

# INTERNATIONAL COMPARISON

July 2022



**What's in this issue:**

## **“Concept of permanent establishment during and after pandemic lockdown”**

Auren International Comparison is a quarterly publication that provides you an overview of trends and international tax developments by comparing tax issues in different legislations around the world, that may affect those doing business in multiple locations.

Constant legislative, regulatory, and judicial changes, along with globalization, economic shifts, and operational adjustments, are challenging issues. Now more than ever, in an increasingly globalized world, companies must have a total perspective and awareness of tax issues, and this publication aims to cover key tax topics which should be of interest to businesses operating internationally.

This edition includes numerous country focus pieces, in which it is analyzed the information related to the permanent establishment during and after the pandemic and its particularities applied in each country.

We hope that you find this publication helpful.

# Index

 **Bulgaria** *more info* ➤

 **Colombia** *more info* ➤

 **Croatia** *more info* ➤

 **Ecuador** *more info* ➤

 **Egypt** *more info* ➤

 **Germany** *more info* ➤

 **Greece** *more info* ➤

 **India** *more info* ➤

 **Italy** *more info* ➤

 **Japan** *more info* ➤

 **Kenya** *more info* ➤

 **Malta** *more info* ➤

 **Mexico** *more info* ➤

 **Paraguay** *more info* ➤

 **Poland** *more info* ➤

 **Portugal** *more info* ➤

 **Romania** *more info* ➤

 **Serbia** *more info* ➤

 **Singapore** *more info* ➤

 **Spain** *more info* ➤

 **Tunisia** *more info* ➤

 **Uganda** *more info* ➤

 **United Kingdom** *more info* ➤

 **Uruguay** *more info* ➤

# BULGARIA

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<p><b>Definition according with country regulation</b></p> <p><i>Continue on page 4</i></p>	<p>Any fixed place of business where companies and individuals carry out economic activities.</p>	<p>Corporate income tax act – art. 1. This Act shall regulate the taxation of:</p> <ol style="list-style-type: none"> <li>1. the profit of local legal entities;</li> <li>2. the profit of those legal entities which are not traders, including the religious organizations, this profit being derived from transactions under Art. 1 of the Commerce Act, or from leasing movable or immovable property;</li> <li>3. foreign legal entities’ profit derived from a location of business activity within the Republic of Bulgaria or from administration of property in such a location of business activity;</li> <li>4. local and foreign legal entities’ income specified in this Act where the income originates from a source within the Republic of Bulgaria;</li> <li>5. those expenses which are specified in Part Four;</li> <li>6. the activity of organizers of gambling games set out in the law;</li> <li>7. the income from transactions under Art. 1 of the Commerce Act, and the income from leasing movable or immovable property to State-budget enterprises;</li> <li>8. corporate income tax.</li> </ol> <p>Taxable persons</p> <p>Art. 2. (1) Taxable persons shall be the following ones:</p> <ol style="list-style-type: none"> <li>1. local legal entities;</li> <li>2. those foreign legal entities which carry out business activities within the Republic of Bulgaria through a location of business activity, carry out administration of property in such a location of business activity or receive income from a source within the Republic of Bulgaria;</li> </ol>

Continuation page 3

**Definition  
according  
with country  
regulation**

Continue on page 5

3. sole proprietors as well as natural persons registered as tobacco producers and farmers, who calculate their taxable income pursuant to Art. 26 of the Income Taxes on Natural Persons Act – regarding the taxes withheld at the source, and the cases specified in the Income Taxes on Natural Persons Act;
  4. natural persons-traders within the meaning of Art. 1, para. 3 of the Commerce Act – in the cases specified in the Income Taxes on Natural Persons Act;
  5. the employers and the assignors under management and supervision contracts – regarding the tax on social expenses, provided for in Part Four;
  6. The National Assembly of the Republic of Bulgaria – for the tax on the additional costs of the MPs.
- (2) For the purposes of this Act the unincorporated companies and the insurance funds established under Art. 8 of the Social Insurance Code shall be treated as legal entities.
- (3) For the purposes of taxation of income from a source within the Republic of Bulgaria, any foreign formation which is organisationally and economically autonomous (such as a trust, a fund and the like) which carries out business activities on its own or makes and manages investments and the owner of the income is impossible to identify, shall be a taxable person.
- Types of taxes
- Corporate income tax
- Art. 5. (1) Profits shall be taxed with corporate tax.
- (2) Local and foreign legal entities' income specified in this Act shall be taxed with taxes withheld at the source.
- (3) The expenses specified in this Act shall be taxed with tax on expenses.
- (4) Instead of corporate income tax, alternative tax shall apply to:
1. the activity of organizing gambling games provided for in the law;
  2. the income from transactions under Art. 1 of the Commerce Act, and the income from leasing movable or immovable property to State-budget enterprises;
  3. corporate income tax.

Continuation page 4

**Definition according with country regulation**

Determining the amount of tax

Corporate income tax act – Article 6. The amount of tax shall be determined by way of multiplying the basis of taxation by the tax rate.

Tax returns

Corporate income tax act – Art. 7. The standard forms of the tax returns and the other documents under this Act shall be approved by way of an Ordinance of the Minister of Finance and shall be promulgated in the State Gazette.

Paying the taxes

Corporate income tax act – Art. 8. (1) The taxes due under this Act by the taxable persons shall be paid to the State Budget.

(2) The taxes due shall be paid to the Central Budget by crediting the account of the territorial directorate of the National Revenue Agency either by registration of the taxable person or by the place in which the taxable person must have registered.

(3) The taxes due shall be regarded as paid on the date on which the amount enters the State Budget as an amount credited to the account of the respective territorial directorate of the National Revenue Agency.

**Legal stipulation**

Article 17-53.Part Two of the VAT Act Republic of Bulgaria

Article 1-16 of the Corporate Income Tax Act Republic of Bulgaria

**Main examples**

Continue on page 6

in general, the following transactions are subject to Bulgarian VAT:

- each taxable supply of goods or services effected for consideration;
- each intra-Community acquisition effected for consideration, whereof the place of transaction is within Bulgaria, by a person registered for VAT purpose in Bulgaria or by a person in respect of which an obligation to register has arisen;
- each intra-Community acquisition effected for consideration of new means of transport effected for consideration, whereof the place of transaction is within Bulgaria;
- each intra-Community acquisition effected for consideration, whereof the place of transaction is within Bulgaria, of excisable goods, where the recipient is a taxable person or a non-taxable legal person which is not registered for VAT purpose in Bulgaria;
- import of goods.

Corporate income tax act – Ar. 12. (1) Foreign legal entities’ profit originating either from business activity performed through a certain location of business activity inside the territory of the Republic of Bulgaria or from disposal of the property of such a location of business activity shall be income from a source within the country.

(2) The income from financial assets issued by local legal entities, the State and the municipalities shall be income from a source within the country.

(3) The income originating from transactions in financial assets under para. 2 shall be income from a source within the country.

(4) The income from dividends and liquidation shares in local legal entities shall be income from a source within the country.

<p><i>Continuation page 5</i></p> <p><b>Main examples</b></p> <p><i>Continue on page 7</i></p>	<p>According to the Bulgarian VAT legislation some transactions carried out without consideration are deemed to be supplies for consideration: for example, free transfer of ownership or other property right on goods to third parties under certain conditions, the private use of business assets, etc.</p> <p>Certain transactions are not subject to Bulgarian VAT (VAT exempt supplies): for example, listed financial services, some health (medical) and education services.</p> <p>The standard VAT rate is 20 percent. It applies to all taxable supplies except those liable to the tax rate of 0 percent (zero rate). The reduced VAT rate is 9 percent. Only as a corona-pandemic caused economic support temporary reduced VAT rate of 9 percent has been legally implemented and shall apply under certain conditions until 31 December 2022.</p> <p>There is a difference in the treatment between the non-taxable supplies and supplies liable to VAT at the zero rate. Entrepreneurs selling VAT exempt goods or providing VAT exempt services neither can charge VAT nor can deduct the VAT paid on their purchases. In such cases input VAT is considered the cost of an entrepreneur. Input VAT deductions are allowed with respect to supplies taxable at the zero rate. Therefore, it must always be checked whether a supply is a tax exempt or taxable at the zero rate.</p> <p>According to the general rule in case of supply of goods the place of supply is considered to be:  the place where the goods are located at the time of transfer of the ownership of the goods, if the goods are not dispatched or transported;  the place where the goods are at the time when the dispatch or transport begins, if the goods are dispatched or transported;  the place where the goods are assembled or installed, if the goods are assembled or installed by or on behalf of the supplier;  The place of supply of an intra-Community acquisition is, in principle, in the EU Member State in which the transport of goods ends. The import is deemed to be effected in the country in which the goods were released for free circulation.</p> <p>The intra-Community supply of goods, where the recipient is registered for VAT purpose in another EU Member State and the goods are dispatched or transported to this another EU Member State, is chargeable with VAT at a zero rate.</p>	<p>(5) The following types of income assessed by local legal entities, local sole proprietors or foreign legal entities and sole proprietors through a location of business activity or an establishment within the country, or paid by local natural persons or foreign natural persons, having an establishment within the country, in favour of foreign legal entities, shall be income from a source within the country:</p> <ol style="list-style-type: none"> <li>1. interest, including interest comprised in financial leasing contributions;</li> <li>2. income originating from rent or any other granting of the use of movable property;</li> <li>3. author's and licence remuneration;</li> <li>4. remuneration for technical services;</li> <li>5. remuneration under franchising contracts and factoring contracts;</li> <li>6. corporate income tax.</li> </ol> <p>(6) The income referred to in para. 5 assessed to foreign legal entities through a location of business activity of a local person or through an establishment of local natural persons, the said location or establishment being outside the country, shall not be income from a source within the country.</p> <p>(7) The income originating from agriculture, forestry, game husbandry and fish industry inside the territory of the country shall be income from a source within the country.</p> <p>(8) The following income shall be deemed to be from a source within the country:</p> <ol style="list-style-type: none"> <li>1. income from renting or other grant of use pertaining to immovable property, including ideal share of immovable property located within the country;</li> <li>2. income from disposal of immovable property, including ideal shares thereof or limited property rights thereupon, that is located within the country.</li> </ol> <p>corporate income tax</p> <p>(9) Penalties and damages of any kind, except for benefits under insurance contracts charged by local legal persons, local sole-entrepreneurs or foreign legal persons or sole-entrepreneurs through a place of economic activity or certain base in the country in favour of foreign legal persons established in jurisdictions of preferential tax regimes shall be deemed to be income from a source within the country.</p>
--	--	---

<p><i>Continuation page 6</i></p> <p><b>Main examples</b></p>	<p>In order to determine the place of supply of a service and to properly classify that service later, it should be always checked what kind of a service is performed.</p> <p>The place of supply of services to non-taxable recipient (B2C services) is where the supplier providing the services is established. As an exception, if such services are provided from a fixed establishment of the service supplier, the place of such fixed establishment is the place of supply or, if neither applies, where he usually resides.</p> <p>The place of supply of services to a taxable recipient for the purpose of its business activity (B2B services) is where the recipient of the service is established. As an exception, if such services are provided to a fixed establishment of the recipient, the place of such fixed establishment is the place of supply.</p> <p>Notwithstanding the above, the place of supply of services is the place where the service recipient is resident or domiciled, provided the following conditions are met simultaneously:  The service recipient is a non-taxable person (B2C services) and is resident outside the EU;  It concerns supply of a specific services listed, including but not limited to:  Use of patents, copyrights and trademarks;  Advertising services;  Legal, tax, technical and management consulting services, financial services;  Data processing;  Provision of personnel;  Hiring-out of movable property (except for means of transportation).</p>	<p>(10) When determining the source of income under this Art. the place in which the income is paid shall not be taken into consideration.</p> <p>International treaties</p> <p>Corporate income tax act. Art. 13. In those cases in which an international treaty ratified by the Republic of Bulgaria, which has been promulgated and has taken effect, contains provisions that differ from the provisions of this Act, it is the provisions of the respective international treaty that shall apply.</p> <p>Tax input regarding tax paid abroad</p> <p>Corporate income tax act. Artic. 14. (1) In those cases in which the provisions of an international treaty under Art. 13 do not apply, the taxable persons shall be entitled to recognition of tax input in accordance with the conditions and the procedure set forth in this Act.</p> <p>Corporate income tax</p> <p>(2) When determining the corporate tax or the alternative taxes referred to in this Act, the taxable persons shall be entitled to the recognition of tax input regarding any tax which is similar to the corporate one or has been levied instead of it and has been paid abroad.</p> <p>Corporate income tax</p> <p>(3) The taxable persons shall be entitled to the recognition of tax input for the tax levied abroad on the gross amount of dividends, interest, author's and licence remuneration, remuneration for technical services and rent.</p> <p>(4) The tax input referred to in paras. 2 and 3 shall be determined separately per each State and per each type of income and shall be limited to the amount of the Bulgarian tax on the said profit or corporate income tax.</p>
<p><b>Formal requirements</b></p>	<ul style="list-style-type: none"> <li>• Identification Tax Number (begins with an "BG")</li> <li>• No need of a tax representative with residence in Bulgaria</li> </ul>	<ul style="list-style-type: none"> <li>• Identification Tax Number (named EIK. If the company/ person is not VAT registered- EIK and tax number are the same. If they are VAT Registered have " BG" prefix )</li> <li>• Obligation of a tax representative with residence in Bulgaria</li> </ul>
<p><b>Legal personality</b></p>	<p>No</p>	<p>No</p>
<p><b>Cost</b></p>	<p>Less costly than subsidiaries, as less formal requirements are needed</p>	

Main requirements	VAT	CIT
Existence of place of business (with employee)	Yes	Yes
Fixation of the place of business	Yes	Yes
Carrying of an economic activity	Yes	Yes
Further requirements per country	No	No
Short analysis of the main examples	VAT	CIT
<b>Dependent employee</b>	Agencies or representatives authorised to contract in the name and on behalf of the taxable person	Agents or representatives authorised to contract or negotiate in the name and on behalf of the taxable person
<b>Real estate operated under lease or under any other title</b>	<p>There are no specific limitations as regards ownership of property. Any legal person, individual, the Bulgarian State and the municipalities may own real estate.</p> <p>Foreign nationals and companies can own buildings, but under the current law there are some limitations for owning land.</p> <p>Foreign natural and legal persons may acquire the title to land under the terms of an international agreement which has been ratified, published and has come into force. Foreign individuals may also inherit titles to land.</p>	The mere ownership of a property, does not constitute a permanent establishment
<b>Construction, installation or assembly works</b>  Continue on page 9	<p>Under the VAT Act the following basic cases of mandatory registration for taxable persons established in other EU Member States can be distinguished:</p> <p>1. Mandatory registration for the supply of goods requiring assembly and installation (Art. 97, para. 1 of the VAT Act)</p> <p>Any person established in the territory of another Member State who carries out a taxable supply of goods which are installed or assembled within the country for or on his behalf, is obliged to register for VAT purposes in Bulgaria. The exception is where the recipients of the supplies are registered under this Act.</p>	N/A

<p><i>Continuation page 8</i></p> <p><b>Construction, installation or assembly works</b></p> <p><i>Continue on page 10</i></p>	<p>The application for registration must be submitted by the person no later than 7 days before the chargeable event (date of performance of the service, date of transfer of ownership of the goods, date of transfer of the goods themselves, etc.).</p> <p>2. Mandatory registration for supplies of services on which the tax is payable by the recipient (Art. 97a of the VAT Act)</p> <p>Any taxable person receiving services with a place of supply in the country that are taxable and for which the tax is payable by the recipient of Art. 82, para 2, is obliged to register for VAT purposes in Bulgaria. Any taxable person established in the country and providing services under Art. 21, para. 2 of the VAT Act with a place of supply on the territory of another Member State, is obliged to register for VAT purposes in Bulgaria.</p> <p>The application for registration must be submitted by the person no later than 7 days before the date on which the tax becomes chargeable (advance payment or chargeable event), where the taxable base of the service received is subject to taxation.</p> <p>A person who is registered on grounds of this article and for whom the grounds for mandatory registration under Art. 96, 97, 98 and 99 or voluntary registration under Art. 100, para. 1, 2 and 3 are applicable, shall be registered according to the procedure and the terms for mandatory registration or voluntary registration.</p> <p>3. Mandatory registration for the supply of telecommunications services, radio and television broadcasting or electronic services (Art. 97b, para. 1 of the VAT Act)</p> <p>Any person established in another Member State who delivers electronic telecommunication services, radio and tv broadcasting services is obliged to register for VAT purposes, if the recipients of the services are not registered under the Act and are established in the country.</p> <p>The person is not obliged to register, if it has already registered on mandatory or voluntary grounds under any of the other articles of the Act, including where the regimes in or outside the EU are applicable.</p>	<p>N/A</p>
--	---	------------

Continuation page 9

**Construction,  
installation or  
assembly works**

Continue on page 11

The application for registration must be submitted by the 10th day of the month following the month in which the first supply of services was carried out.

4. Mandatory registration is case of distanced seloff goods (Art. 98 para. 1 of the VAT Act)

Any person selling goods remotely where the place of performance is on the territory of the country has the obligation to register for VAT. there is.

Any person who carries out distanced sales of goods with a place of supply on the territory of the country is obliged to register under the VAT Act. According to Art.14 of the VAT Act, a distanced sale of goods is the supply of goods for which the following conditions are met:

The goods are sent or transported by or on behalf of the supplier from the territory of a Member State other than the one in which the transport ends;

The supplier of the goods is registered for VAT purposes in a Member State other than the one in which the transport ends;

The recipient of the supply is a person who is not obliged to charge VAT on intra-Community acquisition of goods in the Member State where the transport ends;

The goods:

1)are not new vehicles;

2) are not assembled and/or installed by or on behalf of the supplier;

3)are not subject to special arrangements for taxing the margin of second hand goods, works of art, collectors' items and antiques.

Where goods delivered, sent or transported from a third country or territory and imported by the supplier in a Member State other than the one in which the transport to the recipient ends, it is assumed that the goods are dispatched or transported from the Member State of importation

The registration obligation arises when deliveries under distance selling for territory exceed for the current calendar year or have exceeded for the previous calendar year the sum of BGN 70,000.

The application for VAT registration must be submitted not later than seven days before the date of the delivery with which the total turnover will exceed the sum of BGN.

N/A

<p><i>Continuation page 10</i></p> <p><b>Construction, installation or assembly works</b></p>	<p>5. Mandatory registration for intra-Community acquisitions (Art. 99, para. 1 of the VAT Act)</p> <p>Any person who carries out intra-Community acquisitions of goods and is not registered on mandatory or voluntary grounds under any of the other articles of the Act, must register under the VAT Act.</p> <p>Such an obligation arises only when the total value of taxable intra-Community acquisitions for the current calendar year exceeds BGN 20,000. The application for registration must be filed not later than 7 days before the date of occurrence of the transaction, which exceeds the above threshold.</p> <p>II. Voluntary registration</p> <p>The following cases of voluntary registration can be distinguished:</p> <p>1. Voluntary registration for distanced sale of goods (Art. 100, para. 3 of the VAT Act)</p> <p>The person carrying out distanced sale of goods may apply for VAT registration before reaching a total turnover of supplies equal to BGN 70,000. This is done after informing the revenue authority at the place where the person is registered for VAT purposes that they want the place of their supplies to be the territory of the country.</p> <p>2. Voluntary registration for intra-Community acquisitions (Art. 100, para. 2 of the VAT Act)</p> <p>Any person who has not reached the turnover for mandatory registration when carrying out intra-Community acquisitions (BGN 20 000) may apply for VAT registration.</p> <p>Any taxable person or entity for which there are no conditions for mandatory VAT registration, may at any time register under the conditions for voluntary registration under Art. 100, para. 1 of the VAT Act.</p>	<p>N/A</p>
<p><b>Warehouse</b></p>	<p>The ownership or rental of a warehouse constitutes a permanent establishment.</p>	<p>the same as VAT rule</p>

Permanent establishment during Pandemia	VAT	CIT
Having an employee working in another country during lock down	No when mobility was restricted	No when mobility was restricted
Continue having an employee after the lockdown	Yes there is an PE when requirements are meet	Yes there is an PE when requirements are meet
Responsability	No limit to the parent company's liabilities	No limit to the parent company's liabilities
Other issues to be considered	None	None

*Eurofast*

Since 1978

Eurofast

[www.eurofast.eu](http://www.eurofast.eu)

Member of



## COLOMBIA

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Notwithstanding the provisions of the double taxation conventions signed by Colombia, a permanent establishment is understood to be a fixed place of business located in the country, through which a foreign company, whether a company or any other foreign entity, or a natural person without residence in Colombia. In the case may be, performs all or part of its activity.	Through Decree 1778/21, in addition to the dates to fulfill the obligations, it was determined who will not file an income and complementary tax return for the taxable year 2021.  Regarding foreign natural or legal persons, without residence or domicile in the country, when all their income has been subject to withholding at the source referred to in articles 407 to 409 of the Tax Statute and said withholding has been made in the fountain.
<b>Legal stipulation</b>	To recover the economic reactivation, the local government promoting sales in the different sectors of the country's economy, which commercialize VAT-encumbered goods within the national territory, the National Government, through decree February 290, 2022, determined three days whit out VAT, in accordance with articles 37, 38 and 39 of Law 2155 of 2021.	This law does not apply to non-residents.
<b>Main examples</b>	(a) Branches of foreign companies, agencies, offices, factories, workshops, mines, quarries, oil and gas wells, or any other place of extraction or exploitation of natural resources. (b) It is not understood that a company has a permanent establishment in Colombia for the simple fact that it carries out its activities in the country through a broker or any other independent agent, provided that said persons act within the ordinary course of their activity. (c) It is not understood that a foreign company has an establishment in the country when the activity carried out by said company is of an exclusively auxiliary or preparatory nature. the representative offices of foreign reinsurance companies are not considered a permanent establishment.	It will be understood that there is a permanent establishment in the country, when a person, other than an independent agent, acts on behalf of a foreign company, and has or habitually exercises in the national territory powers that empower him to conclude acts or contracts that are binding for the company. It will be considered that this foreign company has a permanent establishment in the country with respect to the activities that said person carries out for the foreign company, unless the activities of that person are limited to those mentioned in the second paragraph of this article.
<b>Formal requirements</b>	<ul style="list-style-type: none"> <li>• Identification Tax Number. (NIT)</li> <li>• No need of a tax representative with residence in Colombia</li> </ul>	<ul style="list-style-type: none"> <li>• Identification Tax Number (NIT)</li> <li>• Obligation of a tax representative with residence in Colombia, in accordance with article 10 of the Tax Statute.</li> </ul>
<b>Legal personality</b>	No	No
<b>Cost</b>	Less costly than subsidiaries, as less formal requirements are needed	

Main requirements	VAT	CIT
Existence of place of business (with employee)	Yes	Yes
Fixation of the place of business	Yes	Yes
Carrying of an economic activity	Yes	Yes
Further requirements per country	No	No
Short analysis of the main examples	VAT	CIT
<b>Dependent employee</b>	Agencies or representatives authorised to contract in the name and on behalf of the taxable person.	Agents or representatives authorised to contract or negotiate in the name and on behalf of the taxable person.
<b>Real estate operated under lease or under any other title</b>	The mere ownership of a property, constitutes a permanent establishment.	The mere ownership of a property, does not constitute a permanent establishment.
<b>Construction, installation or assembly works</b>	12 months	6 months
<b>Warehouse</b>	The ownership or rental of a warehouse constitutes a permanent establishment (not logistic services)	The ownership or rental of a warehouse does not constitute a permanent establishment (not logistic services)
Permanent establishment during Pandemia	VAT	CIT
<b>Having an employee working in another country during lock down</b>	No when mobility was restricted	No when mobility was restricted
<b>Continue having an employee after the lockdown</b>	Yes there is an PE when requirements are meet	Yes there is an PE when requirements are meet
<b>Responsability</b>	No limit to the parent company's liabilities	No limit to the parent company's liabilities
<b>Other issues to be considered</b>	None	None

## CROATIA

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	The permanent place of business through which a non-resident entrepreneur carries out his business in whole or in part	The permanent place of business through which a non-resident entrepreneur carries out his business in whole or in part
<b>Legal stipulation</b>	Article 45. of the General Tax Act	Article 45. of the General Tax Act
<b>Main examples</b>	(a) The place of management, branches, offices, factories, workshops, mines, oil or gas wells, quarries or other places of extraction of natural products (b) Construction, installation or assembly work lasting more than 6 months (c) Real estate profit or income including including agricultural or forestry operations (d) The provision of services, including advisory or business services lasting more than 3 month	(a) The place of management, branches, offices, factories, workshops, mines, oil or gas wells, quarries or other places of extraction of natural products (b) Construction, installation or assembly work lasting more than 6 months (c) Real estate profit or income including including agricultural or forestry operations (d) The provision of services, including advisory or business services lasting more than 3 month
<b>Formal requirements</b>	• Identification Tax Number (OIB)	• Identification Tax Number (OIB)
<b>Legal personality</b>	No	No
<b>Cost</b>	Less costly than subsidiaries, as less formal requirements are needed	
<b>Main requirements</b>	<b>VAT</b>	<b>CIT</b>
<b>Existence of place of business</b>	Yes	Yes
<b>Fixation of the place of business</b>	Yes	Yes
<b>Carrying of an economic activity</b>	Yes	Yes
<b>Further requirements per country</b>	No	No

Short analysis of the main examples	VAT	CIT
<b>Dependent employee</b>	Agencies or representatives authorised to contract in the name and on behalf of the taxable person	Agents or representatives authorised to contract or negotiate in the name and on behalf of the taxable person
<b>Real estate</b>	The mere ownership of a property, does not constitute a permanent establishment	The mere ownership of a property, does not constitute a permanent establishment
<b>Construction, installation or assembly works</b>	6 months	6 months
<b>The provision of services</b>	3 months	3 months
<b>Permanent establishment during Pandemia</b>	VAT	CIT
<b>Having an employee working in another country during lock down</b>	No when mobility was restricted	No when mobility was restricted
<b>Continue having an employee after the lockdown</b>	Yes there is an PE when requirements are meet	Yes there is an PE when requirements are meet
<b>Responsability</b>	No limit to the parent company's liabilities	No limit to the parent company's liabilities
<b>Other issues to be considered</b>	None	None

**Eurofast**  
 Since 1978  
 Eurofast  
[www.eurofast.eu](http://www.eurofast.eu)

Member of  
 **Antea**  
 Alliance of independent firms

## ECUADOR

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Permanent establishment of a foreign company is any place or center located within the national territory, in which a foreign company carries out all or part of its activities	
<b>Legal stipulation</b>	Article 8.10 of the Internal Tax Regime Law	
<b>Main examples</b>	(I) Any center of direction of the activity; (II) Any branch, agency or office acting in the name and on behalf of a company foreign; (III) Factories, workshops, real estate or other similar facilities; (IV) Mines, mineral deposits, quarries, forests, factories and other centers of exploitation or extraction of natural resources; (V) Any real estate material work, construction or assembly; if its duration exceeds 6 months; (VI) Warehouses for warehouses of merchandise intended for internal trade and not only for show or display; (VII) That it has an office for the exercise of its economic activity	
<b>Formal requirements</b>	<ul style="list-style-type: none"> <li>• Single Taxpayer Registry (a number of 13 digits)</li> <li>• Obligation of a Special proxy by the foreign company, who will act as the legal representative of the permanent establishment</li> </ul>	
<b>Legal personality</b>	Yes	
<b>Cost</b>	Regardless of the costs of the business itself, the registration of a permanent establishment have no cost.	
<b>Main requirements</b>	<b>VAT</b>	<b>CIT</b>
<b>Existence of place of business (employee not required)</b>	Yes	Yes
<b>Fixation of the place of business</b>	Yes	Yes
<b>Carrying of an economic activity</b>	Yes	Yes
<b>Further requirements per country</b>	No	No

Short analysis of the main examples	VAT	CIT
<b>Dependent employee</b>	Agencies or representatives authorised to contract in the name and on behalf of foreign company	
<b>Real estate operated under lease or under any other title</b>	For tax purposes, it is presumed that a company has a permanent establishment if it has the ownership of a property in Ecuador.	
<b>Construction, installation or assembly works</b>	It is presumed that there is a permanent establishment if a company has any material building, construction or assembly work and if its duration exceeds 6 months.	
<b>Warehouse</b>	It is presumed that there is a permanent establishment if a company has warehouses for merchandise deposits intended for internal trade and not only for demonstration or exhibition.	
Permanent establishment during Pandemia	VAT	CIT
<b>Having an employee working in another country during lock down</b>	Yes if requirements are met for a permanent establishment	
<b>Continue having an employee after the lockdown</b>	Yes if requirements are met for a permanent establishment	
<b>Responsability</b>	The same responsibility of the parent company	
<b>Other issues to be considered</b>	None	None

# EGYPT

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Same as corporate Tax	<p>Foreign corporations and partnerships are classified as residents of Egypt if they meet one of the following conditions:</p> <ul style="list-style-type: none"> <li>• The entity is established according to the Egyptian law.</li> <li>• The government or a public authority owns more than 50% of the capital of the entity.</li> <li>• The effective place of management is in Egypt.</li> </ul> <p>The executive regulations of the law indicate that Egypt is considered as the effective place of management if the entity meets any two of the following conditions:</p> <ul style="list-style-type: none"> <li>• Daily managerial decisions take place in Egypt.</li> <li>• Members of the board of directors hold their meetings in Egypt.</li> <li>• At least 50% of the board members or managers reside in Egypt.</li> <li>• The major shareholders (owners of more than 50% of the shares or voting rights) reside in Egypt.</li> </ul>
<b>Legal stipulation</b>	n/a	Article 4, law no.91 year 2005
<b>Main examples</b>		<p>The PE concept is defined in the Income Tax Law as follows:</p> <ul style="list-style-type: none"> <li>• Headquarters.</li> <li>• Branch.</li> <li>• Building used as sale outlet.</li> <li>• Office.</li> <li>• Factory.</li> <li>• Workshop.</li> <li>• Places of extraction of natural resources.</li> <li>• Farms.</li> <li>• Building site, construction or assembly point, installations, supervisory activities of the same.</li> <li>• An agent who has the power to ratify contracts on behalf of a foreign company.</li> <li>• An independent broker or agent who is proved to have dedicated most of one's time during the year in the interest of a foreign company.</li> </ul>

<b>Formal requirements</b>	<ul style="list-style-type: none"> <li>• Identification Tax Number</li> <li>• No need of a tax representative with residence in Egypt</li> </ul>	<p>A foreign company that is deemed to have a PE risk, according to the Egyptian Companies Law, should incorporate a legal entity in Egypt.</p> <p>There are several legal forms existing under the Egyptian Companies Law from which a foreign company can choose to incorporate, and these are: joint-stock company, limited liability company, branch, or a representative office.</p> <ul style="list-style-type: none"> <li>• Identification Tax Number</li> <li>• Obligation of a tax representative with residence in Egypt.</li> </ul>
<b>Legal personality</b>	No	No
<b>Cost</b>	Less costly than subsidiaries, as less formal requirements are needed	
<b>Main requirements</b>	VAT	CIT
<b>Existence of place of business (with employee)</b>	Yes	Yes
<b>Fixation of the place of business</b>	Yes	Yes
<b>Carrying of an economic activity</b>	Yes	Yes
<b>Further requirements per country</b>	n/a	n/a
<b>Short analysis of the main examples</b>	VAT	CIT
<b>Dependent employee</b>	Agencies or representatives authorised to contract in the name and on behalf of the taxable person	Agents or representatives authorised to contract or negotiate in the name and on behalf of the taxable person
<b>Real estate operated under lease or under any other title</b>	limited to the examples listed above in the definition	limited to the examples listed above in the definition
<b>Construction, installation or assembly works</b>	n/a	n/a
<b>Warehouse</b>	n/a	n/a

Permanent establishment during Pandemic	VAT	CIT
Having an employee working in another country during lock down	n/a	n/a
Continue having an employee after the lockdown	n/a	n/a
Responsability	n/a	n/a
Other issues to be considered	n/a	n/a



GABER & CO  
www.gogaber.com



# GERMANY

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according to country regulation</b>	A permanent establishment is any fixed business facility or installation that serves the activities of an enterprise.	A permanent establishment is any fixed business facility or installation that serves the activities of an enterprise.
<b>Legal stipulation</b>	Section 12 of the Fiscal Code of Germany (Abgabenordnung)	Section 12 of the Fiscal Code of Germany (Abgabenordnung)
<b>Main examples</b>	<p>In particular, the following shall be regarded as permanent establishments:</p> <ol style="list-style-type: none"> <li>1. The place of management,</li> <li>2. Branch offices,</li> <li>3. Business offices,</li> <li>4. Manufacturing plants or workshops,</li> <li>5. Warehouses,</li> <li>6. Points of purchase or sale,</li> <li>7. Mines, quarries or other standing, locally advancing or floating sites for the extraction of mineral resources,</li> <li>8. Construction or assembly sites, including progressive or floating sites, where               <ol style="list-style-type: none"> <li>a) the individual construction or installation; or</li> <li>b) one of several works or assemblies existing in parallel, or</li> <li>c) several uninterrupted successive executions or assemblies of construction work last longer than six months.</li> </ol> </li> </ol>	<p>In particular, the following shall be regarded as permanent establishments:</p> <ol style="list-style-type: none"> <li>1. The place of management,</li> <li>2. Branch offices,</li> <li>3. Business offices,</li> <li>4. Manufacturing plants or workshops,</li> <li>5. Warehouses,</li> <li>6. Points of purchase or sale,</li> <li>7. Mines, quarries or other standing, locally advancing or floating sites for the extraction of mineral resources,</li> <li>8. Construction or assembly sites, including progressive or floating sites, where               <ol style="list-style-type: none"> <li>a) the individual construction or installation; or</li> <li>b) one of several works or assemblies existing in parallel, or</li> <li>c) several uninterrupted successive executions or assemblies of construction work last longer than six months.</li> </ol> </li> </ol>
<b>Formal requirements</b>	<ul style="list-style-type: none"> <li>• Application for Tax Number</li> <li>• No need of a tax representative with residence in Germany</li> </ul>	<ul style="list-style-type: none"> <li>• Application for Tax Number</li> <li>• No need of a tax representative with residence in Germany</li> </ul>
<b>Legal personality</b>	No	No
<b>Cost</b>	Less costly than subsidiaries, as less formal requirements are needed	

Main requirements	VAT	CIT
Existence of place of business (with employee)	Yes	Yes
Fixation of the place of business	Yes	Yes
Carrying of an economic activity	Yes ==> Serving the purpose of the enterprise	Yes ==> Serving the purpose of the enterprise
Further requirements per country	power of disposal on behalf of the taxable person (key and access at any time) and enables autonomous provision of the services in question	power of disposal on behalf of the taxable person (key and access at any time)
Short analysis of the main examples	VAT	CIT
Permanent representatives	<p>“Permanent representative” shall mean any person who conducts the business of an enterprise in a sustained manner and, in so doing, is subject to its instructions. In particular, “permanent representative” shall mean any person who, in a sustained manner, on behalf of an enterprise,</p> <ol style="list-style-type: none"> <li>concludes or brokers contracts or solicits orders, or</li> <li>maintains a stock of goods or merchandise and makes deliveries from this stock.</li> </ol>	<p>“Permanent representative” shall mean any person who conducts the business of an enterprise in a sustained manner and, in so doing, is subject to its instructions. In particular, “permanent representative” shall mean any person who, in a sustained manner, on behalf of an enterprise,</p> <ol style="list-style-type: none"> <li>concludes or brokers contracts or solicits orders, or</li> <li>maintains a stock of goods or merchandise and makes deliveries from this stock.</li> </ol>
Real estate operated under lease or under any other title	In principle, the mere ownership of a property, does not constitute a permanent establishment	In principle, the mere ownership of a property, does not constitute a permanent establishment
Construction, installation or assembly works	activities exceeding a duration of 6 months	activities exceeding a duration of 6 months
Warehouse	In principle, the ownership or rental of a warehouse does constitute a permanent establishment only if local services are performed	In principle, the ownership or rental of a warehouse does constitute a permanent establishment

Permanent establishment during Pandemia	VAT	CIT
Having an employee working in another country during lock down	No	in principle no, when mobility was restricted
Continue having an employee after the lockdown	employing staff, that does not qualify as a permanent representative, does not constitute a permanent establishment	employing staff, that does not qualify as a permanent representative, does not constitute a permanent establishment
Responsibility	employing staff, that does not qualify as a permanent representative, does not constitute a permanent establishment	No limit to the parent company's liabilities
Other issues to be considered	None	None



Auren Germany  
[www.auren.com](http://www.auren.com)



## GREECE

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Any fixed place of business where companies and individuals carry out taxable economic activities, i.e. the fixed place where VAT is to be paid. For transactions between VAT subjects (B2B), the fixed place where VAT is to be paid is the place where the services' recipient is established, unless the services are provided to the recipient's PE in a different country, in which case this country is the fixed place where VAT is to be paid. For transactions between enterprises and individuals (B2C), the fixed place where VAT is to be paid is in principle the place where the services' provider is established.	Permanent Established is considered the fixed place through which the business activities of an enterprise are conducted partly or wholly. Specifically this definition is explained as follows : A legal entity is considered to have a PE in Greece when Greece is the place of the entity's effective management or when a) it holds a place of business (situs), b) the place is fixed (permanence) and c) part of the business's activities take place through this fixed place.
<b>Legal stipulation</b>	Article 14 § 2 of Law 2859/2000 (VAT Code).	Art. 6 of Law 4172/2013 (Income Tax Code)
<b>Main examples</b>	Fixed places of businesses can be: branches, offices, factories, installation and construction sites, mines and quarries, shops, agencies or representatives authorized to contract in the name and on behalf of the taxable person and in general locations with human and technical resources. Establishments with no physical presence (i.e. robotics) can be a PE regarding the VAT legislation, but not regarding the CIT legislation, which also requires physical human presence.	2. The term "permanent establishment" includes in particular: a) the place of (effective) management, b) a branch, c) an office, d) a factory, e) a laboratory and f) a mine, quarry, oil or gas source, or any other place of extraction of natural resources, or a construction/ installation site. Likewise, if the legal entity hires an agent, who operates on behalf of it, the agent's premises are considered the foreign entity's PE.
<b>Formal requirements</b>	<ul style="list-style-type: none"> <li>• Tax Identification Number</li> <li>• A tax representative is only required when the enterprise – subject to VAT is established in a third country, conducts activities in Greece that are subject to VAT, and does not have a PE in Greece. If there is a PE, the legal representation of the PE covers the VAT obligations as well.</li> </ul>	<ul style="list-style-type: none"> <li>• Tax Identification Number</li> <li>• Obligation of a tax representative-resident in Greece.</li> </ul> (It is apparent that, even if the formal requirements are not met, the Greek tax authorities may decide that an entity has a PE in Greece for taxation reasons. If the entity disagrees with the authorities' conclusion, the dispute is resolved in court.)
<b>Legal personality</b>	A foreign entity could be deemed as having a PE in Greece even if it has not formally established a legal person.	A foreign entity could be deemed as having a PE in Greece even if it has not formally established a legal person.
<b>Cost</b>	In general less costly than subsidiaries, as less formal requirements are needed	

Main requirements	VAT	CIT
Existence of place of business (with employee )	Yes	Yes(with employee or dependent agent)
Fixation of the place of business	Yes	Yes
Carrying of an economic activity	Yes	Yes
Further requirements per country	No	(alternative) place of effective management
Auxiliary/ Supportive activities	Do not constitute a PE regarding VAT, unless deemed as part of the main activities	Do not constitute a PE regarding CIT
Short analysis of the main examples	VAT	CIT
<b>Agent</b>	Agencies or representatives authorized to contract in the name and on behalf of the taxable person.	Agents or representatives authorized to contract or negotiate in the name and on behalf of the taxable person.
<b>Branch or office</b>	Operating and conducting business through a Greek branch or office is considered as a PE.	Operating and conducting business through a Greek branch or office is considered as a PE. The mere ownership of a property, does not constitute a permanent establishment.
<b>Construction/ installation site</b>	Not specified by law. A certain degree of permanence is necessary.	3 months
<b>Place of effective management</b>		a) the place of exercise of day-to-day management, b) the place of strategic decision-making, c) the place of the annual general meeting of the Shareholders or partners, d) the place of keeping books and records, e) the place of meetings of the Management Board or any other executive management body, f) the residence of the Members of the Management Board or any other executive management body. In combination with the above data and circumstances it is possible to consider the residence of the majority of the shareholders or partners to be a PE

<b>Warehouse</b>	Under certain conditions the VAT liabilities are suspended regarding the places deemed as fiscal warehouses (not logistic services)	The use of installations exclusively for the purpose of storage, exhibition or delivery of goods belonging to the enterprise does not constitute PE
<b>Permanent establishment during Pandemic</b>	<b>VAT</b>	<b>CIT</b>
<b>Having an employee working in another country during lock down</b>	No, when mobility was restricted.	No, when mobility was restricted.
<b>Continue having an employee after the lockdown</b>	Yes, there is a PE if legal requirements are met.	Yes, there is a PE if legal requirements are met.
<b>Responsibility</b>	No limit to the parent company's liability.	No limit to the parent company's liabilities.
<b>Other issues to be considered</b>	None	None

**Eurofast**

Since 1978

Eurofast  
www.eurofast.eu

Member of



# INDIA

REQUIREMENTS	GST	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Section 2(50) of CGST Act describes that "fixed establishment" means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs.	Permanent establishment is defined under section 92F(iiiia) of the Income tax act,1961 permanent establishment includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.
<b>Legal stipulation</b>	Section 2(50) of CGST Act, 2017	Section 92F(iiiia) of the Income tax act,1961
<b>Main examples</b>	-	Place of management; a branch; an office; a factory;a workshop, and a mine, an oil or gas well, a quarry or any other place of extraction of natural resources, a building site or construction or installation project constitutes a permanent establishment only if it lasts more than twelve months
<b>Formal requirements</b>	-	Once it is determined that a foreign firm has a PE in India then They must apply for PAN, TAN and should be registered under regulations of Indirect tax.
<b>Legal personality</b>	-	Yes
<b>Cost</b>	-	-
<b>Main requirements</b>	<b>GST</b>	<b>CIT</b>
<b>Sufficient degree of permanence</b>	Yes	Yes
<b>Suitable structure for supplying service or to receive and use services</b>	Yes	Yes
<b>Other than a registered place of business.</b>	Yes	-

Permanent establishment during Pandemia	GST	CIT
Having an employee working in another country during lock down	-	Central Board of Direct Taxes (CBDT) issued a circular dated 3 March 2021 on 'Residential status of certain individuals under Income-tax Act, 1961 to provide for necessary relief from genuine hardship due to the pandemic and Considering the guidelines issued by the organisation for Economic Co-operation and Development, (OECD) the CBDT decided that the domestic tax laws read with tax treaties, provide for necessary relief to avoid double taxation.
Continue having an employee after the lockdown	-	
Responsability	-	
Other issues to be considered	-	



# ITALY

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Sufficiently permanent center of activity that is different from the main place of business (so-called "head office") of the taxable entity. The center of activity should be equipped with a suitable structure in terms of human and technical assets, such as to carry out its business. Differently from the provision for income tax purposes, for VAT purpose to qualified a PE, the presence of the human element is required in addition to the technical/material element.	A fixed place of business by through the non-resident enterprise carries out all or part of its business in the territory of the State. It is necessary that the PE is independent from the parent company.
<b>Legal stipulation</b>	Article 11 of the Eu regulation n.282/2011	Article 162 of Income Tax Consolidation Act (Presidential Decree n. 917/1986)
<b>Main examples</b>	a) a place of management, b) a branch; c) an office; d) a factory; e) a workshop; f) a mine, an oil or gas well, a quarry or anu other place of extraction of natural; g) management of its own hub with employees in place	a) a place of management; b) a branch; c) an office; d) a factory; e) a workshop; f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources; f-bis) a significant and continuous economic presence in the territory of the State built in such a way as not to reveal its physical consistency in the territory.
<b>Formal requirements</b>	<ul style="list-style-type: none"> <li>• Identification Tax Number (not sufficient)</li> <li>• No need of a tax representative with residence in Italy</li> </ul>	<ul style="list-style-type: none"> <li>• Identification Tax Number (not sufficient)</li> <li>• No need of a tax representative with residence in Italy</li> </ul>
<b>Legal personality</b>	No	No
<b>Cost</b>	Less costly than subsidiaries, since less formal requirements are needed	
<b>Main requirements</b>	<b>VAT</b>	<b>CIT</b>
<b>Existence of place of business (with employee)</b>	Yes	Yes
<b>Fixation of the place of business</b>	Yes	Yes
<b>Carrying of an economic activity</b>	Yes	Yes
<b>Further requirements per country</b>	The presence of human and technical resources in the establishment to classify permanent establishment.	No

Short analysis of the main examples	VAT	CIT
<b>Dependent employee/ agency permanent established</b>	If a person acts in the territory of the state on behalf of a non-resident enterprise and habitually concludes contracts or promotes the conclusion of contracts without substantial changes by the non-resident enterprise and said contracts are in the name of the non-resident enterprise.	If a person acts in the territory of the state on behalf of a non-resident enterprise and habitually concludes contracts or promotes the conclusion of contracts without substantial changes by the non-resident enterprise and said contracts are in the name of the non-resident enterprise.
<b>Real estate operated under lease or under any other title</b>	The mere ownership of a property, does not constitutes a permanent establishment	The mere ownership of a property, does not constitute a permanent establishment
<b>Construction, installation or assembly works</b>	More than 3 months, only if there is no treaty in line with the OECD model	More than 3 months, only if there is no treaty in line with the OECD model
<b>Warehouse</b>	The ownership of a warehouse constitutes a permanent establishment when when it is only used for the purpose of storing, displaying and delivering goods belonging to the company.	The ownership or rental of a warehouse does not constitute a permanent establishment if it is only used for storage services.
<b>Permanent establishment during Pandemia</b>	VAT	CIT
<b>Having an employee working in another country during lock down</b>	No because the mobility was restricted, and staying in a different state of the employee's home state is not related to a strategic decision of the company	No because the mobility was restricted, and staying in a different state of the employee's home state is not related to a strategic decision of the company
<b>Continue having an employee after the lockdown</b>	Yes there is a PE when some requirements are met. In particular, the home office cannot be automatically considered as a PE when the business activities are performed occasionally through the employee home. There is not PE, when remote working is requested by the employee; in this case, the employee's home cannot be considered available to the enterprise if the enterprise continues to maintain an office for the employee in the State of the parent company (art.5 of the OECD model commentary).	Yes there is a PE when some requirements are met. In particular, the home office cannot be automatically considered as a PE when the business activities are performed occasionally through the employee home. There is not PE, when remote working is requested by the employee; in this case, the employee's home cannot be considered available to the enterprise if the enterprise continues to maintain an office for the employee in the State of the parent company (art.5 of the OECD model commentary).
<b>Responsability</b>	No limit to the parent company's liabilities	No limit to the parent company's liabilities
<b>Other issues to be considered</b>	None	None

# JAPAN

CONCEPT OF PERMANENT ESTABLISHMENT (PE) In Japan (No change between DURING AND AFTER THE PANDEMIC LOCKDOWN)

REQUIREMENTS	VAT (JCT: Japanese Consumption Tax. Nature of JCT is similar to VAT)	CIT (Corporate Income Tax)
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Taxable transactions are domestic transactions and transactions for the import of foreign goods for business purposes in Japan. People or company having such transactions is basically required to file JCT return regardless having PE in Japan.	Income attributable to a PE in Japan of a foreign corporation should be calculated based on assumption that the PE were a separate and independent corporation from its head office and other branches.
<b>Legal stipulation</b>	Article 5 of JCT Law	Article 138 of Corporate Income Tax Law and Article 164 of Income tax Law for individuals
<b>Main examples</b>	(a) Domestic transactions: Domestic transactions in which consideration is paid for the transfer or lease of assets or provision of services for business purposes will be subject to JCT. (b) Import transactions: Foreign goods received or removed from a bounded area in Japan will be subject JCT. (c) Electronic commerce: Such as distribution of electronic book, music, advertisement etc., provided by foreign entities.	Carrying on business in Japan through a branch, office, factory or other fixed place of business situated in Japan. Also carrying on business in Japan through building construction, assembly or similar activities constituting for a period longer than one year or certain kind of agents in Japan.
<b>Formal requirements</b>	<ul style="list-style-type: none"> <li>Identification Tax Number (begins with an "T") This ID number is scheduled to be implemented from October 1, 2023. Until then purchase tax credit is allowed without the number on transactions subject to JCT.</li> </ul>	<ul style="list-style-type: none"> <li>Identification Tax Number is automatically given when corporation is registered. PE not registered does not have such number but control number given by tax office is used for tax filing.</li> <li>No obligation of a tax representative for foreign corporations but practically tax representative is appointed.</li> </ul>
<b>Legal personality</b>	-	No
<b>Cost</b>	-	-
<b>Main requirements</b>	<b>JCT</b>	<b>CIT</b>
<b>Existence of place of business (with employee)</b>	No	Yes
<b>Fixation of the place of business</b>	No	Yes
<b>Carrying of an economic activity</b>	Yes	Yes
<b>Further requirements per country</b>	No	No

Short analysis of the main examples	JCT	CIT
Dependent employee	-	-
Real estate operated under lease or under any other title	Real estate other than land is subject to JCT	Income tax in relation to real estate in Japan is subject to Japanese income tax. It applies on lease on real estate as well.
Construction, installation or assembly works	Yes	One year
Warehouse	Rent of warehouse is subject to JCT.	The use of facility solely for the purposes of storage belonging to the enterprise is not regarded as PE as long as it is of a preparatory or auxiliary nature.
Permanent establishment (PE) during Pandemic	JCT	CIT
Having an employee working in another country during lock down	N/A	N/A
Continue having an employee after the lockdown	/A	N/A
Responsibility	N/A	N/A
Other issues to be considered	None	None



# KENYA

REQUIREMENTS	VAT	CIT
<p><i>Continuation page 35</i></p> <p><b>Definition according with country regulation</b></p>	<p>Not defined in the VAT Act 2013</p>	<p>The Finance Act 2021 amended the definition of the "Permanent Establishment" to include the following;-</p> <ul style="list-style-type: none"> <li>a) A fixed place of business in Kenya through which business is wholly or partly carried out including a place of management, a branch, an office, a factory, a workshop, a place of extraction of natural resources for a period of six months or more;</li> <li>b) A warehouse in relation to a person whose business is providing storage facilities to others, a farm, a plantation or other place where agricultural, forestry plantation or related activities are carried on and a sales outlet for a period of six months or more;</li> <li>c) A building site, a construction, assembly or installation project or any supervisory activity connected to the site or project, where it continues for a period of more than six months. NB: where related enterprises carry out connected activities on the same building site or installation project for an aggregate of thirty days or more each, these will be summed up in determining whether the threshold period of six months has been attained by the first enterprise that started the said activities;</li> <li>d) The provision of services, including consultancy services, by a person through employees or other personnel engaged for that purpose, for a period exceeding the aggregate of ninety-one days in any twelve-month period.</li> <li>e) An installation or structure used in the exploration for natural resources where the exploration continues for a period of ninety-one days or more;</li> <li>f) Presence of a dependent agent who acts on behalf of the non-resident person in respect of that person's activities in Kenya. As per ITA's definition, a dependent agent is an agent who has the authority and mandate to conclude contracts in Kenya on behalf of the non-resident person or plays the principal role leading to the conclusion of contracts without material modification by the non-resident person. However, the following auxiliary activities in relation to a dependent agent do not lead to the crystallization of a PE, viz: <ul style="list-style-type: none"> <li>• Use of facilities solely for the purpose of storage, or display of goods or merchandise belonging to the enterprise;</li> <li>• Maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, or display;</li> </ul> </li> </ul>

<i>Continuation page 34</i>		
<b>Definition according with country regulation</b>	Not defined in the VAT Act 2013	<ul style="list-style-type: none"> <li>• Maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;</li> <li>• Maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information for the enterprise;</li> <li>• Maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity.</li> </ul>
<b>Legal stipulation</b>	N/A	Section 2 of the Income Tax Act
<b>Main examples</b>	This will include any place of management, a branch, an office, a factory, a workshop, a mine, an oil or gas well, a quarry or any other place of extraction or exploitation of natural resources, a warehouse in relation to a person whose business is providing storage facilities to others, a farm, plantation or other place where agricultural, forestry plantation or related activities are carried on and a sales outlet, a building site, construction, assembly or installation project or any supervisory activity connected to the site or project, but only if it continues for a period of more than one hundred and eighty-three days.	This will include any place of management, a branch, an office, a factory, a workshop, a mine, an oil or gas well, a quarry or any other place of extraction or exploitation of natural resources, a warehouse in relation to a person whose business is providing storage facilities to others, a farm, plantation or other place where agricultural, forestry plantation or related activities are carried on and a sales outlet, a building site, construction, assembly or installation project or any supervisory activity connected to the site or project, but only if it continues for a period of more than one hundred and eighty-three days.
<b>Formal requirements</b>	- Kenya Personal Identification Number (PIN) , begins with an "P" -Tax representative in Kenya	<ul style="list-style-type: none"> <li>• Kenya Personal Identification Number (PIN) , begins with an "P"</li> <li>• Tax representative in Kenya</li> </ul>
<b>Legal personality</b>	No	No
<b>Cost</b>	Less costly as less formal requirements are needed	
<b>Main requirements</b>	<b>VAT</b>	<b>CIT</b>
<b>Existence of place of business (with employee)</b>	Yes but not necessarily with employees	Yes but not necessarily with employees
<b>Fixation of the place of business</b>	Yes	Yes
<b>Carrying of an economic activity</b>	Yes	Yes
<b>Further requirements per country</b>	No	No

Short analysis of the main examples	VAT	CIT
<b>Dependent employee</b>	Agents or representatives who acts on behalf of the non-resident person in respect of that person's activities in Kenya constitutes a permanent establishment	Agents or representatives who acts on behalf of the non-resident person in respect of that person's activities in Kenya constitutes a permanent establishment
<b>Real estate operated under lease or under any other title</b>	The mere ownership of a property does not constitute a permanent establishment however, one will be required to pay VAT on commercial building.	The mere ownership of a property does not constitute a permanent establishment however, one will be required to pay either 10% tax on the gross monthly income or 30% tax on the net annual rental income depending on the nature of the building.
<b>Construction, installation or assembly works</b>	6 months or more	6 months or more
<b>Warehouse</b>	A warehouse in relation to a person whose business is providing storage facilities to others, a farm, a plantation or other place where agricultural, forestry plantation or related activities are carried on and a sales outlet for a period of six months or more constitutes a permanent establishment.	A warehouse in relation to a person whose business is providing storage facilities to others, a farm, a plantation or other place where agricultural, forestry plantation or related activities are carried on and a sales outlet for a period of six months or more constitutes a permanent establishment.
<b>Permanent establishment during Pandemia</b>	VAT	CIT
<b>Having an employee working in another country during lock down</b>	No this does not constitute to a PE	No this does not constitute to a PE
<b>Continue having an employee after the lockdown</b>	Yes there is an PE when requirements as set above are met.	Yes there is an PE when requirements as set above are met.
<b>Responsability</b>	No limit to the parent company's liabilities	No limit to the parent company's liabilities
<b>Other issues to be considered</b>	Upon crystallization of a PE in Kenya, the non-resident person will be viewed to be doing business in Kenya and thus will be subjected to the VAT Act provisions e.g. registration requirement, accounting for VAT on taxable supplies and also reverse VAT (where applicable) among others;	It is important to note that the tax implications attributable to the PE in Kenya will include: Corporate Tax at a non-resident rate of 37.5%, Withholding tax (WHT), Transfer pricing, Pay As You Earn (PAYE) and other related statutory deductions like NSSF, NHIF, NITA among others.

# MALTA

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Any fixed place of business where companies and individuals carry out economic activities.	Any fixed place of business where companies and individuals carry out economic activities.
	(a) taxable person is established in a country if he has established his economic activity or has a fixed place of establishment from which he carries on that economic activity in that country or, being a physical person who has not fixed his economic activity or who does not have a fixed place of establishment in any country, has a permanent address or usually resides in that country; (b) a non-taxable legal person is established in a country if it is constituted under the law of that country or if it has a fixed place in that country from which it carries on its activities; (c) a non-taxable physical person is established in the country where he has a permanent address or usually resides. (3) Where, in terms of subarticle (2), a taxable person falls to be treated as established in Malta and in another country with respect to the same transaction, and where it is necessary for the proper application of any provision of this Act that he should be treated as established only in one of those two countries, he shall, to the extent that it is so necessary, be treated as established only in the country with which that transaction is more closely connected.	
<b>Legal stipulation</b>	Although Maltese tax legislation contains a number of references to the term 'permanent establishment', the term is not defined by Maltese legislation. Indeed, in terms of Maltese domestic tax law, a non-resident is, in principle, subject to Maltese tax on income arising in Malta, irrespective of the existence or otherwise of a PE in Malta (subject to any double tax treaty [DTT] provisions that would apply if in conflict with Maltese tax law). In the event that the Maltese Inland Revenue is required to interpret such a term, reference would typically be made to the definition contained in the OECD Model Convention.	
<b>Main examples</b>	In particular, management headquarters, branches, offices, factories, workshops, warehouses, shops or other establishments, mines, oil or gas wells, quarries, agricultural, forestry or livestock farms or any other site for the exploration or extraction of natural resources,	
<b>Formal requirements</b>	Identification VAT Number (begins with an "MT")	Identification Tax Number (begins with an "99")
<b>Legal personality</b>	Yes	Yes
<b>Cost</b>	Less costly than normal companies established in Malta, as less formal requirements are needed	

Main requirements	VAT	CIT
Existence of place of business (with employee)	Yes	Yes
Fixation of the place of business	Yes	Yes
Carrying of an economic activity	Yes	Yes
Further requirements per country	No	No
Short analysis of the main examples	VAT	CIT
Dependent employee	Agencies or representatives authorised to contract in the name and on behalf of the taxable person	Agents or representatives authorised to contract or negotiate in the name and on behalf of the taxable person
Real estate operated under lease or under any other title	The mere ownership of a property, constitutes a permanent establishment	The mere ownership of a property, does not constitute a permanent establishment
Construction, installation or assembly works	6 months	6 months
Warehouse	The ownership or rental of a warehouse constitutes a permanent establishment (not logistic services)	The ownership or rental of a warehouse does not constitute a permanent establishment (not logistic services)
Permanent establishment during Pandemia	VAT	CIT
Having an employee working in another country during lock down	No when mobility was restricted	No when mobility was restricted
Continue having an employee after the lockdown	Yes there is an PE when requirements are meet	Yes there is an PE when requirements are meet
Responsability	No limit to the parent company's liabilities	No limit to the parent company's liabilities
Other issues to be considered	None	None

# MEXICO

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	No specific definition. Individuals and legal entities are obligated to pay value added tax if engaged in the activities set forth on article 1st of the Law within Mexican territory.	A permanent establishment shall be considered to be any place of business in which entrepreneurial activities are conducted, either in whole or in part, or independent personal services are provided.
<b>Legal stipulation</b>	Article 1th. of the VAT Law	Article 2 of the Income Tax Law
<b>Main examples</b>	As described on the Income Tax Law	Among others: branches, agencies, offices, factories, workshops, facilities, mines, quarries, or any place for exploring, extracting, or exploiting natural resources. Rule of +183 calendar days apply for construction works, demolition, installation, maintenance, or assembly on real estate, or projection, inspection, or supervision activities related to. Independent agents acting exclusively or almost exclusively on behalf of foreign residents.
<b>Formal requirements</b>	<ul style="list-style-type: none"> <li>TAX ID (same as CIT)</li> </ul>	<ul style="list-style-type: none"> <li>TAX ID</li> <li>Taxable on income attributable to said permanent establishment. Applies almost same rules as any other Corporation (Persona Moral)</li> </ul>
<b>Legal personality</b>	No. Legal representation needed	No. Legal representation needed
<b>Cost</b>	Pretty similar than subsidiaries	
<b>Main requirements</b>	<b>VAT</b>	<b>CIT</b>
<b>Existence of place of business (with employee)</b>	Yes	Yes, but even without employees
<b>Fixation of the place of business</b>	Not always	Yes
<b>Carrying of an economic activity</b>	Yes, within national territory	Yes
<b>Further requirements per country</b>	No	No

Short analysis of the main examples	VAT	CIT
<b>Dependent employee</b>	Agencies or representatives authorised to contract in the name and on behalf of the taxable person	if such person habitually executes contracts or habitually undertakes the main roll leading to the execution of contracts entered into by the foreign resident (new criteria based on OECD).
<b>Real estate operated under lease or under any other title</b>	The mere ownership of a property, does not constitute a permanent establishment	The mere ownership of a property, does not constitute a permanent establishment
<b>Construction, installation or assembly works</b>	Rule of 183 calendar days	Rule of 183 calendar days
<b>Warehouse</b>	The ownership or rental of a warehouse does not constitute a permanent establishment (not logistic services)	The ownership or rental of a warehouse does not constitute a permanent establishment (not logistic services)
<b>Permanent establishment during Pandemia</b>	VAT	CIT
<b>Having an employee working in another country during lock down</b>	No when mobility was restricted	No when mobility was restricted
<b>Continue having an employee after the lockdown</b>	Yes there is an PE when requirements are met	Yes there is an PE when requirements are met
<b>Responsibility</b>	No limit to the parent company's liabilities	No limit to the parent company's liabilities
<b>Other issues to be considered</b>	None	Tax authority have not officially published tax position



Auren Mexico  
www.auren.com

## PARAGUAY

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	<p>The pandemic situation has not brought differences regarding the establishment in Paraguay, it is considered that any legal company, private or public, associations, branches and/or sole proprietorships, incorporated under national or foreign laws that establish their domicile in the country, and develop their activities from assets located or rights used in the same domicile, are obligated to comply with their tax responsibilities.</p> <p>The same applies to activities carried abroad unless an income tax equal to or higher than in effect in Paraguay has been paid.</p>	
<b>Legal stipulation</b>	Article 84 of Law No. 6380/19	Article 6 of Law No. 6380/19
<b>Main examples</b>	<p>In Paraguay the term "permanent establishment" includes:</p> <ul style="list-style-type: none"> <li>a) The places of management;</li> <li>b) Branches;</li> <li>c) Offices;</li> <li>d) Factories;</li> <li>e) Workshops; and,</li> <li>f) Mines, oil or gas wells, a construction site, or a construction project; and</li> <li>g) The rendering of services by an enterprise through its employees or other personnel engaged by the enterprise for such purpose, but only if the activities of that nature continue in a Contracting State for a period or periods exceeding 183 (one hundred and eighty-three) days in the aggregate, within any 12 (twelve) month period;</li> <li>h) For a natural person, the provision of services in a Contracting State by that natural person, but only where the natural person's stay in that State is for a period or periods exceeding 183 (one hundred and eighty-three) days in total, within any period of 12 (twelve) months.</li> </ul>	
<b>Formal requirements</b>	<p>For individuals:</p> <ol style="list-style-type: none"> <li>1. A copy of the Registration Form, signed by the applicant</li> <li>2. A photocopy of the applicant's Identity Card</li> <li>3. A photocopy of a utility bill or real estate tax, to confirm the address of the premises.</li> </ol> <p>For legal entities:</p> <ol style="list-style-type: none"> <li>1. A copy of the Registration Form signed by the Legal Representative.</li> <li>2. A photocopy of the Identity Card of the partners and of the Legal Representative.</li> <li>3. An authenticated photocopy of the Deed of Incorporation, registered at the Registry of Legal Entities and the Public Registry of Commerce.</li> <li>4. In case of a foreign company, the articles of incorporation must be transcribed by a Paraguayan Notary.</li> <li>5. A photocopy of a utility bill or real estate tax to confirm the address of the premises.</li> </ol>	
<b>Legal personality</b>	<p>There are no limitations, the legal entities that most operate in Paraguay are: EIRL, Condominiums, S.A., S.R.L, Branches in the country, Simple Societies and Foreign Agencies.</p>	
<b>Cost</b>	<p>It is the same for all parties, but less for individuals, as it requires less documentation.</p>	

Main requirements	VAT	CIT
Existence of place of business (with employee)	Yes	Yes
Fixation of the place of business	Yes	Yes
Carrying of an economic activity	Yes	Yes
Further requirements per country	Payment of professional patents	Payment of commercial patents
Short analysis of the main examples	VAT	CIT
Dependent employee	The personnel in a relationship of dependency could pass to a pause regime, called transitory, allowing them to temporarily suspend the social security contributions until returning to the normal activities of the company and work on-premise.	
Real estate operated under lease or under any other title	In the case of commercial leases, they now benefit from a 50% reduction of the tax base.	It remains unchanged.
Construction, installation or assembly works	It remains unchanged.	
Warehouse	It remains unchanged.	
Permanent establishment during Pandemic	VAT	CIT
Having an employee working in another country during lock down	Not applicable	Not applicable
Continue having an employee after the lockdown	Not applicable	Not applicable
Responsibility	They have the obligation to comply with their tax responsibilities in their respective countries of residence as well as in Paraguay.	
Other issues to be considered	None	None

# POLAND

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	No definition of fixed establishment in the Polish domestic law.	The definition of permanent establishment covers: <ul style="list-style-type: none"> <li>• a fixed place of business through which the entity whose seat or management office is on the territory of one state pursues its activities, in whole or in part, within the territory of another state, in particular a branch, agency, office, factory, workshop or place of extraction of natural resources,</li> <li>• a construction site, construction, assembly or installation work carried on within the territory of one state by the subject whose seat or management office is on the territory of another state,</li> <li>• a person who, on behalf and for the benefit of a subject whose seat or management office is on the territory of one state, operates on the territory of another state, if such person holds and exercises a power of attorney to enter into contracts on its behalf.</li> </ul>
<b>Legal stipulation</b>	The definition of fixed establishment provided in EU regulations (Article 11 of Council Implementing Regulation (EU) No 282/2011 of March 15 2011, laying down implementing measures for Directive 2006/112/EC on the common system of VAT) is applicable in Poland.	Article 4a pkt 11 of the CIT Act (the Polish CIT law applies unless a double tax treaty provides otherwise)
<b>Main examples</b>	As fixed establishment may be deemed in particular: <ul style="list-style-type: none"> <li>• a branch,</li> <li>• an office,</li> <li>• a factory,</li> <li>• a construction or installation site.</li> </ul>	As permanent establishment may be deemed in particular: <ul style="list-style-type: none"> <li>• a branch,</li> <li>• an office,</li> <li>• a factory,</li> <li>• a place of extraction of natural resources,</li> <li>• a construction or installation site,</li> <li>• a "dependant agent".</li> </ul>
<b>Formal requirements</b>	In principle, a fixed establishment should register in Poland for the VAT purposes.	A permanent establishment should register in Poland for the CIT purposes and obtain a Tax Identification <sup>1</sup> Number.
<b>Legal personality</b>	No	No
<b>Cost</b>	The registration for VAT purposes is not subject to an official fee.	The registration for CIT purposes is not subject to an official fee.
<b>Main requirements</b>	<b>VAT</b>	<b>CIT</b>
<b>Existence of place of business (with employee)</b>	Adequate structure in terms of human and technical resources	No/Yes (a place of business is required under the fixed place of business concept only)

<b>Fixation of the place of business</b>	Yes	Yes
<b>Carrying of an economic activity</b>	Yes	Yes
<b>Further requirements per country</b>	N/A	N/A
<b>Short analysis of the main examples</b>	<b>VAT</b>	<b>CIT</b>
<b>Dependent employee</b>	In principle, a dependant employee does not, in and of itself, constitute a fixed establishment (as other conditions, e.g. sufficient human and technical resources need to be met as well).	A dependant employee may constitute a permanent establishment if he has and habitually exercises the authority to conclude/negotiate contracts in the name of an enterprise.
<b>Real estate operated under lease or under any other title</b>	In principle, the mere fact that an enterprise has a real estate at its disposal does not, in and of itself, constitute a fixed establishment (as other conditions, e.g. sufficient human and technical resources need to be met as well).	A real estate at the disposal of the enterprise which is used for its business activities may create a permanent establishment.
<b>Construction, installation or assembly works</b>	In principle, the mere fact that an enterprise has a construction or installation site does not, in and of itself, constitute a fixed establishment (as other conditions, e.g. sufficient human and technical resources need to be met as well).	The Polish CIT law does not include the period required for construction works to create a permanent establishment.
<b>Warehouse</b>	In principle, the mere fact that an enterprise has a warehouse at its disposal does not, in and of itself, constitute a fixed establishment (as other conditions, e.g. sufficient human and technical resources need to be met as well).	The Polish CIT law does not include provisions indicating that use of facilities for the purpose of storage, display or delivery of goods is not deemed as permanent establishment.
<b>Permanent establishment during Pandemia</b>	<b>VAT</b>	<b>CIT</b>
<b>Having an employee working in another country during lock down</b>	No specific regulations in the Polish domestic law.	No specific regulations in the Polish domestic law.
<b>Continue having an employee after the lockdown</b>		
<b>Responsability</b>		
<b>Other issues to be considered</b>		

## PORTUGAL

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	There is no harmonized definition of permanent establishment for VAT purposes. However, an entity should be considered to have a permanent establishment when it has an adequate structure, in terms of human and technical resources, and an installation, both of which have a sufficient permanence to carry out taxable transactions.	It is considered that there is a permanent establishment in Portuguese territory when there are fixed installations or places of work of any kind, in which all or part of their activity is carried out, or acts there through an agent authorized to contract, in the name and on behalf of the non-resident, making regular use of these powers
<b>Legal stipulation</b>	N/A	Article 5 of Portuguese Income Tax Code
<b>Main examples</b>	Permanent establishments, whether in the form of branches, agencies, delegations, representative offices or others, normally constitute autonomous centers of interest, susceptible to being object of tax legal relationships. The permanent establishment must be economically dependent and must be considered autonomous, bearing the risk arising from its activity.	In particular, management headquarters, branches, offices, factories, workshops, warehouses, shops or other establishments, mines, oil or gas wells, quarries, agricultural, forestry or livestock farms or any other site for the exploration or extraction of natural resources, and construction, installation or assembly work lasting more than six months shall be deemed to constitute a permanent establishment.
<b>Formal requirements</b>	No need of a tax representative with residence in Portugal	Obligation of a tax representative with residence in Portugal
<b>Legal personality</b>	No	No
<b>Cost</b>	Less costly than subsidiaries, as less formal requirements are needed	
<b>Main requirements</b>	<b>VAT</b>	<b>CIT</b>
<b>Existence of place of business (with employee)</b>	Yes	Yes
<b>Fixation of the place of business</b>	Yes	Yes
<b>Carrying of an economic activity</b>	Yes	Yes
<b>Further requirements per country</b>	No	No

Short analysis of the main examples	VAT	CIT
<b>Dependent employee</b>	Agencies or representatives authorised to contract in the name and on behalf of the taxable person	Agents or representatives authorised to contract or negotiate in the name and on behalf of the taxable person
<b>Real estate operated under lease or under any other title</b>	The mere ownership of a property, constitutes a permanent establishment	The mere ownership of a property, does not constitute a permanent establishment
<b>Construction, installation or assembly works</b>	construction, instalation and assembly works constitutes a permanent establishment	6 months
<b>Warehouse</b>	The ownership or rental of a warehouse constitutes a permanent establishment (not logistic services)	The ownership or rental of a warehouse does not constitute a permanent establishment (not logistic services)
<b>Permanent establishment during Pandemia</b>	VAT	CIT
<b>Having an employee working in another country during lock down</b>	No when mobility was restricted	No when mobility was restricted
<b>Continue having an employee after the lockdown</b>	Yes there is an PE when requirements are meet	Yes there is an PE when requiements are meet
<b>Responsability</b>	No limit to the parent company's liabilities	No limit to the parent company's liabilities
<b>Other issues to be considered</b>	None	None



Auren Portugal  
[www.auren.com](http://www.auren.com)

# ROMANIA

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Any fixed place of business where companies and individuals carry out economic activities.	A person operates through permanent establishment in Romanian territory when he or she holds in any way work permits of any kind, in which he or she carries out all or part of his or her activity, or acts in it through an agent authorised to hire, in the name and on account of the non-resident, using these powers regularly.
<b>Legal stipulation</b>	Fiscal Procedure Code - chapter III	Law no. 227/2015 - Title no. VI
<b>Main examples</b>	(a) The place of management, branches, offices, factories, workshops, installations, shops and, in general, the agencies or representatives authorised to contract in the name and on behalf of the taxable person (b) The mines, quarries or slag heaps, oil or gas wells or other places of extraction of natural products. (c) construction, installation or assembly work lasting more than 12 months. (d) agricultural, forestry or livestock operations (e) Installations operated on a permanent basis by an entrepreneur or professional for the storage and subsequent delivery of their goods. (f) Centres for the purchase of goods or services. (g) Real estate operated under lease or under any other title.	In particular, management headquarters, branches, offices, factories, workshops, warehouses, shops or other establishments, mines, oil or gas wells, quarries, agricultural, forestry or livestock farms or any other site for the exploration or extraction of natural resources, and construction, installation or assembly work lasting more than six months shall be deemed to constitute a permanent establishment.
<b>Formal requirements</b>	<ul style="list-style-type: none"> <li>• Identification Tax Number (begins with an "RO")</li> <li>• No need of a tax representative with residence in Romania</li> </ul>	<ul style="list-style-type: none"> <li>• Identification Tax Number (begins with an "RO")</li> <li>• Obligation of a tax representative with residence in Romania</li> </ul>
<b>Legal personality</b>	YES	YES
<b>Cost</b>	Less costly than subsidiaries, as less formal requirements are needed	
<b>Main requirements</b>	<b>VAT</b>	<b>CIT</b>
<b>Existence of place of business (with or without employee)</b>	Yes	Yes
<b>Fixation of the place of business</b>	Yes	Yes
<b>Carrying of an economic activity</b>	Yes	Yes

<b>Further requirements per country</b>	No	No
<b>Short analysis of the main examples</b>	<b>VAT</b>	<b>CIT</b>
<b>Dependent employee</b>	Agencies or representatives authorised to contract in the name and on behalf of the taxable person	Agents or representatives authorised to contract or negotiate in the name and on behalf of the taxable person
<b>Real estate operated under lease or under any other title</b>	The mere ownership of a property, constitutes a permanent establishment	The mere ownership of a property, does not constitute a permanent establishment
<b>Construction, installation or assembly works</b>	12 months	6 months
<b>Warehouse</b>	The ownership or rental of a warehouse constitutes a permanent establishment (not logistic services)	The ownership or rental of a warehouse does not constitute a permanent establishment (not logistic services)
<b>Permanent establishment during Pandemia</b>	<b>VAT</b>	<b>CIT</b>
<b>Having an employee working in another country during lock down</b>	No when mobility was restricted	No when mobility was restricted
<b>Continue having an employee after the lockdown</b>	No	No
<b>Responsability</b>	No limit to the parent company's liabilities	No limit to the parent company's liabilities
<b>Other issues to be considered</b>	None	None

*Eurofast*

Since 1978

Eurofast  
www.eurofast.eu

Member of



Alliance of independent firms

## SERBIA

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Any fixed place of business where companies and individuals carry out economic activities.	A person operates through permanent establishment in Serbian territory when he or she holds in any way installations or work premises of any kind, in which he or she carries out all or part of his or her activity, or acts in it through an agent authorised to hire, in the name and on account of the non-resident, using these powers regularly.
<b>Legal stipulation</b>	Article 12.Three of the VAT Act Republic of Serbia	Article 3 of the Non-Resident Income Tax Act Republic of Serbia
<b>Main examples</b>	<p>(a) The place of management, branches, offices, factories, workshops, installations, shops and, in general, the agencies or representatives authorised to contract in the name and on behalf of the taxable person</p> <p>(b) The mines, quarries or slag heaps, oil or gas wells or other places of extraction of natural products.</p> <p>(c) construction, installation or assembly work lasting more than 12 months.</p> <p>(d) agricultural, forestry or livestock operations</p> <p>(e) Installations operated on a permanent basis by an entrepreneur or professional for the storage and subsequent delivery of their goods.</p> <p>(f) Centres for the purchase of goods or services.</p> <p>(g) Real estate operated under lease or under any other title.</p>	In particular, management headquarters, branches, offices, factories, workshops, warehouses, shops or other establishments, mines, oil or gas wells, quarries, agricultural, forestry or livestock farms or any other site for the exploration or extraction of natural resources, and construction, installation or assembly work lasting more than six months shall be deemed to constitute a permanent establishment.
<b>Formal requirements</b>	<ul style="list-style-type: none"> <li>• Identification Tax Number (begins with an "SR")</li> <li>• No need of a tax representative with residence in Serbia</li> </ul>	<ul style="list-style-type: none"> <li>• Identification Tax Number (begins with an "SR")</li> <li>• Obligation of a tax representative with residence in Serbia</li> </ul>
<b>Legal personality</b>	No	No
<b>Cost</b>	Less costly than subsidiaries, as less formal requirements are needed	
<b>Main requirements</b>	<b>VAT</b>	<b>CIT</b>
<b>Existence of place of business (with employee)</b>	Yes	Yes
<b>Fixation of the place of business</b>	Yes	Yes

<b>Carrying of an economic activity</b>	Yes	Yes
<b>Further requirements per country</b>	No	No
<b>Short analysis of the main examples</b>	<b>VAT</b>	<b>CIT</b>
<b>Dependent employee</b>	Agencies or representatives authorised to contract in the name and on behalf of the taxable person	Agents or representatives authorised to contract or negotiate in the name and on behalf of the taxable person
<b>Real estate operated under lease or under any other title</b>	The mere ownership of a property, constitutes a permanent establishment	The mere ownership of a property, does not constitute a permanent establishment
<b>Construction, installation or assembly works</b>	12 months	6 months
<b>Warehouse</b>	The ownership or rental of a warehouse constitutes a permanent establishment (not logistic services)	The ownership or rental of a warehouse does not constitute a permanent establishment (not logistic services)
<b>Permanent establishment during Pandemia</b>	<b>VAT</b>	<b>CIT</b>
<b>Having an employee working in another country during lock down</b>	No when mobility was restricted	No when mobility was restricted
<b>Continue having an employee after the lockdown</b>	Yes there is an PE when requirements are meet	Yes there is an PE when requirements are meet
<b>Responsability</b>	No limit to the parent company's liabilities	No limit to the parent company's liabilities
<b>Other issues to be considered</b>	None	None

## SINGAPORE

REQUIREMENTS	GST	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	N/A	A permanent establishment means a fixed place of business through which the business of an enterprise is wholly or partly carried on.
<b>Legal stipulation</b>	N/A	N/A
<b>Main examples</b>	N/A	normally includes a place of management, a branch, an office, a factory, a workshop and a place of extraction of natural resources, etc.
<b>Formal requirements</b>	N/A	N/A
<b>Legal personality</b>	N/A	No
<b>Cost</b>	Less costly than subsidiaries, as less formal requirements are needed	
<b>Main requirements</b>	<b>GST</b>	<b>CIT</b>
<b>Existence of place of business (with employee)</b>	N/A	Yes
<b>Fixation of the place of business</b>	N/A	N/A
<b>Carrying of an economic activity</b>	N/A	Yes
<b>Further requirements per country</b>	N/A	No
<b>Short analysis of the main examples</b>	<b>GST</b>	<b>CIT</b>
<b>Dependent employee</b>	N/A	N/A
<b>Real estate operated under lease or under any other title</b>	N/A	N/A

<b>Construction, installation or assembly works</b>	N/A	6months - 12months
<b>Permanent establishment during Pandemic</b>	GST	CIT
<b>Having an employee working in another country during lock down</b>	N/A	N/A
<b>Continue having an employee after the lockdown</b>	N/A	Yes there is an PE when requirements are meet
<b>Responsability</b>	N/A	No limit to the parent company's liabilities
<b>Other issues to be considered</b>	N/A	None



Stamford Associates  
www.stamfordllp.com



# SPAIN

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Any fixed place of business where companies and individuals carry out economic activities.	A person operates through permanent establishment in Spanish territory when he or she holds in any way installations or work premises of any kind, in which he or she carries out all or part of his or her activity, or acts in it through an agent authorised to hire, in the name and on account of the non-resident, using these powers regularly.
<b>Legal stipulation</b>	Article 69.Three of the VAT Act	Article 13 of the Non-Resident Income Tax Act
<b>Main examples</b>	(a) The place of management, branches, offices, factories, workshops, installations, shops and, in general, the agencies or representatives authorised to contract in the name and on behalf of the taxable person (b) The mines, quarries or slag heaps, oil or gas wells or other places of extraction of natural products. (c) construction, installation or assembly work lasting more than 12 months. (d) agricultural, forestry or livestock operations (e) Installations operated on a permanent basis by an entrepreneur or professional for the storage and subsequent delivery of their goods. (f) Centres for the purchase of goods or services. (g) Real estate operated under lease or under any other title.	In particular, management headquarters, branches, offices, factories, workshops, warehouses, shops or other establishments, mines, oil or gas wells, quarries, agricultural, forestry or livestock farms or any other site for the exploration or extraction of natural resources, and construction, installation or assembly work lasting more than six months shall be deemed to constitute a permanent establishment.
<b>Formal requirements</b>	<ul style="list-style-type: none"> <li>• Identification Tax Number (begins with an "N")</li> <li>• No need of a tax representative with residence in Spain</li> </ul>	<ul style="list-style-type: none"> <li>• Identification Tax Number (begins with an "W")</li> <li>• Obligation of a tax representative with residence in Spain</li> </ul>
<b>Legal personality</b>	No	No
<b>Cost</b>	Less costly than subsidiaries, as less formal requirements are needed	
<b>Main requirements</b>	<b>VAT</b>	<b>CIT</b>
<b>Existence of place of business (with employee)</b>	Yes	Yes
<b>Fixation of the place of business</b>	Yes	Yes

<b>Carrying of an economic activity</b>	Yes	Yes
<b>Further requirements per country</b>	No	No
<b>Short analysis of the main examples</b>	<b>VAT</b>	<b>CIT</b>
<b>Dependent employee</b>	Agencies or representatives authorised to contract in the name and on behalf of the taxable person	Agents or representatives authorised to contract or negotiate in the name and on behalf of the taxable person
<b>Real estate operated under lease or under any other title</b>	The mere ownership of a property, constitutes a permanent establishment	The mere ownership of a property, does not constitute a permanent establishment
<b>Construction, installation or assembly works</b>	12 months	6 months
<b>Warehouse</b>	The ownership or rental of a warehouse constitutes a permanent establishment (not logistic services)	The ownership or rental of a warehouse does not constitute a permanent establishment (not logistic services)
<b>Permanent establishment during Pandemia</b>	<b>VAT</b>	<b>CIT</b>
<b>Having an employee working in another country during lock down</b>	No when mobility was restricted	No when mobility was restricted
<b>Continue having an employee after the lockdown</b>	Yes there is an PE when requirements are meet	Yes there is an PE when requiements are meet
<b>Responsability</b>	No limit to the parent company's liabilities	No limit to the parent company's liabilities
<b>Other issues to be considered</b>	None	None

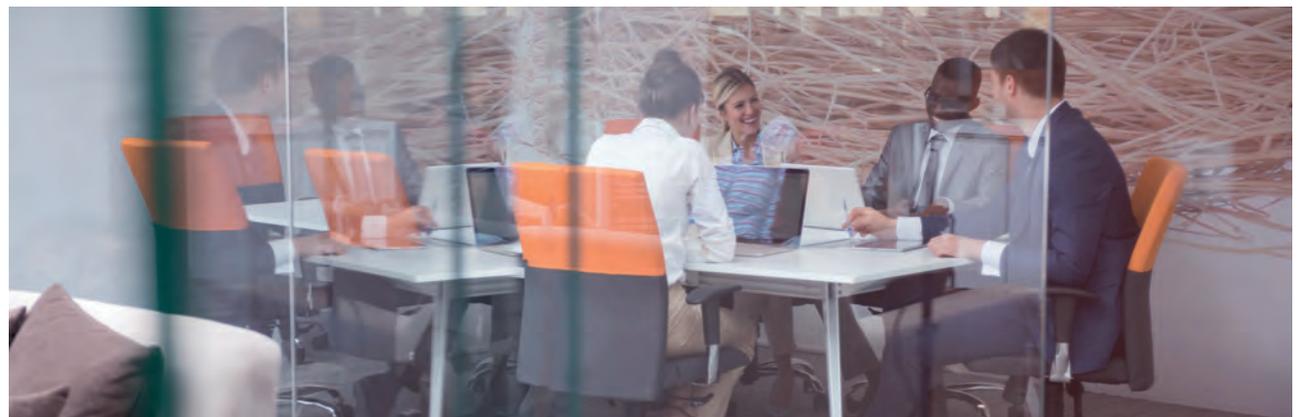


Auren Spain  
www.auren.com

# TUNISIA

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	Business done in Tunisia and having an industrial, artisanal character, or relating to a liberal profession, as well as commercial operations. This tax is applicable whatever was : <ul style="list-style-type: none"> <li>the legal status of the persons who intervene for the carrying out of taxable transactions;</li> <li>the form or nature of their intervention and its habitual or occasional character.</li> </ul>	Individuals having their habitual residence in Tunisia and Tunisian or foreign legal entities for their establishments in Tunisia.
<b>Legal stipulation</b>	Articles 1 & 2 of VAT code.	Article 45 of (Chapter II CIT Code) (Code IRPP/IS)
<b>Main examples</b>	<ol style="list-style-type: none"> <li>Imports;</li> <li>Sales of industrial equipment, the building materials ;</li> <li>Sales made by wholesalers operating in other sectors and supplying other reseller traders;</li> <li>Sales of products other than agricultural or fishing;</li> <li>The sale of lots carried out by real estate developers;</li> <li>Building works;</li> <li>The sale of buildings or businesses carried out by persons who usually buy these goods with a view to their resale;</li> <li>Business relating to on-site consumption;</li> <li>Self-delivery of tangible fixed assets and intangible assets by taxable persons.</li> </ol>	Permanent establishment under the definition of residence : <ul style="list-style-type: none"> <li>A management seat;</li> <li>A point of sale;</li> <li>A branch</li> <li>An office;</li> <li>A plant;</li> <li>A workshop;</li> <li>A mine, oil or gas well, quarry or other place exploration or extraction of natural resources.</li> <li>Construction, assembly and assembly operations monitoring activities lasting 6 Months,</li> <li>Insurance undertakings</li> <li>Dependent agent</li> </ul>
<b>Short analysis of the main examples</b>	<b>VAT</b>	<b>CIT</b>
<b>Management seat</b>	Head office is a permanent establishment	Head office is a permanent establishment
<b>Point of sale</b>	The point of sale and marketing of the parent company's products constitutes a permanent permanent establishment	The point of sale and marketing of the parent company's products constitutes a permanent permanent establishment
<b>Construction, assembly and assembly operations</b>	6 months	6 months
<b>Dependent agent</b>	Agencies or representatives authorised to contract in the name and on behalf of the taxable person	Agents or representatives authorised to contract or negotiate in the name and on behalf of the taxable person

Permanent establishment during Pandemia	VAT	CIT
Having an employee working in another country during lock down	No when mobility was restricted	No when mobility was restricted
Continue having an employee after the lockdown	Yes there is an employee when requirements are meet	Yes there is an employee when requirements are meet
Responsability	No limit to the parent company's liabilities	No limit to the parent company's liabilities
Other issues to be considered	None	None



## UGANDA

REQUIREMENTS	VAT	ITA
<b>Regulation</b>		
<b>Definition according with country regulation</b>	The Ugandan Income Tax Act, Cap. 340 (ITA) does not define a PE, but defines a branch as a place where a person is carrying on business through an agent, other than a general agent of independent status acting in the ordinary course of business e.g. using, or installing substantial equipment or machinery for at least 90 days within any 12-month period.	The tax that is imposed on the income of a non-resident company derived from running a branch in Uganda is taxed at the corporation tax rate of 30% after deduction of allowable expenses.
<b>Legal stipulation</b>	Income Tax Act, Cap. 340 (ITA)	Income Tax Act, Cap. 340 (ITA)
<b>Main examples</b>	In particular, management headquarters, branches, offices, factories, workshops, warehouses, shops or other establishments, mines, oil or gas wells, quarries, agricultural, forestry or livestock farms or any other site for the exploration or extraction of natural resources, and construction, installation or assembly work lasting more than six months shall be deemed to constitute a permanent establishment.	In particular, management headquarters, branches, offices, factories, workshops, warehouses, shops or other establishments, mines, oil or gas wells, quarries, agricultural, forestry or livestock farms or any other site for the exploration or extraction of natural resources, and construction, installation or assembly work lasting more than six months shall be deemed to constitute a permanent establishment.
<b>Formal requirements</b>	If a foreign incorporated company is registered to do business in Uganda as a branch, it becomes regulated in largely the same way as if it was incorporated under the laws of Uganda.	A branch of a foreign company (PE) is required to file any alterations to any information relating to the company (such as charters, memorandum and articles, principal place of business, names and addresses of persons authorised to receive service on behalf of the foreign company) with the Registry within 60 days.
<b>Legal personality</b>	The Tax Procedure Code Act now provides for a role of tax representative for a non-resident person being the individual controlling the person's affairs in Uganda, including a manager of a business of that person or any representative appointed in Uganda.	The Tax Procedure Code Act now provides for a role of tax representative for a non-resident person being the individual controlling the person's affairs in Uganda, including a manager of a business of that person or any representative appointed in Uganda.
<b>Cost</b>	Set-up costs are relatively high in Uganda.	
<b>Main requirements</b>	<b>VAT</b>	<b>ITA</b>
<b>Existence of place of business (with employee)</b>	Yes	Yes
<b>Fixation of the place of business</b>	Yes	Yes

<b>Carrying of an economic activity</b>	Yes	Yes
<b>Further requirements per country</b>	Subject to Direct Tax Treaties of each country.	Subject to Direct Tax Treaties of each country.
<b>Short analysis of the main examples</b>	<b>VAT</b>	<b>ITA</b>
<b>Dependent employee</b>	Employers/representatives can employ staff. For foreign employees, work permits and/ or residency permits are required. The validity of the period of the permit ranges from six months to 36 months.	Employers/representatives can employ staff. For foreign employees, work permits and/ or residency permits are required. The validity of the period of the permit ranges from six months to 36 months.
<b>Real estate operated under lease or under any other title</b>	Ownership of a property, constitutes a permanent establishment.	Ownership of a property, constitutes a permanent establishment.
<b>Construction, installation or assembly works</b>	3 months	3 months
<b>Warehouse</b>	No	No
<b>Permanent establishment during Pandemia</b>	<b>VAT</b>	<b>ITA</b>
<b>Having an employee working in another country during lock down</b>	No	No
<b>Continue having an employee after the lockdown</b>	Yes, if there is provision in the PE.	Yes, if there is provision in the PE.
<b>Responsibility</b>	Dependant on the agreements/treaties	Dependant on the agreements/treaties
<b>Other issues to be considered</b>	None	None



Dativa & Associates  
www.dativaassociates.com

Member of



## UNITED KINGDOM

REQUIREMENTS	
Regulation	CT
<b>Definition according with country regulation</b>	The UK's definition is larger based on the meaning in the OECD Model Tax Convention but it is not identical in all respects. Broadly a person operates through permanent establishment in the UK when they have a fixed place of business through which they carry out all or part of their activities, OR where they act in the country through an agent authorised to hire, in the name and on account of the non-resident.
<b>Legal stipulation</b>	Section 1141 Corporation Taxes Act 2010
<b>Main examples</b>	In particular, a fixed place of business includes a place of management, a branch, an office, a factory, a workshop, a mine, oil or gas well, a quarry, any other site for the exploration or extraction of natural resources, or a building site or construction or installation project.
<b>Formal requirements</b>	<p>All businesses and branches which register with Companies house receive a registration number which begins with "BR".</p> <p>In order to register the overseas company must:</p> <ul style="list-style-type: none"> <li>• Complete a form and pay a nominal filing fee;</li> <li>• Provide a certified copy of the company's constitutional documents with a certified translation in English;</li> <li>• Provide a copy of the company's latest set of accounts with a certified translation in English;</li> <li>• If the company is required to prepare, audit and disclose accounts under parent law, a copy of the latest set of accounts that had been disclosed as of the opening date of the UK establishment with a certified translation in English.</li> </ul> <p>Each year the overseas company must file accounts, including an English translation with Companies House</p>
<b>Legal personality</b>	No
<b>Cost</b>	The cost of operating a branch/permanent establishment is less than maintaining a subsidiary in the UK however, getting the documentation to Companies House in English does not come without a financial and/or administrative cost.
<b>Main requirements</b>	CT
<b>Existence of place of business</b>	Yes
<b>Fixation of the place of business</b>	Yes
<b>Carrying of an economic activity</b>	Yes
<b>Further requirements per country</b>	No

<b>Short analysis of the main examples</b>	<b>CT</b>
<b>Dependent agents</b>	Where there is no fixed place of business there can still be a deemed permanent establishment if the business utilises an individual or company as an agent in the UK. However the agent must be dependent (i.e. not independent), they must be able to and habitually exercised an authority to conclude contracts in the name of the overseas business and do business on behalf of the company.
<b>Real estate operated under lease or under any other title</b>	The mere ownership of a property, does not constitute a permanent establishment.
<b>Construction, installation or assembly works</b>	There is no specific duration in the domestic legislation however, the specific double tax treaties override the domestic legislation so it will depend upon the specific double tax treaty which is applicable.
<b>Warehouse</b>	The ownership or rental of a warehouse does not constitute a permanent establishment.
<b>Permanent establishment during Pandemic</b>	<b>CT</b>
<b>Having an employee working in another country during lock down</b>	The UK tax authorities did not bring in any specific legislation in response to the pandemic however, their guidance did say they felt the legislation already provided flexibility to deal with changes in business activities necessitated by the response to the COVID-19 pandemic. Therefore where an employee was locked down in the UK the business would need to consider if this resulted in a PE or not.
<b>Continue having an employee after the lockdown</b>	Depending on the facts, this could lead to a PE in the UK.
<b>Responsability</b>	No limit to the parent company's liabilities
<b>Other issues to be considered</b>	It is the UK tax authorities belief that the habitual conclusion of contracts in the UK would create a taxable presence in the UK, it is a matter of fact and degree as to whether that habitual condition is met.
<b>Permanent establishments and VAT</b>	<b>VAT</b>
<b>Definition according with country regulation</b>	A UK establishment exists if there is a place where essential management decisions are made and central administration of the business is carried out or if the business has a permanent physical presence with the human and technical resources to make or receive taxable supplies in the UK.
<b>Legal stipulation</b>	Section 9 Value Added Tax Act 1994; Planzer Luxembourg v Bundeszentralamt für Steuern [2008] STC 1113
<b>Main examples</b>	A variety of different kinds of places may be seen as business establishments, including offices, showrooms and factories

## Formal requirements

When a business registers for VAT in the UK they are issued with a VAT number.

A person who has an establishment in the UK, but not registered for VAT in the UK, must notify HMRC within 30 days of the earlier of:

- the end of the month in which the value of taxable supplies they have made in the period of one year then ending has exceeded the registration threshold (the backward look or historic test);
- the date on which there are reasonable grounds for believing that the value of taxable supplies they will make in the period of 30 days then beginning will exceed the registration threshold (the forward look or future test);
- the date they acquire a business, or part of a business, as a transfer of a going concern from a taxable person if, taking into account supplies made by the transferor, they are required to be registered from the date of the transfer;
- the end of the month if, in the period beginning with 1 January of the year in which that month falls, that person has made relevant acquisitions of goods in Northern Ireland whose value has exceeded the registration threshold;
- the date on which there are reasonable grounds for believing that the value of relevant acquisitions of goods in Northern Ireland in the period of 30 days then beginning will exceed the registration threshold.



Haines Watts  
[www.hwca.com](http://www.hwca.com)

Member of  
Antea  
Alliance of  
independent firms



# URUGUAY

REQUIREMENTS	VAT	CIT
<b>Regulation</b>		
<b>Definition according with country regulation</b>	For VAT purposes, the regulations do not establish a definition of permanent establishment.	When a nonresident performs all or part of its activity through a fixed place of business, also, when a person other than an independent agent acts in the Republic on behalf of a nonresident and the construction or installation works or projects, or related supervision activities, or consulting services whose duration exceeds a certain period of time.
<b>Legal stipulation</b>	N/A	Article 10 of Title 4 of the 1996 Ordinance, (Tax on Income from Economic Activities)
<b>Main examples</b>	N/A	In particular, Management headquarters, branches, offices, factories, workshops, mines, oil or gas wells quarries or any other place of extraction of natural resources, construction or installation works or projects, or related supervisory activities, the duration of which exceeds three months, the provision of services, including consulting services, by a non-resident through employees or other personnel hired in the Republic, provided that such activities are carried out (in connection with the same or a related project) for a period or periods exceeding six months in the aggregate within any twelve-month period, shall be considered a permanent establishment.
<b>Formal requirements</b>	N/A	Identified as a Non-Resident Entity (Foreign Legal Person) - Obligation of tax representative with residence in Uruguay.
<b>Legal personality</b>	No	
<b>Cost</b>	Less costly than subsidiaries, since fewer formal requirements are necessary	
<b>Main Requirements</b>	<b>VAT</b>	<b>CIT</b>
<b>Existence of place of business (with employee)</b>	N/A	Yes
<b>Real estate operated under lease or under any other title</b>	N/A	There is no permanent establishment if it only obtains capital income (leases).
<b>Construction, installation or assembly works</b>	N/A	Yes

<b>Further requirements per country</b>	N/A	No
<b>Short analysis of the main examples</b>	VAT	CIT
<b>Dependent employee</b>	N/A	When a person -other than an independent agent- acts in the Republic on behalf of a non-resident. That is to say that he/she holds and habitually exercises in Uruguay powers that empower him/her to conclude contracts on behalf of the non-resident.
<b>Real estate operated under lease or under any other title</b>	N/A	The mere ownership of a property does not constitute a permanent establishment.
<b>Construction, installation or assembly works</b>	N/A	3 months
<b>Warehouse</b>	N/A	The ownership or lease of a warehouse does not constitute a permanent establishment if the sole purpose is to store, display or deliver goods or merchandise belonging to a nonresident.
<b>Permanent establishment during Pandemia</b>	VAT	CIT
<b>Having an employee working in another country during lock down</b>	N/A	N/A
<b>Continue having an employee after the lockdown</b>	N/A	N/A
<b>Responsability</b>	N/A	N/A
<b>Other issues to be considered</b>	N/A	N/A



Auren Uruguay  
www.auren.com



**EUROPE**

Andorra  
Austria  
Belgium  
Bulgaria  
Croatia  
Cyprus  
Czech Republic  
Denmark  
Finland  
France  
**Germany**  
Greece  
Hungary  
Ireland  
Italy

**Luxembourg**

Malta  
Montenegro  
Norway  
Poland  
**Portugal**  
Romania  
Russia  
Serbia  
**Spain**  
Sweden  
Switzerland  
**The Netherlands**  
Ukraine  
United Kingdom

**AMERICA**

**Argentina**  
Bolivia  
Brazil  
Canada  
**Chile**  
**Colombia**  
Costa Rica  
Dominican Republic  
Ecuador  
El Salvador  
Guatemala  
Honduras  
**Mexico**  
Panama

Paraguay  
Peru  
**Uruguay**  
USA  
Venezuela

**MIDDLE EAST  
AND AFRICA**

Algeria  
Angola  
Egypt  
**Israel**  
Jordan  
Kenya  
Kuwait

Lebanon  
Mauricio  
Morocco  
Nigeria  
Saudi Arabia  
South Africa  
Tunisia  
Turkey  
UAE  
Uganda

**ASIA-PACIFIC**

Australia  
Bangladesh  
China

India  
Indonesia  
Japan  
Malaysia  
New Zealand  
Pakistan  
Singapore  
South Korea  
Thailand  
Vietnam



ASSOCIATES