

# Summarized guidelines and provisions for transition into VAT

Kevane Grant Thornton LLP  
 33 Calle Bolivia Ste 400  
 San Juan, Puerto Rico 00917-2013  
 T + 1 787 754 1915 F + 1 787 751 1284  
[www.kevane.com](http://www.kevane.com)

Follow us on  and 

On February 26, 2016, the Puerto Rico Treasury Department (PRTD) issued Administrative Determination 16-01: “Transition to the Value Added Tax (IVA). Both PICO and SURI (see our February Tax Alert on SURI) will be available to process transactions, filings and requests. The following table summarizes the guidelines and provisions as to what transactions will be processed in which system.

Returns and forms	System				Comments
	PICO		SURI		
	Transactions before April 1, 2016	Transactions from April 1, 2016	Transactions before April 1, 2016	Transactions from April 1, 2016	
SC 2970- Declaration of Imports	√	√	N/A	N/A	These need to be filed in PICO after 4/1/16 until further notice. New businesses must register in PICO in order to process these declarations.
SC 2915D- Monthly return of Imports	√	√	N/A	N/A	These need to be filed in PICO after 4/1/16 until further notice. New businesses must register in PICO in order to process these declarations.
SC 2915A- Monthly return of sales and use Tax	√ (and amendments of prior months returns)	N/A	N/A	N/A	

Information as of February 29, 2016.

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.

Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit [www.kevane.com](http://www.kevane.com) for further details.

System					
Returns and forms	PICO		SURI		Comments
	Transactions before April 1, 2016	Transactions from April 1, 2016	Transactions before April 1, 2016	Transactions from April 1, 2016	
SC 2915E- Sales and Use Tax Monthly Return Applicable to Preexisting Contracts	√	√ (until returns for June 2016)	N/A	N/A	
SC 2915F- Sales and Use Tax Monthly Return Applicable to Services Rendered to Other Merchants and Designated Professional Service	√ (and amendments of prior months' returns)	N/A	N/A	N/A	
SC 2915F- Sales and Use Tax Monthly Return Applicable to Services Rendered to Other Merchants and Designated Professional Services for cash basis merchants	√ (and amendments of prior months returns)	√ for services rendered before 4/1/2016 and invoiced before 4/20/16 and collected until September 30, 2016	N/A	N/A	
NEW: Monthly IVA Return	N/A	N/A	N/A	√	First return to be filed in SURI will be for the month of April 2016, due on May 20, 2016. Any IVU overpayments will be transferred to this return. The merchant will use a single form which will provide for the electronic calculation of the IVA credits. Filing of this return and payment of the IVA can only be made electronically thru SURI.
IVA Merchant Registry	N/A	N/A	N/A	√	All Merchant Registration Certificates issued under IVU will expire on March 31, 2016. A new Merchant Registration Certificate must be requested in SURI. All merchants with a Certificate and active in PICO will receive an electronic communication to enter SURI and validate their information. Those with certificate without a PICO account may access SURI from 4/1/16 on. This validation must be done on or before 5/20/16. A penalty of \$500 will be assessed if done after 5/20/16. New merchants must register in SURI to obtain their Merchant Certificate.

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.  
 Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit [www.kevane.com](http://www.kevane.com) for further details.

System					
Returns and forms	PICO		SURI		Comments
	Transactions before April 1, 2016	Transactions from April 1, 2016	Transactions before April 1, 2016	Transactions from April 1, 2016	
IVA Small Merchant Certificate	N/A	N/A	N/A	√	Merchants already registered may obtain this certificate through the validation process in SURI. The system will issue a Provisional Small Merchant Certificate that will be effective for 90 days. The final certificate will be issued once the PRTD validates the information provided by the merchant.
Exemption Certificates:					In general, all exemption certificates under IVU expire on 3/31/16, except for the following. No renewal applications will be received by PRTD after 2/29/16.
IVU Reseller and Municipal Exemption	√	N/A	N/A	√	After 3/31/16 will be used for the exemption for Municipal IVU. All unexpired certificates as of 12/31/15 will continue in effectiveness until further notification as to how these will be issued by SURI. All renewals in process for these will be terminated. Those certificates expired as of 12/31/15 must be renewed under IVU procedures.
Manufacturing Plants	√	N/A	N/A	√	A new certificate will be issued by SURI. Until further notice all unexpired certificates as of 12/31/15 will continue in effectiveness until further notification as to how these will be issued by SURI. All renewals in process for these will be terminated. Those certificates expired as of 12/31/15 must be renewed under IVU procedures.
Contracted Manufacturing Services	√	N/A	N/A	√	
IVU Eligible Reseller	√	N/A	N/A	√ (until 06/30/16)	After 6/30/16 these merchants are subject to the payment of IVA. These certificates will expire of 6/30/16.
IVA Certificate Exempt Purchases (SC2916)	√	N/A	N/A	√	Will be used to justify exempt transactions under IVA until further notice.
IVA Certificate Exempt Purchases	N/A	N/A	N/A	√	Will be issued by SURI eventually.

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.

Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit [www.kevane.com](http://www.kevane.com) for further details.

System					
Returns and forms	PICO		SURI		Comments
	Transactions before April 1, 2016	Transactions from April 1, 2016	Transactions before April 1, 2016	Transactions from April 1, 2016	
<b>Other:</b>					
Fiscal Statements	N/A	N/A	N/A	√	Commercial invoices and receipts will substitute the fiscal statements until further notice. Merchants with \$40,000,000 of volume of business will need to prepare and file a detail of credits.
Debit and Credit Notes	N/A	N/A	N/A	√	Will not be required to be issued until further notice. Merchants must keep evidence of adjustments.
Pre-Exiting Contracts	N/A	√ until 6/30/16	N/A	N/A	PRTD to publish rules for possible extensions.
IVA Refunds	N/A	N/A	N/A	√ three month period starts to run on 06/01/2016	Process to obtain Eligible Merchant Certificate to be published.
IVA Closing Agreements and Rulings	N/A	N/A	N/A	N/A	Those issued under IVU must be ratified by the PRTD. Process detailed in AD 16-01.

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.  
 Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit [www.kevane.com](http://www.kevane.com) for further details.