

Guatemala

International Estate Planning Guide

IBA Private Client Tax Committee

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I. Introduction

Succession and estate planning in Guatemala is governed by a civil law system in which the transfer of assets upon death does not occur automatically. Instead, the transmission of property, rights and obligations requires the initiation and completion of formal succession proceedings, subject to judicial or notarial oversight. This framework reflects a strong emphasis on legal certainty, procedural formality and the protection of heirs, beneficiaries and third parties.

Within this context, wills constitute the principal legal instrument through which individuals may organise the disposition of their assets upon death. Nevertheless, Guatemalan law also recognises a range of complementary mechanisms that allow for more sophisticated asset and succession planning, particularly in cases involving complex family structures, substantial patrimonial estates or cross-border elements.

This guide provides an overview of the key aspects of Guatemalan succession law from a private client perspective. It addresses the formal and substantive requirements of wills; the distinction between inheritance and legacies; the structure and administration of succession proceedings; and the role of alternative planning tools, such as trusts. Particular attention is given to marital property regimes, tax implications, procedural considerations and practical issues that frequently arise in international estate planning involving Guatemalan assets or beneficiaries.

II. Wills

A. Concept

Under Guatemalan law, a will is a unilateral, personal and inherently revocable legal act through which an individual disposes of all or part of his or her assets, rights and transferable obligations to take effect upon death. Wills are classified as solemn legal acts, meaning that their validity is strictly subject to compliance with the formal requirements established by law, which vary depending on the type of will to be executed. Failure to observe these formalities may result in nullity or voidability, preventing the will from producing legal effects.

B. Formal validity and applicable law

Guatemalan legislation adopts a *lex loci actus* approach regarding the formal validity of wills, allowing Guatemalan nationals to execute wills abroad in accordance with the legal requirements of the jurisdiction where the will is granted. This rule seeks to promote legal certainty and facilitate cross-border succession planning, particularly for individuals with assets or residence in multiple jurisdictions.

As an alternative to executing a will under foreign law, Guatemalan nationals residing abroad may grant a will before a Guatemalan diplomatic or consular agent accredited at the place of execution, provided that such an agent is legally authorised to act as a notary public. For legal purposes, wills executed before consular authorities are treated as if they had been granted within Guatemalan territory, thereby simplifying their recognition, registration and probate in Guatemala.

Despite the flexibility granted to foreign formalities, Guatemalan law establishes clear public policy restrictions. In particular, joint or mutual wills executed by Guatemalan nationals abroad are expressly invalid in Guatemala, even if such instruments are valid under the laws of the place of execution. This prohibition reflects the strictly personal and freely revocable nature of testamentary acts under Guatemalan law.

C. Interpretation of wills

Testamentary dispositions must be interpreted according to the literal meaning of their terms, unless it is clearly established that the testator intended a different meaning. Interpretation should not rely on isolated words or phrases, but rather on the entirety of the testator's declaration of intent, considered as a coherent and integrated whole.

D. Types of wills

The Guatemalan Civil Code recognises several types of wills, classified primarily according to their form and the circumstances under which they are granted. This classification reflects the civil law tradition's emphasis on formal validity and legal certainty, as well as the need to accommodate the exceptional personal or situational conditions of the testator.

1. ORDINARY WILLS

Ordinary wills constitute the general rule under Guatemalan law and are subject to strict formal requirements. They are divided into the following categories:

Open will

An open will is executed before a notary public, in the presence of witnesses and with full disclosure of its contents at the time of execution. The notary plays a central role in ensuring compliance with legal formalities, verifying the testator's capacity and authenticating the expression of the testator's will. This is the most commonly used form of testamentary disposition in Guatemala due to its procedural clarity and legal reliability.

Closed will

A closed will must be signed by the testator on all its pages and is presented to the notary public in a sealed envelope. The notary authorises the instrument without knowledge of its contents, which remain confidential until the will is formally opened in accordance with legal procedures. This form allows for greater privacy, but entails higher formal risks, as any defect in execution may affect its validity.

2. SPECIAL WILLS

Special wills are permitted under Guatemalan law in exceptional circumstances or when the testator's personal condition requires additional safeguards. These wills are subject to heightened formalities and are typically valid only if the specific statutory conditions are strictly observed:

- wills granted by blind or deaf people, subject to enhanced formal requirements;
- military wills executed in times of war;

- maritime wills granted during a sea voyage;
- wills executed in isolated or emergency circumstances, such as epidemics;
- wills granted by a detained person; and
- wills executed abroad, which are valid if they comply with the formal requirements of the place of execution.

This typology ensures that testamentary freedom is preserved, even under exceptional conditions, while maintaining strict formal standards to safeguard validity and legal certainty within the Guatemalan succession system.

E. Invalidity and annulment

A will is deemed invalid if it is executed without compliance with the essential formalities required by law. In the case of a closed will, invalidity also arises where the sealed envelope containing it appears to have been opened, altered or tampered with.

A will may be subject to annulment if it has been executed under violence, duress, deceit or fraud. The testator may not prohibit the contestation of a will in cases where the law expressly provides grounds for invalidity or annulment.

F. Inheritance and legacies under Guatemalan law

Under Guatemalan law, succession rights arise at the moment of an individual's death. The legal framework recognises two principal forms of succession, which determine the scope of rights and obligations transferred to beneficiaries:

- succession by universal title; and
- succession by particular title.

Succession by universal title, commonly referred to as inheritance, occurs when one or more heirs succeed in the totality of their transferable assets, rights and obligations. In this context, heirs assume the estate as an indivisible whole, including both assets and liabilities, subject to the limitations established by law. This form of succession reflects the principle of continuity of the deceased's patrimonial estate and constitutes the general rule governing inheritance in Guatemala.

Succession by particular title, known as a legacy, applies when the deceased assigns one or more specifically identified assets or rights to a designated beneficiary. Legatees acquire only the assets expressly granted to them and, as a general rule, do not assume the estate's overall liabilities, except to the extent necessary to satisfy the legacy. Legacies therefore operate as an exception to universal succession and provide a mechanism for allocating specific assets independently from the general inheritance.

Guatemalan law also recognises donations upon death as a valid form of testamentary disposition. Although structured as donations, these acts take effect exclusively upon the donor's death and are governed by the same legal provisions applicable to legacies. Accordingly, donations upon death are subject to the formal and substantive requirements of testamentary succession and function as a complementary instrument for the post-mortem transfer of specific assets.

Additionally, Guatemalan law permits the establishment of a trust through a will. In testamentary trusts, the financial institution appointed as trustee performs a fiduciary and administrative function, but does not acquire the legal status of an heir. The trustee holds and manages the trust assets strictly in accordance with the testator's instructions for the benefit of the designated beneficiaries, thereby clearly separating asset administration from the acquisition of hereditary rights. This distinction is particularly relevant in cross-border estate planning, as it allows for structured asset management without altering the fundamental rules governing inheritance and legacies.

The distinction between inheritance, legacies and related testamentary mechanisms is a core feature of the Guatemalan succession system. It directly affects the extent of beneficiaries' rights, obligations and liabilities; promotes legal certainty; facilitates the orderly administration of estates; and aligns Guatemalan succession law with the foundational principles common to civil law jurisdictions.

G. Succession proceedings in Guatemala

In Guatemala, the transfer of assets upon death does not occur automatically. The transmission of property, rights and obligations requires the initiation and completion of a formal succession proceeding, regardless of whether the deceased left a will or died intestate. This procedural requirement is intended to ensure legal certainty; the proper identification of heirs or beneficiaries; and the orderly administration and distribution of the estate.

The Guatemalan succession system provides for two distinct procedural avenues:

- judicial succession; and
- notarial succession.

Each serves different functions within the administration of estates.

Judicial succession represents the standard and comprehensive mechanism for estate administration. It is conducted before a judicial authority and applies to both testate and intestate successions. Through this process, the court supervises the recognition of heirs and beneficiaries; the validation and execution of testamentary dispositions, where applicable; the inventory and valuation of estate assets; and the settlement of outstanding obligations prior to distribution. Judicial succession offers enhanced procedural safeguards and is particularly relevant in cases involving disputes among interested parties, lack of consensus or the need to protect vulnerable successors.

Notarial succession, by contrast, operates as an exceptional and alternative procedure conducted before a notary public. This mechanism is available only when all interested parties are in full agreement regarding the identification of successors, the composition of the estate and the proposed allocation of assets. While notarial proceedings are designed to promote efficiency and expedite estate settlement, their scope is inherently limited. Should any disagreement arise, or if the legal prerequisites for notarial intervention are not satisfied, the proceedings must be referred in their entirety to the competent judicial authority for continuation under judicial succession.

This dual procedural structure reflects Guatemala's civil law tradition, combining efficiency with judicial oversight, and ensuring that succession proceedings are conducted in a transparent, orderly and legally secure manner.

H. Initiation of succession proceedings through a power of attorney

Succession proceedings in Guatemala may be initiated by a third party acting under a duly granted power of attorney, provided that the mandate expressly authorises the representative to file and pursue the succession process on behalf of the interested parties.

The power of attorney may be executed either in Guatemala or abroad. When granted outside Guatemala, it must comply with the formal requirements for recognition and validity within the Guatemalan legal system, including legalisation, and apostilled and subsequent protocolisation before a Guatemalan notary public.

This mechanism is particularly relevant in cross-border succession matters, as it enables heirs or beneficiaries residing abroad to effectively participate in the process without the need for personal appearance. By permitting representation through a duly authorised agent, the Guatemalan succession framework facilitates procedural efficiency while ensuring legal certainty and continuity in the administration of estates.

I. Administration of the estate

The administration of the estate plays a central role in succession proceedings, as it ensures the preservation, management and proper distribution of the deceased's assets during the period between death and final adjudication. This phase is particularly relevant in legal systems, such as Guatemala's, where the transfer of assets upon death requires formal succession proceedings.

The executor is entrusted with the administration of the estate when so designated by the deceased or appointed through the succession process. Acting in a fiduciary capacity, the executor is responsible for safeguarding estate assets; managing ongoing obligations; and ensuring that the succession is carried out in accordance with the deceased's expressed wishes and applicable legal principles. The executives typically include overseeing the inventory of assets; preserving the value of the estate; facilitating the payment of debts and expenses; and cooperating with judicial or notarial authorities throughout the succession process. This role is essential to maintaining neutrality and protecting the interests of all heirs and legatees.

During the administration phase, the estate remains undivided and its assets constitute a single patrimonial mass. As a general principle, heirs and legatees do not acquire unrestricted ownership or free disposal of the assets prior to the conclusion of the succession process. In this regard, unlike other jurisdictions, Guatemalan law does not provide for the issuance of a formal certificate of inheritance; therefore, heirs and legatees must rely on the completion of the succession proceedings to obtain legal recognition and enforceability of their rights.

J. Key considerations in succession proceedings

A succession process requires a structured preliminary assessment of key legal and factual elements, as these directly shape the procedural path of the case, determine the identification of beneficiaries and define the scope of the estate subject to distribution.

1. EXISTENCE OF A WILL AND DETERMINATION OF HEIRS

The first and most fundamental consideration is whether the deceased left a valid will. This determination establishes whether succession is governed by testamentary dispositions or statutory rules. Where a will exists, it defines the appointment of heirs and legatees, and governs the allocation of assets in accordance with the deceased's expressed wishes, subject to mandatory legal principles.

In the absence of a will, succession proceeds on an intestate basis and the beneficiaries are those designated by law, who collectively succeed to the entirety of the deceased's estate. In such cases, priority is generally granted to:

- the deceased's children, including adopted children; and
- the surviving spouse, provided that the spouse does not hold rights to accrued gains.

Where the surviving spouse's accrued gains are lower than the hereditary share that would have applied in the absence of such gains, the spouse is entitled to receive a complementary amount to equalise that share, with the corresponding difference deducted from the hereditary estate.

2. MARITAL PROPERTY REGIME

A second key element is the identification of the marital property regime applicable between the deceased and the surviving spouse. This analysis is essential to accurately determine the extent of the estate subject to succession, as not all assets held by the deceased necessarily form part of the hereditary mass. Depending on the regime in place, ownership of assets may be shared as a whole or in part with the surviving spouse.

Guatemalan law recognises several marital property regimes, including absolute community of property, absolute separation of property and community of accrued gains. Under a regime of absolute community, assets acquired during the marriage generally belong jointly to both spouses, thereby limiting the portion of property that enters the estate. Under absolute separation, each spouse retains exclusive ownership of the individual's respective assets, resulting in a clearer delineation of the hereditary mass.

Under the community of accrued gains regime, each spouse retains ownership of the individual's separate assets, while certain income and assets generated during the marriage are shared equally upon dissolution. Accordingly, only the deceased spouse's share of the accrued gains forms part of the hereditary estate, making the prior liquidation of the marital patrimony a necessary step in succession proceedings.

3. MAINTENANCE AND SUPPORT OBLIGATIONS

In addition, it is essential to identify the existence of individuals entitled to maintenance or support from the deceased. Such obligations may survive death and must be satisfied from the estate either prior to or concurrently with its distribution. The early identification of these beneficiaries is critical to properly delimiting the hereditary mass and ensuring compliance with the deceased's support obligations.

While wills constitute the cornerstone of succession planning under Guatemalan law, their effectiveness may be limited in situations involving complex asset structures, long-term administration needs or cross-border elements. In such cases, additional legal mechanisms may be required to ensure continuity, professional management and the faithful execution of the testator's intentions beyond the moment of death.

K. Disposition of hereditary rights

Under Guatemalan law, heirs are generally entitled to freely dispose of their hereditary rights, which may include assigning or selling their participation in the inheritance. However, such disposition does not constitute the sale of a specific asset forming part of the estate, as individual assets remain undivided until the inheritance is formally settled and partitioned. Consequently, any transfer is limited to the heir's abstract hereditary interest rather than ownership of a particular property within the estate.

III. Alternative succession and estate planning mechanism

Beyond the central role that wills play within the Guatemalan succession system, the legal framework recognises complementary mechanisms that may be used to enhance estate and succession planning. While testamentary dispositions remain the primary means of transferring assets upon death, certain legal structures, particularly trusts, allow for a more sophisticated separation of the transfer of hereditary rights and the administration of assets.

A. Trust

In addition to wills, Guatemalan law recognises other legal mechanisms that may be used for asset and succession planning. While testamentary dispositions remain the primary instrument for the transfer of assets upon death, complementary structures such as trusts provide additional tools for the orderly management, protection and eventual allocation of assets.

A trust is a legal arrangement whereby an individual or legal entity transfers specific assets or rights to a bank or authorised financial institution for the purpose of administering, investing or allocating them for a defined objective for the benefit of one or more designated beneficiaries.

Under Guatemalan law, the trust operates as an asset planning, protection and management vehicle, allowing for the consolidation of different types of assets, such as cash, movable or immovable property, shares, investment certificates and similar instruments under a framework that ensures that their use, disposition and final allocation strictly comply with the express instructions established by the settlor in the trust agreement.

1. TYPES OF TRUST AND FOCUS ON THE ADMINISTRATIVE TRUST

Depending on their purpose, trusts may be constituted for various objectives, including investment; security or guarantee; and administration. For the purpose of succession and estate planning, particular emphasis is placed on the administrative trust, as it is the structure most closely aligned with asset management and succession planning needs.

Under an administrative trust, the trustee acquires formal legal title to the trust assets; however, their use, management and allocation remain strictly governed by the terms and instructions set forth in the trust agreement. The settlor may retain certain supervisory or control rights, as well as incorporate reversion mechanisms that allow for the recovery of assets under predefined circumstances.

2. KEY LEGAL AND PRACTICAL FEATURES OF ADMINISTRATIVE TRUSTS

Control and supervision

Within an administrative trust, the settlor may establish limits, instructions and supervision mechanisms regarding the management of the trust assets. Direct intervention in the administration is not permitted unless such authority is expressly reserved in the trust agreement. In practice, control is exercised through contractual instructions, reporting obligations and fiduciary oversight rather than day-to-day operational involvement.

Confidentiality

Administrative trusts in Guatemala offer a medium level of confidentiality. Although trust agreements are not subject to public registration, they are executed before regulated fiduciary institutions, and their existence may be disclosed to financial or regulatory authorities. Additionally, these structures are subject to know your customer (KYC) and anti-money laundering (AML) regulations, which limit anonymity when compared to certain offshore trust structures.

3. REGULATORY FRAMEWORK AND PRACTICAL LIMITATIONS

Notwithstanding its effectiveness as a domestic asset management and protection mechanism, the administrative trust offers limited flexibility and confidentiality, as operational control primarily rests with the trustee and the trust's operation is subject to regulatory oversight by the Superintendencia de Bancos (Superintendencia de Bancos or SIB).

Furthermore, the effectiveness of Guatemalan trusts with respect to assets located abroad depends on the legislation applicable in the jurisdiction where such assets are situated, which may restrict their use in cross-border planning structures.

4. COMPARATIVE PERSPECTIVE: FOREIGN STRUCTURES

From a comparative perspective, other jurisdictions recognise more flexible trust-like structures (eg, trusts established in the British Virgin Islands or United States). These private law arrangements are commonly used for asset protection; estate and succession planning; and investment management.

Under such models, the settlor transfers assets to a trustee, who assumes legal ownership and administers them for the benefit of the beneficiaries within a separate and autonomous patrimony. While such structures generally offer enhanced flexibility, confidentiality and asset protection, they often entail higher annual maintenance costs due to fiduciary services, regulatory compliance and professional administration requirements.

IV. Tax implications of successions and trust structures

A. Inheritance, legacies and donations

Guatemalan tax law establishes a specific tax regime applicable to inheritances, legacies and donations, which operates independently from income tax and is structured as a progressive tax based on both the value received by each beneficiary and the degree of kinship with the deceased or donor.

This system reflects a policy approach that grants preferential treatment to close family members while imposing higher tax burdens on more remote relatives and unrelated beneficiaries.

1. APPLICABLE TAX RATES

The tax rates applicable to inheritances, legacies and donations are determined individually for each heir, legatee or donee, based on the portion of assets received and their legal relationship with the deceased or donor.

Under this framework, beneficiaries are classified into several categories, including:

- children, spouses and cohabiting partners;
- ascendants and descendants other than children, as well as adoptive parents and adopted children;
- collateral relatives by consanguinity up to the second, third and fourth degree;
- relatives by affinity; and
- unrelated third parties.

Applicable tax rates range from one per cent to 25 per cent, increasing progressively according to both the value of the assets received and the beneficiary's degree of kinship. Lower brackets apply to amounts up to GTQ 50,000 (approximately US\$6,530.00) while higher rates apply as the value increases, with the highest rates reserved for amounts exceeding GTQ 500,000 (approximately US\$65,220.00) and for beneficiaries classified as unrelated third parties.

For cohabiting partners to qualify for the preferential rates applicable to spouses, they must demonstrate that they maintained a shared household with the deceased for the minimum period of two years. Likewise, for adoptive parents and adopted children to benefit from the applicable preferential rates, the adoption must have been legally formalised at least five years prior to the death of the deceased or, in the case of donations, prior to the execution of the donation deed. An exception applies where the adoption concerns the biological child of the other spouse.

2. TAX ACCRUAL, VALUATION AND PROCEDURAL DEADLINES

Under Guatemalan tax law, inheritance and donation tax is triggered as of the date of the decedent's death or, where applicable, the date on which the declaration of presumed death is issued. Although the tax must be paid within the statutory deadlines established by law, the valuation of the taxable base is determined by reference to the value assigned to the estate assets as of the date on which the tax authorities are formally notified of the succession.

For tax purposes, the liquidation of inheritance tax must be initiated within six months from the date of the decedent's death or from the declaration of presumed death. Failure to initiate liquidation within this period results in the imposition of a penalty equal to 100 per cent of the tax due, in addition to a monthly interest surcharge of one per cent calculated on the outstanding tax amount, accruing from the date the delay occurred until full payment is made.

Extended filing deadlines apply where the death occurred outside Guatemala. The period for initiating the tax liquidation is extended to nine months if the death took place in another Central American country and to one year if the death occurred in any other foreign jurisdiction.

B. TRUST TREATMENT FOR ADMINISTRATIVE TRUSTS

For tax purposes, the administrative trust must obtain its own tax identification number (*número de identificación tributaria* or NIT) and comply independently with its tax obligations. The trust is considered a taxpayer for income tax (*impuesto sobre la renta* or ISR) purposes and all income generated by the trust assets is subject to such tax.

Notably, both the constitution of the trust and the reversion of assets to the settlor are exempt from taxes, which enhances the efficiency of the administrative trust as an asset management and succession planning vehicle.

V. General tax overview in Guatemala

Guatemala's tax system is based on the principle of territoriality, meaning that only activities or operations conducted within the country and income generated within its territory are subject to taxation. Consequently, income from foreign sources outside Guatemala is not subject to local taxes.

In Guatemala, tax obligations apply to both individuals and legal entities that generate income or conduct economic activities within the country. Tax residents are taxed on income from both national and foreign sources, while non-residents are subject to withholding on income sourced from Guatemala. Legal entities, including commercial companies and foreign entities with local operations, must comply with tax obligations according to their respective tax regimes.

The Guatemalan tax system is primarily structured around a limited number of general taxes, including VAT and income tax (ISR). These taxes operate independently and are governed by distinct taxable events and assessment rules and compliance mechanisms.

A. VAT

Under Guatemalan law, VAT is an indirect tax levied on the consumption of goods and services within Guatemalan territory. The general VAT rate is 12 per cent and applies to the value of transactions carried out in the domestic market. VAT is economically borne by the final consumer and is charged indirectly upon the acquisition of goods or services.

VAT is triggered, among others, by the following taxable events:

- the sale or exchange of movable and immovable property;
- the provision of services;
- the leasing of movable and immovable property; and
- the importation of goods.

In line with the territorial principle governing the Guatemalan tax system, the export of services is not subject to VAT, provided that such services are not used or exploited within Guatemalan territory. As a result, services rendered for use abroad fall outside the scope of Guatemalan VAT.

B. Income tax (ISR)

Income tax (ISR) is a direct tax levied on income obtained by individuals and legal entities from sources located within Guatemalan territory. In accordance with the territorial principle governing the Guatemalan tax system, only income derived from Guatemalan sources is subject to taxation, unless a specific statutory connection to a local source exists.

Income subject to ISR is classified according to its origin and may include:

- income derived from business or commercial activities;
- employment and professional income; and
- capital income and capital gains.

Guatemalan tax law provides for different income tax regimes applicable to income derived from business activities, depending on the taxpayer's circumstances and election.

1. SIMPLIFIED OPTIONAL REGIME FOR BUSINESS INCOME

Under the simplified optional regime, income tax is assessed on gross income, without allowing the deduction of costs or expenses.

The applicable rates are:

- five per cent on gross income where the taxable income does not exceed GTQ 30,000.00 (approximately US\$3,920.00);
- seven per cent on gross income where the taxable income exceeds GTQ 30,000.00 (approximately US\$3,920.00), applied to the total amount of gross income; and

- this regime is characterised by simplified compliance and periodic filing obligations, combined with an annual tax return requirement.

2. REGIME BASED ON NET TAXABLE PROFITS

Alternatively, taxpayers may be subject to a regime based on net taxable profits. Under this regime:

- income tax is assessed at a rate of 25 per cent on net taxable income;
- costs and expenses directly related to the economic activity are deductible, subject to statutory requirements; and
- this regime involves periodic advance filings and a definitive annual tax return, based on the taxpayer's accounting period, which generally coincides with the calendar year.

C. *Solidarity tax (ISO)*

The solidarity tax applies to individuals, legal entities and entities with business organisations. The taxable base is determined as the greater of one quarter of the taxpayer's net assets amount and one quarter of the gross income amount. However, if net assets exceed gross income by more than four times, the taxable base will be one quarter of the latter.

The applicable tax rate is one per cent. Amounts paid as ISO may be credited against ISR, and ISR payments may, in turn, be credited against ISO. Taxpayers under the optional simplified regime for ISR business income are exempt from ISO.

D. *Impuesto único sobre bienes inmuebles (IUSI)*

IUSI is levied on the ownership of real estate located in Guatemala, including land, buildings, permanent improvements and permanent crops. The taxable base consists of the total registered value of the real estate properties owned by the taxpayer.

For purposes of determining IUSI, the tax is calculated using a progressive rate structure based on the property's registered value. Properties with a registered value of up to GTQ 2,000.00 (approximately US\$260.00) are fully exempt.

Values between GTQ 2,000.01 (approximately US\$261.00) and GTQ 20,000.00 (approximately US\$2,608.00) are taxed at a rate of two per thousand; those between GTQ 20,000.01 (approximately US\$2,609.00) and GTQ 70,000.00 (approximately US\$9,130.00) at six per thousand; and properties with a registered value exceeding GTQ 70,000.01 (approximately US\$9,130.00) are subject to a rate of nine per thousand.

E. *Double taxation and tax compliance*

Guatemala does not have double taxation treaties in force. Consequently, cross-border tax matters involving Guatemala are governed exclusively by domestic tax legislation, without access to treaty-based relief mechanisms.

For tax compliance purposes, individuals and legal entities carrying out taxable activities in Guatemala are required to register before the Tax Administration (Superintendencia de Administración Tributaria or SAT). Tax registration is mandatory; free of charge; and may be completed electronically and in person.

SAT operates an online platform that enables taxpayers to complete registrations, invoicing, file tax returns, make payments and perform other tax compliance procedures electronically.

F. Base erosion and profit shifting (BEPS) and private client considerations

Guatemala has recently joined the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on BEPS. Although BEPS measures are primarily aimed at multinational enterprises, this development reflects Guatemala's commitment to international tax transparency and cooperation.

For private clients, the implications are indirect and mainly relate to increased transparency and information exchange in cross-border situations. Foreign wealth structures involving Guatemalan tax residents may be subject to closer scrutiny, particularly where beneficial ownership or control can be attributed to individuals in Guatemala.

Guatemala's participation in the Inclusive Framework does not entail immediate legislative changes, but it may influence future tax administration practices and regulatory developments affecting international private wealth arrangements.