

TAX REPORT

MARCH 2026



Tax Report

March 2026

The PPO Indacochea Tax Report is a monthly publication that summarizes the most important tax news in Bolivia. Its goal is to give a clear overview of current developments in an interactive and easy-to-read format.

TABLE OF CONTENTS

ABBREVIATIONS	4
EXECUTIVE SUMMARY	5
I. TAX UPDATES	7
1. National Government	7
1.1. Tax measures established by Supreme Decree No. 5563, dated February 28, 2026.....	7
2. Bolivian National Congress.	9
2.1. Bill for the partial amendment of the Bolivian Tax Code and the establishment of an extraordinary tax amnesty regime. PL-199/25.	9
2.3. Bill repealing Article 18 of Law No. 1356 (General State Budget 2021) to reinstate 100% VAT input tax credit on fuel purchases. PL-193/25-26.....	11
2.4. Bill for the creation and development of the El Alto Special Economic and Industrial Zone). PL-199/25-26.....	11
3. National Tax Administration.....	12
3.1. Amendments and additions to RND No. 10-0019-16 regarding VAT input tax credit linked to interdepartmental and international transportation of passengers and cargo. Board Normative Resolution No. 102600000003, dated February 12, 2026.....	12
4. Municipal Governments.	13
Autonomous Municipal Government of Tarija	13
4.1. Amendment to municipal Law No. 262 on relief and waiver of penalties and interest for omitted municipal taxes. Municipal Law No. 0519-2026, dated February 2, 2026.	13
Autonomous Municipal Government of Santa Cruz de la Sierra	14
4.2. Extension of tax amnesty deadline as a tax incentive policy. Municipal Tax Administrative Resolution No. 009/2026, dated February 11, 2026.....	14
Autonomous Municipal Government of Cochabamba	15
5. National Government Accouncements.....	16
5.1. Announcement of the Draft Law on Transparency and Tax Relief.	16

5.2. AIT closed 2025 with 0% procedural backlog and decided 3,994 tax appeals for more than 1,040 million UFV. Institutional management report dated February 26, 2026. 18

II. MONITOR OF CURRENT TAX AMNESTY PROGRAMS 20

III. TAX MEASURES ESTABLISHED BY SUPREME DECREE NO. 5563 OF FEBRUARY 28, 2026..... 21

Annex 1. Tax Incentive for the Reinvestment of Profits Through the Gradual Reduction of the IUE-BE.....21

Annex 2. Accelerated Depreciation for Fixed Assets Acquired in Fiscal Year 2026.23

Annex 3. Exceptional Deductibility of Provisions for Bad Debts – Fiscal Year 2026.25

Annex 4. Expansion of the Scope of “Related Expenses” for Independent Professionals.....26

Annex 5. Modification of the Requirements for Crediting the IUE Against the IT.....27

Annex 6. Modification of the Deductibility of Non – Creditable VAT Associated with Zero – Rated Transactions.....29

Annex 7. Update of ICE Rates Applicable to Alcoholic and Non – Alcoholic Beverages.30

Annex 8. Modification of ICE Rates for Diesel Vehicles Under Subheading 8701.21.00.00.32

Annex 9. Application of Corporate Reorganization Rules to Sole Proprietorship.....34

ABBREVIATIONS

AGIT	General Tax Appeals Court.
AIT	Tax Appeals Court.
BNC	Bolivian National Customs.
ALP	Bolivian Legislative Congress
ARIT	Regional Tax Appeals Court.
BCB	Central Bank of Bolivia.
PGE	General State Budget.
CTB	Bolivian Tax Code.
CIT	Corporate Income Tax.
FAP	Payment Facilities Plan.
GA	Customs Duty.
ICE	Specific Consumption Tax.
IDH	Direct Tax on Hydrocarbons.
IEHD	Special Tax on Hydrocarbons and Their Derivatives.
IMPBI	Municipal Tax on Real Estate Property.
IPBI	Real Estate Property Tax
IPVA	Motor Vehicle Property Tax
IMPVAT	Municipal Tax on the Ownership of Land Motor Vehicles
IMT	Municipal Transfer Tax
IMTO	Municipal Tax on Transfers for Considerations
IUE-BE	Corporate Income Tax for Foreign Beneficiaries.
ML	Municipal Law.
PL	Bill (Draft Law).
RC-IVA	Complementary Regime to Value Added Tax.
RNC	National Taxpayers Registry.
RND	Board Normative Resolution.
SIN	National Tax Service.
TGN	General Treasury of the Nation.
TT	Transactions Tax.
UFV	Housing Promotion Unit.
VAT	Value Added Tax.

EXECUTIVE SUMMARY

During February 2026, the National Government issued several Supreme Decrees with economic, energy, and tax implications aimed at ensuring fuel supply and strengthening fiscal revenue:

- Supreme Decree No. 5543, which sets the GA rate at 0% and establishes a specific IEHD rate of 0 Bs/Liter for the importation of Jet Fuel A-1.
- Supreme Decree No. 5547, which sets the GA rate at 0% for the importation of soybean grain.
- Supreme Decree No. 5548, which authorizes YPF and refineries to import crude oil.
- Supreme Decree No. 5563, which introduces amendments to the Corporate Income Tax (IUE), VAT, TT, and ICE; reinstates provisions from the 2025 General State Budget; and establishes nine relevant tax developments affecting taxpayers' tax and operational planning. These include reinvestment incentives, accelerated depreciation, adjustments to deductibility rules, IUE creditability against the TT, treatment of non-creditable VAT, updates to the ICE, and the application of corporate reorganization rules to sole proprietorships.

→ Additionally, the following draft bills are currently under discussion in the Chamber of Deputies:

- PL No. 115/25-26, which proposes the complete repeal of the IGF and ITF.
- PL No. 193/25-26, regarding the appropriation of VAT credit on gasoline and diesel purchases.
- PL No. 199/25-26, which proposes amendments to the CTB and establishes an extraordinary tax amnesty regime.
- PL No. 253/25-26, which proposes the creation of the El Alto Special Economic and Industrial Zone.

→ SIN also issued the following Regulatory Board Resolutions:

- RND 102600000003, which introduces amendments concerning VAT credit related to interdepartmental and international passenger and cargo transportation.
- RND 102600000004, which extends until May 29, 2026, the deadline for the homologation of products in billing systems with the economic activities registered in the RNC, maintaining current conditions and without introducing additional requirements.

→ Regarding Autonomous Territorial Entities, the Autonomous Municipal Government of Tarija extended the regime for the condonation of fines and interest on omitted municipal taxes. Additionally, the Autonomous Municipal Government of Santa Cruz de la Sierra extended the deadline for payment of 2025 municipal taxes until March 20, 2026. The Autonomous Municipal Government of Cochabamba also established a tax amnesty regime through March 20, 2026.

→ Announcements and communications from the National Government:

- Announcement of the Draft Bill on Transparency and Tax Relief, which proposes five measures to expand the taxpayer base, reduce tax delinquency, and improve fiscal transparency. The bill includes the creation of the SIETE-RG regime, a reduction of the statute of limitations period, a condonation of liabilities up to 2017, a mechanism for regularizing debts from 2018 onward, and an adjustment to the VAT taxable base that reduces its effective rate to 13%.

- The institutional report of the AIT, which reported 0% procedural backlog in 2025, the issuance of 3,994 resolutions totaling more than 1.040 billion UFV, full compliance with legal deadlines, a budget execution rate of 94.74%, and a citizen satisfaction rating of 88%.
- Finally, in this edition of the Tax Report, PPO Indacochea will present a monitoring report on the data published by the Tax Appeal Court regarding resolved tax appeals.

I. TAX UPDATES

1. National Government

1.1. Tax measures established by Supreme Decree No. 5563, dated February 28, 2026.

Background and Purpose

Supreme Decree No. 5563 introduces amendments to the Supreme Decrees regulating CIT, VAT, TT, and ICE, and reinstates a provision originally included in Law No. 1613 of the 2025 General State Budget and its Supreme Decree No. 5303. It also incorporates measures previously established in Supreme Decree No. 5503, enacted during the current presidential term and subsequently repealed.

The decree establishes different entry-into-force timelines, including measures with immediate application, deferred application, and others subject to complementary regulations.

Key Considerations

The measures introduced by Supreme Decree No. 5563 will affect the tax planning and operational and financial decision-making of companies and individuals engaged in economic activities, both in the short term and in future fiscal years. The principal developments are summarized below:

No.	Key Measure	Tax	Detail
1	Tax incentive for the reinvestment of profits through a phased reduction of the IUE-BE rate.	IUE-BE	Annex 1
2	Accelerated depreciation for fixed assets acquired in fiscal year 2026.	CIT	Annex 2
3	Exceptional deductibility of provisions for bad debts.	CIT	Annex 3
4	Scope of the concept of related expenses for independent professionals.	VAT	Annex 4
5	Modification of the requirements for crediting the CIT against the TT.	TT	Annex 5
6	Modification of the deductibility of non-creditable VAT associated with zero-rated transactions.	CIT/ VAT	Annex 6
7	Update of ICE rates applicable to alcoholic and non-alcoholic beverages.	ICE	Annex 7
8	Modification of ICE rates for diesel vehicles under subheading 8701.21.00.00.	ICE	Annex 8
9	Application of corporate reorganization rules to sole proprietorships.	VAT/ CIT/ TT	Annex 9

Each link provides further details and our commentary on the respective measures.

1.2. Amendments to the GA and the IEHD for the import of Jet Fuel A-1. Supreme Decree No. 5543, dated February 9, 2026.

Purpose

The Supreme Decree aims to modify the rate of the Tariff Duty and establish the specific rate of the IEHD for the import of Jet Fuel A-1, to reduce the logistical costs associated with importing this fuel and prevent negative impacts on the final price to consumers.

Key Provisions

- (1) The Supreme Decree reduces to 0% the GA rate applicable to goods classified under tariff subheading 2710.19.15.00 (kerosene-type jet fuel for reactors and turbines).
- (2) The Supreme Decree establishes a specific IEHD rate of Bs 0 per liter for the importation of Jet Fuel A-1.
- (3) The rates entered into force on the third business day following the publication of the Supreme Decree, that is, as of February 12, 2026.

1.3. Reduction to 0% of the GA for the importation of soybean grain, subheading 1201.90.00.00. Supreme Decree No. 5547, dated February 18, 2026.

Purpose

The Supreme Decree has the purpose of amending the GA rate to 0%, until December 31, 2026, for the importation of soybean grain, with the aim of strengthening the production of soybean by-products.

Key Provisions

- (1) The Supreme Decree sets the GA at 0% applicable to the importation of soybean grain classified under tariff subheading 1201.90.00.00 of the 2026 Customs Tariff Schedule for Imports.
- (2) The measure is temporary and remains in force until December 31, 2026.

1.4. Authorization for YPFB and refineries to import crude oil. Supreme Decree No. 5548, dated February 18, 2026.

Purpose

The Supreme Decree aims to exceptionally authorize YPFB (the Bolivian state-owned oil and gas company) and refineries to import crude oil to ensure fuel supply in the domestic market.

Key Provisions

- (1) The Supreme Decree authorizes YPFB to enter contracts with refineries for the importation of crude oil intended for processing.

- (2) In this regard, the Supreme Decree establishes that refineries processing imported crude oil must market the refined products to YPFB or to wholesale distributors.
- (3) The Supreme Decree also sets the rate of the Direct Tax on Hydrocarbons and Their Derivatives Products at Bs 0.00 per liter for a period of one year for regulated products derived from imported crude oil, with the possibility of an extension subject to prior bi-ministerial evaluation.
- (4) The Supreme Decree further establishes that, where domestic and imported crude oil are blended, the Ministry of Hydrocarbons and Energy will determine the procedure to differentiate the taxable base for purposes of the correct calculation of the Direct Tax on Hydrocarbons and Petroleum Products.
- (5) Finally, the Supreme Decree requires the National Hydrocarbons Agency to submit to the National Tax Administration, by the tenth business day of each month, information on the volumes of refined hydrocarbon products, distinguishing between domestic and imported production, to enable the monitoring and proper assessment of the Direct Tax on Hydrocarbons and Their Derivatives.

2. Bolivian National Congress.

2.1. Bill for the partial amendment of the Bolivian Tax Code and the establishment of an extraordinary tax amnesty regime. PL-199/25.

Purpose

The Bill aims to partially amend the Bolivian Tax Code regarding the determination of tax debt in audit proceedings and to establish an extraordinary and exceptional tax amnesty regime.

Key Provisions

- (1) The Bill incorporates paragraph V into Article 47 of the Bolivian Tax Code, establishing a specific rule for tax determination procedures initiated by the Tax Administration, providing that the determined tax liability shall be calculated from the date of notification of the Audit Order or Verification Order.
- (2) Likewise, the Bill provides the creation of an extraordinary tax amnesty regime, which establishes the waiver of 100% interest, fines, and penalties arising from tax obligations or tax assessments generated from January 1, 2013, until the date of publication of the Law.
- (3) In this regard, the Bill establishes that taxpayers with outstanding tax liabilities owed to the central level of government, existing as of the date of publication of the Law, may regularize their situation through full payment or by entering a payment arrangement. In both cases, they will be required to pay only the updated principal tax due, without interest, penalties, or sanctions.
- (4) The Bill establishes that the waiver applies to debts included in tax returns pending payment or with partial payment, initial tax infringement notices, sanctioning resolutions, and tax determination proceedings at any stage, including Tax Audit Orders, Tax Verification Orders,

Preliminary Tax Assessment, and Final Tax Assessment, as well as those under administrative or judicial challenge, provided that the taxpayer withdraws the appeal.

- (5) Likewise, the Bill stipulates that the benefit extends to debts that are under tax enforcement proceedings, including those arising from final rulings issued by the Supreme Court of Justice or the Tax Appeals Authority. If the taxpayer opts for a payment facility, coercive measures shall be suspended until the completion of the payment plan.
- (6) Additionally, the Bill allows taxpayers with Tax Installment Payment Plans in force as of the date of publication of the Law to benefit from the regime, providing that the outstanding installments must be paid until completion without considering interest, fines, or penalties.
- (7) The Bill establishes that failure to comply with the Tax Installment Payment Plans shall result in the automatic loss of the waiver benefits, and the outstanding balance shall be recalculated in accordance with Article 47 of the Bolivian Tax Code.
- (8) The Bill provides that taxpayers with payment facilities in default as of the day before the publication of the Law, even if such debts are under tax enforcement proceedings, may opt into the amnesty regime and resume payment of the installments starting the month following the publication of the Law, maintaining the benefits established by the Bill.
- (9) The Bill delegates to the Executive Branch the authority to regulate the Law within a maximum period of 30 calendar days following its enactment, establishing the operational procedures for the application of the regime.

2.2. [Bill to repeal the Tax on Large Fortunes and the Financial Transactions Tax. PL-115/25-26.](#)

Purpose

The Bill aims for the full repeal of Law No. 1357, which established the Tax on Large Fortunes, and Law No. 3446, related to the Financial Transactions Tax, along with all subsequent amendments. The proposal seeks to eliminate tax measures that have shown limited revenue efficiency and act as disincentives to investment and productive activity in the country.

Key Provisions

- (1) The Bill justifies the repeal of the Tax On Large Fortunes due to its continuous decline in revenue (from Bs 240.9 million in 2021 to a projected Bs 162.2 million in 2025), representing only 0.33% of total revenue and encouraging capital flight.
- (2) On the other hand, the Bill justifies the repeal of the Financial Transactions Tax due to its low fiscal impact (0.37% of total revenue) and its negative effect in discouraging savings, investment, and the inflow of foreign currency into the financial system.
- (3) The Bill consists of a single article that determines the repeal of Laws No. 1357 and No. 3446, and their amendments.

2.3. Bill repealing Article 18 of Law No. 1356 (General State Budget 2021) to reinstate 100% VAT input tax credit on fuel purchases. PL-193/25-26.

Purpose

The Bill has the purpose of repealing Article 18 of Law No. 1356, dated December 28, 2020 (PGE 2021), incorporated into item w) of paragraph I of Article 47 of Law No. 2042 by the Second Final Provision of Law No. 1613 (General State Budget 2025), in order to reinstate recognition of 100% of the VAT input tax credit on the purchase of gasoline and diesel oil, of any origin, in accordance with Law No. 843 and applicable regulations.

Key Provisions

- (1) In the explanatory memorandum, it states that the previous fuel subsidy and price-freezing scheme generated market distortions, incentives for smuggling and shortages, and it proposes reinstating the full input tax credit as a complementary measure to address those effects.
- (2) In this regard, the PL is structured as a single-article provision that provides for the express repeal of Article 18 of Law No. 1356 and its exclusion from the text of the Annex to Law No. 2042.
- (3) The direct tax effect is to enable the full computation (100%) of the VAT input tax credit for purchases of gasoline and diesel oil, without the limitation introduced by prior budget legislation.
- (4) The PL grounds the proposal on the principle of statutory reservation to amend elements of the tax obligation and on the central level of State's powers to administer taxes such as VAT.

2.4. Bill for the creation and development of the El Alto Special Economic and Industrial Zone). PL-253/25-26.

Purpose

The Bill aims to establish the Special Economic and Industrial Zone of El Alto, with the objective of creating a special and temporary legal, tax, customs, and administrative framework. This initiative seeks to promote industrialization in the region, attract strategic investments, and enhance the generation of high value-added exportable surpluses, consolidating El Alto as a hub for technological and productive development.

Key Provisions

- (1) The Bill proposes that the Special Economic and Industrial Zone of El Alto be constituted as an industrial enclave with partial tax extraterritoriality, encompassing two strategic areas: Polygon A (Kallutaca) and Polygon B (Airport Area).
- (2) The special regime is established for an initial term of thirty (30) years, calculated from the publication of its implementing regulations, with the possibility of extension through an express law.

- (3) The Bill grants a 100% exemption from CIT during the first ten (10) years. Thereafter, a reduced rate of 12.5% shall apply for an additional twenty (20) years, subject to the condition that at least 50% of profits be reinvested.
- (4) The Bill proposes that beneficiary companies shall be entitled to a zero percent (0%) VAT rate on the acquisition of domestically sourced inputs, raw materials, and intermediate services destined for production within the Zone.
- (5) The Bill provides for a full exemption from tariff duty and Import VAT on the importation of machinery, capital goods, industrial plants, and state-of-the-art technology for which no equivalent domestic production exists.
- (6) The Bill establishes that the Autonomous Municipal Government of El Alto shall grant a 100% exemption for ten (10) years on taxes levied on industrial real property and industrial-use vehicles, as well as a five (5)-year exemption from municipal operating license fees.
- (7) Companies operating within the Special Economic and Industrial Zone of El Alto shall be required to employ at least seventy percent (70%) of their workforce from individuals holding permanent residence in the city of El Alto.

3. National Tax Administration

- 3.1. [Amendments and additions to RND No. 10-0019-16 regarding VAT input tax credit linked to interdepartmental and international transportation of passengers and cargo. Board Normative Resolution No. 102600000003, dated February 12, 2026.](#)

Purpose

The RND has the purpose of amending and adding provisions to RND No. 10-0019-16, which defines purchases, acquisitions, imports, works or services contracts and inputs linked to the activity of interdepartmental and international transportation of passengers and cargo, in order to clarify criteria and facilitate proper compliance in computing the VAT input tax credit.

Key Provisions

- (1) The RND amends items g), h), m), n) and o) of Article 4 of RND No. 10-0019-16, establishing specific conditions for supporting documentation and linkage to the taxable activity.
- (2) For transportation services, lodging and medical services, the RND requires that the invoice states the name of the user or person receiving the service, including employees on payroll or registered associates, as applicable.
- (3) For the provision of refreshments, the RND maintains the possibility of computing purchases intended for personnel but prohibits including alcoholic beverages.
- (4) For banking services and training, the RND clarifies that transfers must identify the taxable person or personnel/associates as the beneficiary, and that training must be directly related to the service provided and benefit the taxable person and/or its personnel/associates.

- (5) The RND adds new items to recognize as linked: technology and telecommunications services such as GPS, tracking and monitoring, roadside assistance services such as towing and mechanical assistance, and communication equipment for use by personnel or associates.
- 3.2. [Extension of the deadline for the homologation of products with economic activities in the National Taxpayers Registry. Board Normative Resolution No. 102600000004, dated February 23, 2026 \(Extension of the Sole Transitional Provision of Board Normative Resolution No. 1025000000018\).](#)

Purpose

The RND aims to further extend the deadline granted to VAT taxpayers to carry out the homologation of products in their invoicing systems with the economic activities registered in the National Taxpayers Registry. This homologation is a requirement for the authorization to generate fiscal documents, in accordance with subsection a) of article 11 of Board Normative Resolution No. 1021000000011.

Key Provisions

- (1) The provision extends the deadline originally established in Board Normative Resolution No. 1025000000018 (April 22, 2025), which had already been extended by Board Normative Resolution No. 1025000000042 (October 22, 2025). The new deadline is extended until May 29, 2026, for taxpayers to complete the homologation of their products in line with the economic activities declared in the National Taxpayers Registry.
- (2) The extension responds to formal requests from taxpayers who reported difficulties in complying with the previous deadline (February 27, 2026). The National Tax Administration deemed it appropriate to grant an additional extension, exercising the authority provided in numeral 7 of Article 66 of the Bolivian Tax Code, which allows for ex officio extensions when duly justified grounds exist.
- (3) Homologation of products is an essential requirement to maintain the validity of the authorization to issue fiscal documents; therefore, the extension provides greater operational certainty for taxpayers who are still in the process of adapting their invoicing systems to the structure of the Economic Activities Classifier.
- (4) The Resolution establishes that the extension enters into force upon its publication, in accordance with the Sole Final Provision, without introducing additional requirements or new conditions for the homologation process. Its scope is limited exclusively to the extension of the deadline.

4. Municipal Governments.

Autonomous Municipal Government of Tarija

- 4.1. [Amendment to municipal Law No. 262 on relief and waiver of penalties and interest for omitted municipal taxes. Municipal Law No. 0519-2026, dated February 2, 2026.](#)

Purpose

The Municipal Law aims to amend municipal Law No. 262, relating to the relief and waiver regime for fines and interest on unpaid municipal taxes.

Key Provisions

- (1) The Municipal Law amends a waiver regime originally established by Municipal Law No. 262, which allowed taxpayers with outstanding liabilities related to the municipal property tax to regularize their obligations through a partial or total waiver of fines and interest.
- (2) Municipal Law No. 262 established a tiered waiver system under which taxpayers may obtain a proportional reduction of fines and interest depending on the percentage of the outstanding tax they decide to pay, reaching up to a 100% waiver of ancillary charges in the event of full payment of the omitted tax.
- (3) In this regard, Municipal Law No. 519 does not introduce changes to the structure or benefits of the regime; rather, it expands the scope of eligible debts by extending the temporal limit for regularization, which previously covered obligations generated up to fiscal year 2019, to now include municipal tax debts generated up to fiscal year 2024.
- (4) Additionally, the Municipal Law provides that the Municipal Executive Branch shall implement the waiver automatically in its information systems, with the aim of facilitating access to the benefit without requiring additional procedures by taxpayers.

Autonomous Municipal Government of Santa Cruz de la Sierra

4.2. Extension of tax amnesty deadline as a tax incentive policy. Municipal Tax Administrative Resolution No. 009/2026, dated February 11, 2026.

Purpose

The Resolution aims to establish a tax incentive policy by extending the validity period for taxpayers of the Autonomous Municipal Government of Santa Cruz de la Sierra to make payments of their obligations with specific discounts, thereby extending the benefits for the payment of taxes on real estate, vehicles, and municipal business licenses corresponding to fiscal year 2025.

Key Provisions

- (1) The Resolution extends the deadline for payment of the 2025 fiscal year Municipal Real Property Tax, granting a 15% discount. The new due date is Friday, March 20, 2026.
- (2) The Resolution extends the deadline for payment of the 2025 fiscal year Municipal Motor Vehicle Tax, maintaining a 15% discount through March 20, 2026.
- (3) The Resolution extends the deadline for payment of the 2025 fiscal year Municipal Business License Tax, granting a 10% discount until March 20, 2026.

- (4) The Resolution maintains the same application conditions previously established under Administrative Tax Resolutions RATM No. 001/2026, No. 002/2026, and No. 003/2026.

Autonomous Municipal Government of Cochabamba.

4.3. Municipal Tax Amnesty. Municipal Law No. 1800/2026, of February 24, 2026.

Purpose

The ML aims to establish an exceptional period for the forgiveness of fines and interest corresponding to municipal tax obligations that remain pending payment within the territorial jurisdiction of the Province of Cercado, Cochabamba.

Key Provisions

- (1) The ML establishes an exceptional and temporary regime granting 100% forgiveness of fines and interest corresponding to municipal tax debts. This benefit will be effective from the date of publication of the ML until March 20, 2026.
- (2) The ML establishes an exceptional and temporary regime granting 100% forgiveness of fines and interest corresponding to municipal tax debts. This benefit will be effective from the date of publication of the ML until March 20, 2026.
- (3) The Law stipulates that the following items are excluded from the regime:
 - a. The first transfer of real estate where the taxable event occurred under the scope of Law No. 843.
 - b. Transactions covered under Article 7 of Municipal Law No. 008/2013, which created the IMTO.
 - c. Real estate properties that have been regularized under the Technical Regularization Law for Lots and Buildings known as “Mi Casa Segura.”
- (4) In this regard, the Law establishes that if a taxpayer falling under these exclusion categories makes a payment under this regime, such payment will not be considered a formal participation in the program. Instead, the payment will be credited as an advance payment against the taxpayer’s oldest outstanding tax liabilities.
- (5) The Law establishes two differentiated treatments for the waiver of penalties and interest, depending on the fiscal period in which the tax liability arose:
 - a. For liabilities related to Municipal Tax on Real State Property, Motor Vehicle Property Tax, Municipal Transfer Tax and municipal business license taxes corresponding to fiscal years 1995 through 2006, taxpayers may pay the assessed tax without penalties, interest, or inflation adjustment (maintenance of value).
 - b. For liabilities corresponding to fiscal years 2007 through 2024, taxpayers may pay the omitted tax expressed in UFVs, converted into Bolivianos at the payment date. In this case, 100% of penalties and interest will be waived.

- (6) The Law stipulates that payments must be made in full, either in cash through authorized financial institutions, at the collection offices of the Autonomous Municipal Government of Cochabamba, or through other currently available payment methods.
- (7) The Law establishes that taxpayers with active payment plans must appear before the Municipal Tax Administration to withdraw from those plans and proceed with the payment of the remaining tax liability balance. Taxpayers involved in ongoing administrative or judicial appeal proceedings may benefit from the regime by filing a withdrawal of the appeal and acknowledging the debt before the competent authorities and subsequently submitting proof of such withdrawal to the Municipal Tax Administration.
- (8) The Law determines that taxpayers who do not benefit from the regime within the established period must pay the full amount of the tax liability without the benefits granted under the Law, in accordance with the Bolivian Tax Code.
- (9) The Law also stipulates that tax debts whose collection had been suspended, or whose participation in previous amnesty programs had been formalized in violation of the Law, will be reinstated in the information system of the Municipal Taxpayer Registry of the Municipal Tax Administration.
- (10) The Law establishes that taxpayers whose economic activities had been permanently closed as of the date of issuance of the Law may regularize their deregistration from the tax registry by benefiting from the regime. For this purpose, they must verify that no outstanding debts exist related to operating licenses or outdoor advertising permits, including the current fiscal period under collection, except for the proportional quota.
- (11) Finally, the Law mandates that the Municipal Executive Branch carry out intensive communication campaigns to inform the public about the scope, benefits, and duration of the Law. It must also allocate the necessary resources to the Municipal Tax Administration for its implementation and request the required system adjustments from the Single Registry for Tax Administration.

5. National Government Announcements.

5.1. Announcement of the PL on Transparency and Tax Relief.

On February 19, 2026, the Executive Branch, through the President and the Minister of Economy and Public Finance, announced the submission to the ALP of a PL introducing five tax measures aimed at broadening the taxpayer base, reducing tax delinquency, and improving transparency within the fiscal system.

These measures are structured as follows:

- 1 measure aimed at incorporating new taxpayers into the tax system.

Creation of the SIETE-RG Regime.

The bill establishes the Integrated Special Transition System to the General Regime (SIETE-RG) as a voluntary regime for entrepreneurs with annual income of up to Bs400,000. This regime consolidates VAT, TT, and CIT or RC-IVA, as applicable, into a single unified tax, thereby simplifying compliance and providing a transitional pathway toward the General Regime.

→ 1 measure that limits the actions of tax administration.

Reduction of the Tax Statute of Limitations.

The bill proposes amending the Bolivian Tax Code to establish that the Tax Administration's powers to audit, assess tax liabilities, impose administrative sanctions, and enforce tax debts will expire after four years, extendable to six years when the taxpayer has not registered with the corresponding registries or has registered under an incorrect tax regime.

→ 2 measures aimed at reducing tax delinquency.

Extraordinary Debt Forgiveness for Obligations Through December 31, 2017.

The bill provides, on a one-time basis, for the forgiveness of omitted tax, value maintenance, interest, and penalties related to tax obligations generated up to December 31, 2017, owed to the SIN and the AN. The forgiveness does not apply to taxpayers whose accumulated omitted tax as of that date equals or exceeds Bs10,000,000.

Regularization of Tax Obligations Generated Between 2018 and the Date of Publication of the Law.

The bill also establishes an exceptional tax regularization mechanism for obligations generated between January 2018 and the date of publication of the Law. Taxpayers may regularize their debts through lump-sum payment or payment facilities of up to 24 installments, with forgiveness of interest and penalties associated with the regularized tax. This mechanism applies to obligations under assessment, outstanding or amended tax returns, audit processes, administrative or judicial appeals, as well as debts in enforced collection prior to asset adjudication.

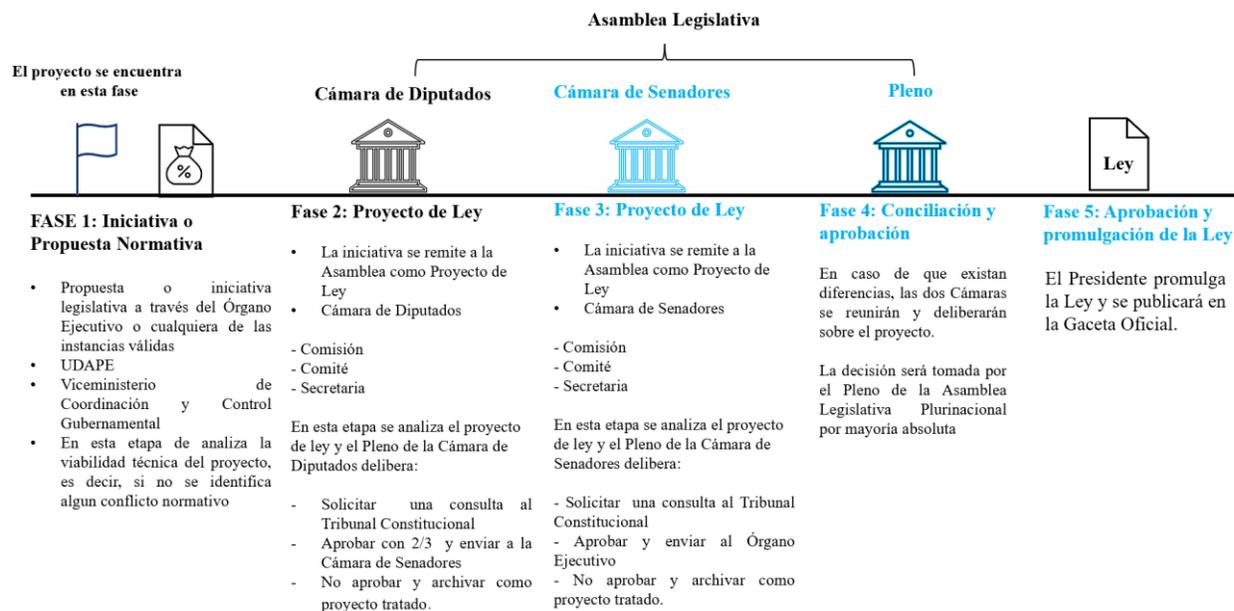
→ 1 measure aimed at reducing the effective VAT rate.

Adjustment to the Determination of the VAT Taxable Base.

The bill proposes amending Article 5 of Law No. 843 to introduce clarifications regarding the determination of the VAT taxable base based on the concept of the net sales price before taxes. In practical terms, this results in a reduction of the effective VAT rate from 14.94% to 13%, aligning the tax calculation with its nominal rate.

Important. All the measures described are subject to review and approval by the Plurinational Legislative Assembly. Their validity and application will depend on the outcome of the legislative process and, where applicable, subsequent regulatory provisions.

Legislative Procedure



5.2. AIT closed 2025 with 0% procedural backlog and decided 3,994 tax appeals for more than 1,040 million UFV. Institutional management report dated February 26, 2026.

Purpose

The report of the Tax Appeals Court presents the results of the 2025 Final Public Accountability Report, highlighting compliance with statutory deadlines in issuing decisions and institutional management aimed at providing timely and specialized tax justice.

Key Provisions

- (1) AIT reported 0% procedural backlog in fiscal year 2025 and budget execution of 94.74%.
- (2) It reported the issuance of 2,275 decisions on Administrative Appeals and 1,719 decisions on Hierarchical Appeals, totaling 3,994 decisions.
- (3) In Administrative Appeals, the decisions involved 523.8 million UFV; breakdown: 46% confirmatory, 30% annulment, 13% total revocation and 11% partial revocation; participation by authorities: NTA 41% and BNC 52%.
- (4) In Hierarchical Appeals, 1,719 cases were decided for 516.6 million UFV; 75% confirmatory, 15% annulment and 10% revocation (total and partial).
- (5) The entity indicated that 100% of its decisions were issued within the statutory deadline set forth in the Bolivian Tax Code, with extensions in 2.81% (Administrative Appeals) and 8.96% (Hierarchical Appeals).

- (6) In judicial matters, it reported 421 contentious-administrative claims and 52 constitutional injunction actions; of 238 judgments issued in 2025, 49% dismissed the claims as unfounded, upholding AIT decisions.
- (7) Regarding internal management, it reported 100% of scheduled internal audits and 100% of complaints and reports addressed; additionally, a satisfaction survey reflected an 88% “good” rating.

II. MONITOR OF CURRENT TAX AMNESTY PROGRAMS

Tax debt regularization programs (“tax amnesties”) in the current fiscal year represent a mechanism to reduce tax arrears, regularize outstanding liabilities, and promote voluntary compliance with taxpayers’ tax obligations. Currently, 13 tax amnesty programs are in force in Bolivia:



For further information and details regarding these tax amnesty programs or the waiver of penalties and interest, please contact PPO Indacochea.

III. TAX MEASURES ESTABLISHED BY SUPREME DECREE NO. 5563 OF FEBRUARY 28, 2026.

Annex 1. Tax Incentive for the Reinvestment of Profits Through the Gradual Reduction of the IUE-BE.

Supreme Decree No. 5563, issued in March 2026, regulates Article 10 of Law No. 1613 of the 2025 General State Budget, subsequently incorporated into Law No. 1705 of the 2026 General State Budget. This regulation establishes a tax incentive aimed at promoting the reinvestment of Bolivian-source profits through a gradual reduction of the IUE-BE.

Under the Bolivian tax system, the source principle applies, meaning that income generated in Bolivia by beneficiaries abroad is subject to the IUE-BE. In general terms, this tax applies to profit remittances abroad at an effective rate of 12.5%, enforced through withholding by the company making the remittance.

In this context, Supreme Decree No. 5563 introduces a reduced-tax scheme conditioned on the reinvestment of profits or dividends generated in Bolivia, enabling foreign partners, shareholders, or parent companies to access reduced IUE-BE rates when they reinvest all or part of such profits in the country.

1. Application for the Gradual Reduction

The reduced IUE-BE rates apply according to the percentage of reinvested profits, under the following schedule:

Applicable IUE-BE Rate	Minimum required reinvestment percentage
3.125% on the profit paid or remitted.	Equal to or greater than 75% of the Bolivian-source profit or dividend.
6.25% on the profit paid or remitted.	From 50% to less than 75%
11.25% on the profit paid or remitted	From 25% to less than 50%

These rates apply to the dividends or profits distributed, with the applicable rate determined based on the percentage of profits reinvested in the company.

2. Conditions for Accessing the Incentive.

To qualify for this regime, the regulation establishes the following conditions:

- Foreign-domiciled partners or shareholders must reinvest all or part of their dividends by capitalizing them in the same Bolivian company.
- In the case of branches of foreign companies, reinvestment must occur through the capitalization of profits generated in Bolivia.
- Profits or dividends subject to reinvestment must be recorded in a patrimonial reserve account.

- The reserve must be allocated to financing fixed assets, inventories, or investments aimed at creating, expanding, diversifying, or modernizing the company's or branch's economic activity.
- The investment must be executed by the end of the fiscal year immediately following the fiscal year in which the reinvestment is made.

3. Loss of Incentive.

If the profits recorded in the patrimonial reserve account are subsequently distributed or not allocated to the purposes established by the regulation, the tax incentive will be deemed inapplicable. In such cases, the omitted tax must be assessed and paid in accordance with Article 47 of the Bolivian Tax Code, generating the corresponding tax obligations.

4. Considerations for Tax Planning

- This incentive represents a significant tool for tax planning by business groups with foreign participation, allowing for a substantial reduction in the tax burden associated with profit remittances.
- Specifically, the regime may be particularly attractive for companies undergoing expansion, modernization, or operational growth, as reinvesting profits enables access to effective tax rates considerably lower than those of the general IUE-BE regime.

Annex 2. Accelerated Depreciation for Fixed Assets Acquired during Fiscal Year 2026.

1. General Criteria.

For tax purposes, to determine the taxable net income for the CIT, the profit reflected in the Financial Statements of each fiscal year is considered, prepared in accordance with accepted Accounting Standards with the corresponding adjustments, including the depreciation of fixed assets.

From an accounting perspective, the depreciation of fixed assets follows its own criteria based on the asset's useful life and the applicable depreciation methods. In contrast, for tax purposes, the depreciation of fixed assets is calculated based on tax-specific criteria that focus on the depreciable cost—acquisition or production cost—considering the useful life percentages established by tax regulations.

The IUE Regulation, approved by Supreme Decree 24051, sets forth the tax rules for the depreciation of fixed assets, including:

- Start of depreciation and criteria for prorating.
- Special rules for film distribution companies, mining companies, and electric power companies.
- Rules for telecommunications and hydrocarbons.
- Accumulated depreciation.
- Technical revaluations.
- Ordinary repairs.

Finally, any modification to depreciation criteria must be communicated to the Tax Administration.

2. Purpose of the Measure.

Supreme Decree 5563 establishes an alternative mechanism for accelerated depreciation applicable to fixed assets acquired during fiscal year 2026.

3. Taxpayers and Assets Covered.

The measure applies to all companies except mining and hydrocarbons extraction companies, as these sectors are governed by specific sectoral regulations.

It applies exclusively to fixed assets acquired during fiscal year 2026. It does not extend to assets acquired in prior years.

4. Incentive and Conditions for Application.

The incentive consists of a voluntary accelerated depreciation method for fixed assets acquired in fiscal year 2026 and proposes a 50% reduction in useful life based on the following aspects and requirements:

Aspect	Description
Start of depreciation	From the moment the asset enters into use, until its full exhaustion.
Incentive	50% reduction of the useful life established in the Annex to Article 22 of Supreme Decree 24051.
Communication to the SIN	Via Form 605 and submission of digital Financial Statements and Tax Annexes.
Impact on Financial Statements	Must be expressly disclosed in the Notes to the Financial Statements for fiscal year 2025.
Regulation	Regulated by RND 10260000005.

5. Considerations for Tax Planning.

- The measure allows companies to accelerate the tax deduction of new assets, generating immediate financial benefit.
- For companies with fiscal year-ends other than December 31 (e.g., March, June, September), accelerated depreciation may apply to more than one fiscal period, provided the asset was acquired and placed into use in 2026.
- For companies closing on December 31, the benefit is fully recorded in fiscal year 2026.
- The measure is compatible with companies using the straight-line depreciation method in accordance with the table in Supreme Decree 24051.
- For companies using alternative methods (e.g., depreciation based on hours of use), application will depend on compatibility with the structure established by the regulation; those applying non-traditional methods may require additional internal evaluation to ensure technical consistency.

Annex 3. Exceptional Deductibility of Provisions for Bad Debts – Fiscal Year 2026.

1. General Criteria.

For tax purposes, in determining the taxable net income for the Corporate Income Tax (IUE), provisions for bad debts are considered deductible when they meet the following requirements:

- They must be recorded in the accounting records.
- They must arise from operations inherent to the company's line of business.
- The bad debts must be justified and real.
- Compliance must be verified with the average percentage limit of justified and real bad debts in the last three years.

- Calculation of the average (%) of justified and real bad debts.

(%) Average of substantiated and actual bad debts	Sum of actual bad debts from the last 3 years × 100.
	Sum of loan balances at the end of each of the last 3 fiscal years.

The amount subject to deduction in each fiscal year shall be the result of multiplying such average by the outstanding loan balance at the end of the fiscal year.

Amount subject to deduction	Average (%) × Outstanding loan balance at the end of the fiscal year.
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2. Purpose of the Measure.

Supreme Decree No. 5563 introduces a tax benefit consisting of a special criterion for estimating the average used to determine the deductibility of provisions for bad debts.

3. Taxpayers Covered.

All companies subject to the CIT.

4. Incentive.

For fiscal year 2026, the measure allows taxpayers to apply an alternative method to determine the percentage of bad-debt allowance for deductibility purposes.

Under this incentive, the taxpayer may consider either:

- the real bad debts of fiscal year 2025, or, alternatively,
- 60% of the real bad debts of fiscal year 2026,

Whichever amount is greater.

5. Conditions for Applying the Incentive.

- Applying this criterion will have an impact on the IUE liability for fiscal year 2025.
- The application of this incentive does not require specific regulatory rules.
- The second criterion (60% of 2026 real bad debts) does not apply to fiscal year 2025; it applies only starting in fiscal year 2026.

Annex 4. Expansion of the Scope of “Related Expenses” for Independent Professionals.

Supreme Decree No. 5563 incorporates, as the last paragraph of Article 8 of Supreme Decree No. 21530, an explicit criterion for interpreting the concept of “expenses related to the taxable activity” applicable to natural persons who practice a profession or trade independently. In practical terms, the regulation broadens the universe of expenditures that may be considered related, provided they are supported by an invoice, tax receipt, or equivalent document issued in the taxpayer’s name

This measure reflects the regulatory intent previously proposed by Supreme Decree No. 5503 (now repealed), which sought to make the use of VAT tax credit more flexible for independent professionals. However, unlike DS 5503—which adopted a broad “full offset” approach and relaxed the requirement of direct linkage—DS 5563 adopts a more operational approach, incorporating a specific list of expenses and an open clause conditioned on tax documentation.

In this context, the regulatory adjustment may have significant effects on VAT determination for independent professionals by reducing the risk of challenges under traditional strict-linkage criteria.

1. Scope of the Expanded Concept of “Related Expenses”.

Following the amendment introduced by Supreme Decree No. 5563, the following items, among others, shall be deemed expenses related to the taxable activity, provided they are supported by invoices issued in the taxpayer’s name:

Expense Concept.	Treatment under DS No. 5563.	Main Condition.
Personal food and clothing.	Considered related expenses	Invoice/tax receipt/equivalent document in the taxpayer’s name
Personal training	Considered related expenses	Invoice in the taxpayer’s name
Transportation	Considered related expenses	Invoice in the taxpayer’s name
Health expenses	Considered related expenses	Invoice in the taxpayer’s name
Health and life insurance (taxpayer and immediate family, first degree, plus spouse)	Considered related expenses	Invoice in the taxpayer’s name
Fuel for personal-use vehicle	Considered related expenses	Invoice in the taxpayer’s name
Basic utilities	Considered related expenses	Invoice in the taxpayer’s name
“Any other expense related” to the professional activity	Open-ended clause	Invoice in the taxpayer’s name + reasonable linkage to the professional activity

2. Practical Tax Implications.

The express inclusion of personal expenses within the definition of “related expenses” strengthens the taxpayer’s position for allocating VAT tax credit to expenditures that historically could be challenged for lacking a direct and immediate connection to the taxable activity.

This expansion improves the margin for tax credit utilization and may positively impact the liquidity of independent professionals, to the extent that it reduces VAT payable in periods with higher operational-personal expenditures.

3. Minimum Conditions for Proper Implementation.

To benefit from the expanded scope, the following considerations are recommended:

- Maintain valid and compliant invoices that meet formal invoicing requirements and are issued in the taxpayer's name.
- Record and report the VAT tax credit in the corresponding forms, ensuring consistency between records, tax invoices, and tax returns.
- Avoid double allocation of the same tax credit across different regimes/obligations through internal classification controls (e.g., RC-IVA vs. VAT).
- For the “any other related expense” category, prioritize expenditures with economic reasonableness and traceability to the professional activity (a conservative defense criterion in case of audit or verification).

Annex 5. Modification of the Requirements for Crediting the CIT against the TT.

Supreme Decree No. 5563 once again adjusts the operational requirement for applying the mechanism allowing the CIT to be credited against the TT, by modifying the sixth paragraph of Article 7 of Supreme Decree No. 21532. Specifically, DS 5563 eliminates the requirement introduced by DS No. 5327 (fiscal year 2025), which mandated that the IUE must be effectively paid “by its due date,” and returns to the general standard of “IUE effectively paid.”

This adjustment has practical relevance for cash-flow management, as it expands the window for accessing the crediting mechanism and reduces the risk of “double taxation” under the IT when the IUE is paid after its due date.

1. Regulatory Amendment.

Before	Now
<p>“For the purposes of Article 77 of Law No. 843 (Ordered and Effective Text), only taxpayers of the Corporate Income Tax who have effectively paid such tax by its due date may deduct said payment as a credit against the Transaction Tax that must be declared monthly on the total income received during the corresponding fiscal period in the official form. The Corporate Income Tax is not deductible against the payments of the Transaction Tax applicable to transfers of goods and rights, whether onerous or gratuitous.” (Emphasis added.)</p>	<p>“For the purposes of Article 77 of Law No. 843 (Ordered and Effective Text), only taxpayers of the Corporate Income Tax who have effectively paid such tax may deduct said payment as a credit against the Transaction Tax that must be declared monthly on the total income received during the corresponding fiscal period in the official form. The Corporate Income Tax is not deductible against the payments of the Transaction Tax applicable to transfers of goods and rights, whether onerous or gratuitous.” (Emphasis added.)</p>

2. Operational Scope of the Change.

- Se The access to the crediting mechanism is made more flexible, as the requirement that the CIT be paid “by the due date” is eliminated; it now only needs to be effectively paid.
- The rigidity introduced in 2025 is reduced, given that DS 5563 reverses the temporal “lock” that prevented the use of the CIT as a credit when the payment was made after the deadline.

3. Considerations for Tax Planning.

- **Liquidity and payment organization:** The adjustment expands the margin for scheduling the CIT payment without losing the possibility of crediting it against TT, which can be useful in months with higher financial pressure or when the company faces closures with heavier operational loads.
- **Purpose of the mechanism:** The modification preserves the fundamental logic of the tax credit mechanism, which seeks to prevent the TT and the CIT from creating a simultaneous tax burden on income. By eliminating the timing restriction, the original purpose of the mechanism is maintained and the risk that a formal requirement limits its effectiveness is reduced.
- **Practical application:** Since crediting depends on the effective payment of the CIT, it is advisable to strengthen internal controls regarding the payment date, the corresponding bank documentation, and the correct inclusion of the credited amount in the monthly TT returns.

Annex 6. Modification of the Deductibility of Non – Creditable VAT Associated with Zero – Rated Transactions.

Supreme Decree No. 5563 modifies the fourth paragraph of Paragraph I of Article 14 of Supreme Decree No. 24051 (CIT Regulation), expanding the circumstances under which non-creditable VAT may be treated as a deductible expense for IUE purposes. Specifically, it expressly provides that such non-creditable VAT will also be deductible when it is associated with zero-rated transactions, in addition to non-taxed transactions.

This adjustment does not alter the mechanics of the VAT system nor convert non-creditable VAT into VAT tax credit; it only modifies its treatment in determining the taxable net income for the CIT, preventing that component from remaining without tax recognition when it cannot be recovered through the VAT credit mechanism.

Before	Now
<p>“Without prejudice to the provisions of the preceding Paragraph, the following are also deductible:</p> <ul style="list-style-type: none"> - The Value Added Tax is incorporated in the price of purchases of goods and services that is not creditable in the settlement of said tax because it is associated with transactions not taxed by it. - The Excise Tax itemized separately in invoices for purchases subject to that tax, in cases where it is not recoverable by the taxpayer.” <p>(Emphasis added.)</p>	<p>“Without prejudice to the provisions of the preceding Paragraph, the following are also deductible:</p> <ul style="list-style-type: none"> - The Value Added Tax is incorporated in the price of purchases of goods and services that is not creditable in the settlement of said tax because it is associated with transactions not taxed by it or taxed at a zero rate. - The Excise Tax itemized separately in invoices for purchases subject to that tax, in cases where it is not recoverable by the taxpayer.” <p>(Emphasis added.)</p>

1. Operational Scope of the Change.

- The rule expands the circumstances under which non-creditable VAT may be deducted for CIT purposes by expressly including VAT associated with zero-rated transactions.
- Although the change does not authorize the computation of VAT credit, it allows such VAT to be recognized as a deductible expense in determining the CIT.
- The treatment of separately itemized ICE remains unchanged: it continues to be deductible when it is not recoverable by the taxpayer.

2. Considerations for Tax Planning.

- **Taxpayers with zero – rated transactions:** The measure may be significant to prevent non-recoverable VAT associated with these operations from remaining “unabsorbed,” allowing its deduction for CIT purposes and reducing the taxable base.
- **Support and traceability:** It will be important to substantiate (i) that the VAT is incorporated in purchases of goods/services, (ii) that it was not credited in the VAT settlement, and (iii) that non-credibility arises from its connection to non-taxed or zero-rated transactions.
- **Avoiding double treatment:** Strengthening internal controls is advisable to prevent the same amount from being claimed both as VAT credit and as a deductible expense—a common risk in mixed operations and allocation/proration processes.

Annex 7. Update of ICE Rates Applicable to Alcoholic and Non – Alcoholic Beverages.

Supreme Decree No. 5563 amends the ICE rate table set forth in Article 1 of Supreme Decree No. 24053 (ICE Regulation), previously amended by Supreme Decree No. 4842, with respect to alcoholic and non-alcoholic beverages.

In general terms, the update focuses on adjusting specific rates (Bs/liter), while leaving unchanged, in any material way, the percentage rates applicable by category (for example, malt beer 1%, sparkling wine 5%, whisky 10%).

1. Main Adjustments (Comparative Table).

Category / Subheading	Previous Specific Rate (Bs/l)	Specific Rate under DS 5563 (Bs/l)	Change
Energy drinks (2202.10.00.10)	5,28	5,74	+0,46
Other hermetically sealed non-alcoholic beverages (2202.10.00.90 / 2202.91.00.00 / 2202.99.00.90)	0,47	0,51	+0,04
Malt beer (2203.00.00.00)	3,96	4,30	+0,34
Sparkling wine (2204.10.00.00)	3,63	3,94	+0,31
Corn chicha (2206.00.00.10)	0,94	1,02	+0,08
Absolute ethyl alcohol (2207.10.00.10)	1,79	1,95	+0,16
Singani (2208.20.22.00)	3,63	3,94	+0,31
Whisky (2208.30.00.00)	15,17	16,49	+1,32

Important. Supreme Decree No. 5563 also sets specific rates for other products listed in the same table (non-sparkling wines, vermouth, cider/mead, rum, vodka, liqueurs, etc.).

2. Effective Date.

The amendments introduced by the Fifth Additional Provision entered into force on March 9, 2026 (i.e., from the fifth business day following its publication in the Official Gazette on March 2, 2026), pursuant to the Sole Final Provision of Supreme Decree No. 5563.

3. Considerations for Tax and Operational Management.

- The increase in specific rates directly impacts the tax cost per liter. This may require adjustments to pricing structures and commercial margins, particularly in categories with higher price sensitivity or tighter distribution chains.
- It is advisable to update product information and ICE tables in billing systems or ERPs in advance. Incorrect loading or parameterization may result in discrepancies in tax determination and subsequent observations by the Tax Administration.

- For sectors handling high volumes, it is prudent to take into account the exact effective date in order to schedule dispatches, imports, and domestic sales. This helps avoid the application of a rate other than the one corresponding to the timing of the inventory movement.
- Specific rates adjusted by UFV will continue to follow an annual update pattern. It is useful to incorporate them into budgets and cost projections to anticipate their impact on prices, inventories, and commercial structure.

Annex 8. Modification of ICE Rates for Diesel Vehicles Under Subheading 8701.21.00.00.

Supreme Decree No. 5563 introduces a temporary modification to the ICE rates applicable to the importation of diesel-oil vehicles classified under tariff subheading 8701.21.00.00 (road tractors for semi-trailers). The update applies to Annex VII of the Regulation approved by Supreme Decree No. 28963 and its subsequent amendments.

During the period of validity —until December 31, 2026— a single rate of 15% is established, applicable to both new vehicles and units between 1 and 5 years old. With this, the regulation adopts an operational approach aimed at temporarily simplifying the ICE determination scheme for this specific category.

1. Scope of the Measure.

The modification applies exclusively to:

- Heading 87.01 – Tractors (except tractor units of heading 87.09).
- Subheading 8701.21.00.00 – Road tractors for semi-trailers, only with diesel or semi-diesel engines.

2. Rate Adjustment.

Supreme Decree No. 5563 introduces a temporary scheme that unifies the rates applicable to vehicles under subheading 8701.21.00.00. Below is a comparative table between the regime in force and the regime previously established by DS No. 4925:

Age	DS No. 5563 (effective until 31/12/2026)	Previous Regime (DS No. 4925)
New	15%	15%
1 year	15%	20%
2 years	15%	25%
3 years	15%	30%
4 years	15%	40%
5 years	15%	50%

First conclusion. For used units (1 to 5 years old), the ICE burden decreases due to the single 15% rate during the validity of DS 5563. In practice, this reduces the fiscal cost of the segment and alleviates price pressure for the importer.

3. Effective Date.

This measure is one of those that, under the Sole Final Provision, is effective as of the fifth business day following its publication (March 2, 2026).

4. Automatic Reversion to the Previous Regime.

Once the period ends (December 31, 2026), the regulation provides that the rates established in DS 4925 will be reinstated.

5. Considerations for Operational Management.

- For importers and distributors, it is advisable to recalculate costs and prices by incorporating the uniform 15% rate for used units. This entails adjusting cost sheets, reviewing margins, and considering this value in stock planning for 2026, particularly for categories in which the ICE has a significant impact on the final price.
- For customs dispatch teams, it is essential to review ICE parameterization in systems and confirm the correct tariff classification (8701.21.00.00). The benefit is strictly limited to this subheading, so incorrect coding may lead to tax differences, observations, or reassessments.
- For importers and distributors, it is necessary to recalculate total costs and sale prices considering that all used units (1 to 5 years old) are now subject to an ICE rate of 15%. This requires updating cost sheets, reviewing margins, and adjusting stock planning for 2026, as the new rate directly impacts the import cost and, consequently, the final price.

Annex 9. Application of Corporate Reorganization Rules to Sole Proprietorship.

In this ninth measure, Supreme Decree No. 5563 expressly extends to sole proprietorships the scope of the corporate reorganization and capital contribution rules set forth in the VAT, CIT, and TT regulations. In simple terms, the regulation clarifies that the tax effects already provided for reorganization processes (merger, demerger, transformation) and capital contributions are not reserved exclusively for companies but also apply to sole-proprietor structures.

As background, in the three taxes there were already regulatory provisions on corporate reorganization; however, because they did not expressly contemplate sole proprietorships, there was room for interpretive discussion. DS 5563 does not create a new regime; rather, it corrects that omission by incorporating specific items in each regulation to include them within the scope.

Tax	DS N° 21530, N° 24051, and N° 21532	DS N° 5563
VAT Extension of benefits to sole proprietorships. (DS No. 21530, Art. 2).	Article 2 regulates corporate reorganization (merger, demerger, transformation) and capital contributions, allowing the proportional transfer of tax credits and balances in favor among successor companies. It does not expressly contemplate sole proprietorships.	Incorporates item C) into Article 2 of DS 21530, establishing that the provisions of items A) and B) also apply to sole proprietorships, extending the reorganization regime and the transfer of tax credits to this type of taxpayer.
CIT Extension of benefits to sole proprietorships. (DS No. 24051, Art. 28).	Article 28 regulates corporate reorganization (merger, demerger, transformation) and capital contributions, including the transfer of rights, obligations, and tax losses, as well as depreciation rules. It does not expressly contemplate sole proprietorships.	Incorporates item c) into Article 28, establishing that the provisions of items a) and b) also apply to sole proprietorships, extending the reorganization regime, transfer of losses, and depreciation rules to this type of taxpayer.
TT Extension of benefits to sole proprietorships. (DS No. 21532, Art. 1).	Article 1 regulates corporate reorganization (merger, demerger, transformation) and capital contributions, applicable to companies. It does not expressly contemplate sole proprietorships.	Incorporates item C.- into Article 1, establishing that the provisions of items A.- and B.- also apply to sole proprietorships, extending the reorganization and capital contribution regime to this type of taxpayer.

3. Operational Scope of the Change.

The measure expressly extends to sole proprietorships the tax effects already provided for reorganizations and capital contributions under VAT, CIT, and TT, reducing the scope for objections based solely on the lack of literal mention.

Likewise, DS 5563 does not introduce additional procedures or new requirements, since the change concerns scope (express inclusion) and not mechanics (procedure).

About PPO Indacochea

PPO Indacochea is the largest law firm in Bolivia, with leading practices across all areas of law. Clients rely on PPO Indacochea to handle their most complex legal and business matters. The firm's 80 lawyers and more than 180 professionals work proactively to deliver exceptional service, sophisticated legal advice, and creative, practical solutions.

PPO Indacochea also has the broadest geographic presence of any law firm in Bolivia, with offices in five cities: La Paz, Cochabamba, Santa Cruz, Sucre, and Cobija.

Authors



Pablo Ordoñez
Partner
pordonez@ppolegal.com



Adrián Bellot
Senior associate
abellot@ppolegal.com

Contact

Santa Cruz
Av. Piraí N° 2115
Esq. Baracea

Sucre
Calle Ayacucho N° 255
Piso 2

La Paz
Av. Ballivián 555
Edif. El Dorial,
Piso 14

Cobija
Avenida 16 de Julio
N°149
Centro

Cochabamba
Calle Papa Paulo N°604
Edificio Empresarial Torre 42
Piso 6

Teléfono
(+591) 620 02 020