or legal entities that carry out investments on any economic activity generating third category income and that are at the pre-operational phase of the project. To learn more about the income tax regime, visit www.sunat.gob.pe/legislacion/renta/

What requirements are needed to benefit from the regime?

1. To sign an investment contract with ProInversión and the corresponding Sector², pledging to invest at

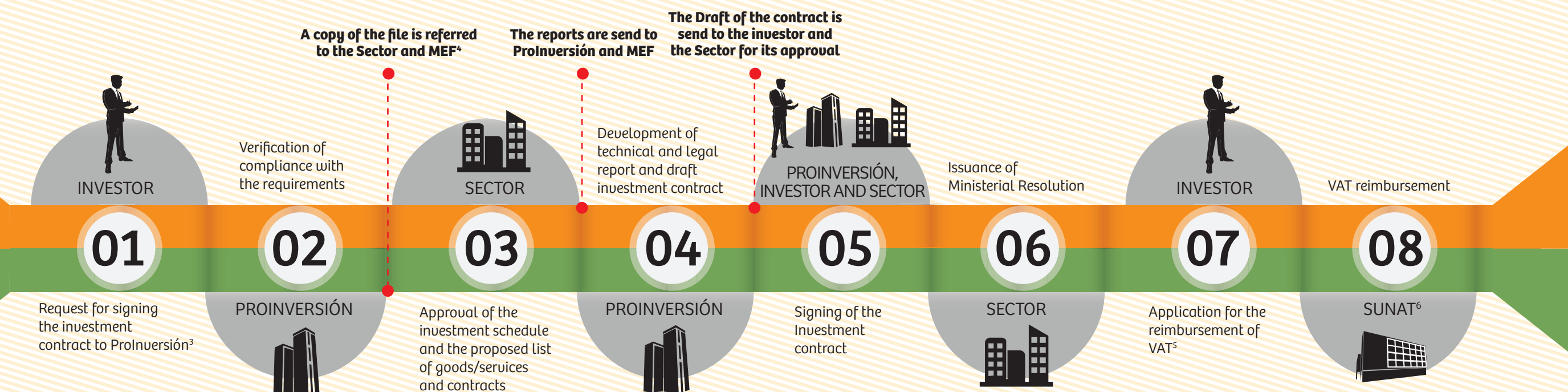
least US\$ 5 million (excluding VAT). For projects in agriculture, a minimum investment amount is not set to apply to the regime.

2. To have a project that requires a pre-operational phase equal to or greater than two years.

3. To obtain the Ministerial Resolution issued by the Ministry of the Sector, approving individuals or legal entities that will benefit from the regime; and the list of goods, services and construction contracts for which the VAT is reimbursed.

The regime will apply as of the date of the application for subscription of the investment contract submitted by the investor.

How do I obtain the VAT reimbursement?



¹ It is the contract to be entered into the investor and the Peruvian State, in order to benefit from the Value Added Tax (VAT) Special Advanced Recovery Regime.

² Sector is understood as the entity of the central, regional or local government, that within its competence, exercises the control of the economic activity to which the project relates.

³ See annex documents in the Single Unified Text of Administrative Procedures (TUPA) of ProInversión. Visit: www.proinversion.gob.pe/tupa/

⁴ Ministry of Economy and Finance - MEF.

⁵ The minimum requirements are detailed in Article 8 of the Regulations of Legislative Decree No. 973 establishing the VAT Special Regime of Advanced Recovery, approved by Supreme Decree No. 084-2007-EF, as amended by Supreme Decree No. 096-2011-EF and Supreme Decree No. 187-2013-EF.

⁶ National Superintendence of Custom and Tax Administration - SUNAT



@ProinversionPe



ProInversión Perú



ProInversión Perú



flickr.com/proinversion



ProInversión Perú



ProInversión Perú



For further information:

Au. Enrique Canaval Moreyra N° 150, piso 9,
San Isidro, Lima, Peru

Phone: (511) 200-1200 / Fax: (511) 442-2948

E-mail: contact@proinversion.gob.pe

Photos: ProInversión.

Legal Deposit at the National Library of Peru: 06676-2011.

Edited by: ProInversion, Au. Enrique Canaval Moreyra N° 150, Piso 9, San Isidro, Lima, Perú.

Printed by: EDITORIAL FRANCO E.I.R.L., Av. Lorenzo Encalada 222, Rímac.