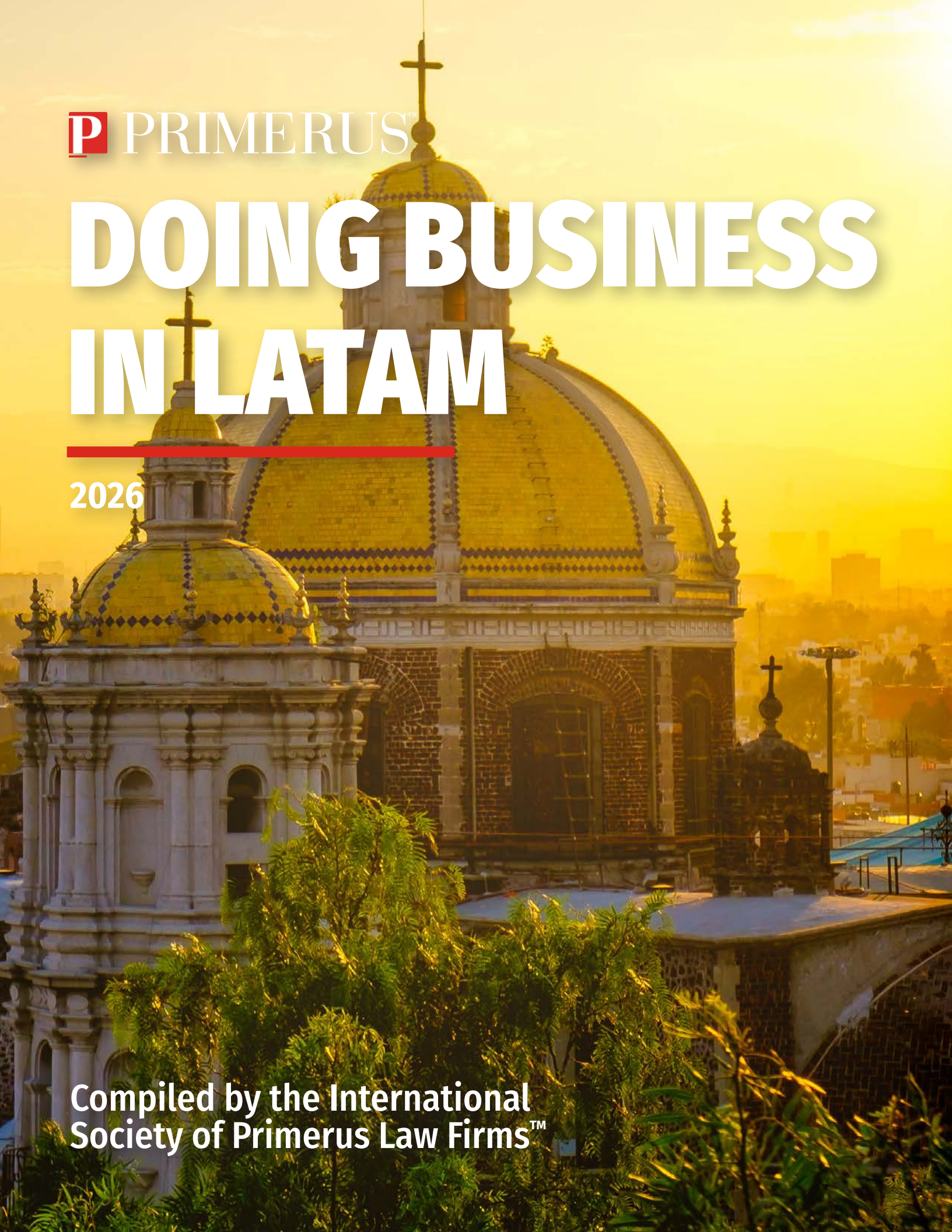


The background of the cover is a photograph of a large, ornate cathedral with multiple domes and crosses, bathed in the warm, golden light of a sunset. The architecture is detailed with stone carvings and arched windows. In the foreground, there are green, leafy branches of a tree or shrub, partially obscuring the lower part of the cathedral. The sky is a gradient of yellow and orange, with a hazy cityscape visible in the distance.

P PRIMERUS™

DOING BUSINESS IN LATAM

2026

Compiled by the International
Society of Primerus Law Firms™



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ABOUT PRIMERUS™

Primerus is an international society of 170 top-rated, independent boutique law firms. When we formed Primerus in 1992, we set out to restore honor and dignity to the legal profession and to help rebuild the public's trust in lawyers and the judicial system by setting these high standards. Twenty five years later, our commitment to these values remains strong and our clients notice the difference in who we are and how we work.

Primerus seeks out, screens, and audits our firms to make sure we have only the finest. We use all the ratings services available to us, including Martindale Hubbell, Best Lawyers, Chambers, and Legal 500, to ensure the law firms we invite to join Primerus are the best in the world. And that is just the beginning. We then conduct a more extensive investigation of the firm, including attorney backgrounds, references, and malpractice history checks. An independent accreditation board has the last word on admission and retention of members, resulting in a high quality standard that's applied universally to all members. Another board oversees quality assurance to more specifically define the high standards embodied within the Six Pillars and to help firms live by those standards in everyday practice. We're confident our strict guidelines ensure Primerus law firms are the world's finest. In fact, The Wall Street Journal has compared Primerus to the "Good Housekeeping Seal of Approval" for law firms.

We search the world for the best law firms so you don't have to. But our work doesn't end there. We bring these firms together into a close-knit society to work together for you. Located in nearly 50 countries around the world and 47 U.S. States, with more joining every day, our firms are poised to serve as your global legal team, working together to meet your needs seamlessly and efficiently. The combined resources and expertise of this global team is never more than a phone call away.

The following guide is intended to be a helpful tool for clients and companies who are exploring, plan on, or currently provide legal services in the Latin America & Caribbean region. Assembled by some of the world's finest law firms, this guide will prove valuable in addressing many frequently asked questions within the region.

2026 Law Firm Locations



BADENI, CANTILO, CARRICART & BILBAO

Practice Areas

Administrative Law
Agribusiness Law
Banking Law
Business Law
Civil Practice Law
Commercial Law
Commercial Real Estate Law
Complex Litigation Law
Constitutional Law
Corporate and Transactional Law
Corporate Law
Employment Law
Entertainment Law
Family Law
Finance Law
International Arbitration Law
Litigation
M&A Law
Media Law
Natural Resources Law
Probate Law
Real Estate Law
Regulatory Law
Tax Law

Argentina

Badeni, Cantilo, Carricart & Bilbao assist clients in a wide range of fields of law and provide creative and skilled legal solutions. Its members are highly trained to provide the most effective and efficient representation.

Throughout the firm's history, the attorneys at Badeni, Cantilo, Carricart & Bilbao in Buenos Aires, Argentina, have advised clients regarding the varied aspects of complex local and international business transactions as well as participating in a substantial number of lawsuits of great institutional and legal significance. Many of these cases which went on to be resolved in the Supreme Court as well as other courts of law, have gone on to become the subject of study at Argentina's prime legal institutions.

Thanks to its structure and organization, Badeni, Cantilo, Carricart & Bilbao has the necessary resources to act in a wide range of legal matters. The firm's lawyers' experience, both academic and professional, allows the Argentina law firm to provide not only legal advice to its clients but also to offer solutions to current business problems.

Badeni, Cantilo, Carricart & Bilbao attorneys are bilingual; several have studied and worked abroad and can communicate fluently and efficiently with English-speaking clients and interpret their requirements correctly.



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BADENI, CANTILO, CARRICART & BILBAO

ARGENTINA

1. Website for company registry search:

- IGJ (General Inspectorate of Justice): www.argentina.gob.ar/justicia/igi. This is the agency responsible for registering business entities in the Autonomous City of Buenos Aires.
- Public Commercial Registry: Depending on the jurisdiction (province), registration is carried out with the local Public Registries.

2. Websites for Foreign Investment related:

- Argentine Agency for Promotion of Investment and International Trade: argentina.ar/. Provides information on investment opportunities and facilitation.
- Ministry of Economy: www.argentina.gob.ar/economia (for specific regulations on foreign investment and the foreign exchange regime).

3. Website for IP-related search and registration:

INPI (National Institute of Industrial Property): www.argentina.gob.ar/inpi. It administers trademarks, patents, and industrial designs.

4. Is it necessary to incorporate the corporate name of the company in contracts?

Yes. It is essential to use the exact and complete corporate name, including the type of entity (e.g., The Limited Liability Company (S.R.L.) and the Corporation (S.A.)), as stated in the articles of incorporation, to ensure that the party can be uniquely identified.

5. Is it necessary to incorporate the corporate identity/registration number?

It is highly recommended to include the CUIT (Unique Tax Identification Number) and, in the case of business entities, the registration information from the applicable public registry. This is a standard requirement in commercial contracts, banking transactions, and filings with government agencies.

6. Is there any local convention for signing contracts?

A handwritten signature is the traditional practice. However, the Digital Signature Act (Law 25,506) recognizes the validity of digital signatures (with a certificate issued by a certified authority) and electronic signatures, provided that the parties agree to their use and the technical and legal requirements are met. For notarial deeds or documents subject to registration, a signature before a notary public remains essential.

ARGENTINA

7. Any requirement for notarization/legalization?

Many private contracts do not require notarization (certification of signatures) to be valid between the parties, but it is essential for establishing a “certain date” and enforceability against third parties. Documents to be used abroad generally require legalization via the Hague Apostille (Argentina is a party to the Convention).

8. Sectors where no foreign investment can be made?

In general, there are no absolute bans on foreign investment by sector, except for specific limitations based on national security or sovereignty considerations, or specific restrictions in border security zones (Law 12,906). Sector-specific regulations (e.g., media or natural resources) should be reviewed.

9. Sectors where there is a cap on foreign investment?

There is no general limit on the percentage of foreign ownership in private companies. However, certain regulated sectors (such as audiovisual communication services or banking) may have specific requirements regarding the composition of the capital or the management.

10. Entry strategies and typical corporate structures?

Common Structures: The S.R.L. and the S.A. are the most commonly used legal structures.

Strategies: Establish a local subsidiary, open a branch office (branch of a foreign company), or form joint ventures. The choice depends on tax and operational strategies, as well as the scale of the investment.

11. Typical permits/licenses?

- Registration with the IGJ or local registry.
- Obtaining a CUIT from the AFIP.
- Registration for national taxes (VAT, income tax) and provincial taxes (gross revenue tax).
- Municipal permits for commercial premises.
- Sector-specific licenses (e.g., energy, financial, environmental).

12. Government control/management of commercial joint ventures?

The government does not manage private joint ventures, except when it is a partner (state-owned enterprises). Oversight is primarily regulatory in nature (protection of competition, sector-specific regulations, and compliance with labor and tax laws).

13. Government oversight/restricted sectors?

The Ministry of Commerce and the National Commission for the Defense of Competition (CNDC) oversee mergers and acquisitions. Sectors such as energy, telecommunications, and finance have their own regulatory agencies (ENARGAS, ENACOM, BCRA).

ARGENTINA

14. Capital availability, infrastructure, labor – constraints and mitigation?

- **Capital:** Access to local financing may be limited by inflationary conditions. International financing typically requires strong collateral.
- **Infrastructure/Labor:** Argentina has a highly skilled workforce (particularly in technology, professional services, and agribusiness). Labor costs include high payroll taxes.
- **Mitigation:** Use of legal incentive schemes, tax planning, and the pursuit of local strategic partnerships.

15. Taxes, duties, and levies?

- **Income Tax:** General corporate tax rate applicable to net income.
- **VAT:** Value-added tax (general rate of 21%).
- **Gross Revenue Tax:** Provincial tax on revenue.
- **Labor Taxes:** High employer contributions.

There are double taxation treaties in place with several countries.

16. Key IP laws?

Trademark Law (Law 22,362) and Patent Law (Law 24,481). The INPI is the enforcement authority. Protection is obtained through formal registration.

17. Local courts vs. international arbitration?

International arbitration is widely used in complex, large-scale contracts (under ICC rules or similar) because of the expertise and efficiency of arbitral tribunals. National courts are competent, but they may experience delays in complex proceedings.

18. Enforceability of foreign arbitration awards?

Yes. Argentina is a party to the 1958 New York Convention, which facilitates the enforcement of foreign arbitral awards, subject to exequatur proceedings before the local courts.

19. Cultural factors?

The business style is very people-oriented; building trust and long-term relationships is key. The use of professional titles is common, and negotiations typically require face-to-face interaction prior to formal agreements.

ARGENTINA

20. Best legal tips?

- Conduct a thorough regulatory and tax due diligence process before entering the market.
- Hire local advisors to structure the company and handle licensing, particularly regarding tax and labor matters, which are complex.
- Include robust dispute resolution clauses (arbitration).
- Ensure the protection of intellectual property from day one.

QUIJANO & ASSOCIATES

Practice Areas

Admiralty Law
Alternative Dispute
Resolution Law
Banking Law
Business Law
Commercial Law
Commercial Real Estate Law
Corporate and
Transactional Law
Corporate Law
Entertainment Law
Finance Law
Immigration Law
Intellectual Property Law
International
Arbitration Law
International Law
International Trade Law
Internet Law
Litigation
Maritime Law
Media Law
Real Estate Law
Resorts and Leisure Law
Securities Law
Trusts and Estates Law

Belize

Since our foundation in 1959, we have provided services in all matters related to the formation of companies, foundations and trusts; vessel registration, capital markets, banking & finance, mergers & acquisitions, immigration law and fiduciary services, among others.

Quijano & Associates offers comprehensive maritime law services, including the registration and representation of vessels under the Panamanian flag, as well as advisory solutions for the creation and maintenance of legal entities across multiple jurisdictions. These include Panama, the British Virgin Islands, Seychelles, Belize, Hong Kong, The Bahamas, The Marshall Islands and Nevis.

With over six decades of experience, our firm has become a trusted partner for banks, international financial institutions, shipping companies, foreign investors, and multinational corporations. From our headquarters in Panama and Switzerland, and through our subsidiaries in the BVI, Belize, Seychelles, and The Bahamas – along with representative offices in Liechtenstein and Hong Kong – we deliver personalized, efficient, and confidential legal support.

We also operate our own trust company, Quijano Trust Corporation, and act as Special Agents for corporate and maritime matters in the Marshall Islands.

Global companies seeking to establish regional headquarters in Panama, international investors looking to benefit from the country's territorial tax system, and leading shipping lines continue to rely on our law firm for efficiency, reliability, and responsive service.

As part of our international reach, Quijano & Associates is a proud member of several prestigious legal networks, including the International Society of Primerus Law Firms, Geneva Group International, and IR Global.

As of 2026, Quijano & Associates formalized a strategic integration with the Panamanian law firm De Obaldía & García de Paredes, with the purpose of expanding our professional capabilities, strengthening our service offering, and further consolidating our presence in the Panamanian market.

This alliance brings together the experience of two law firms whose combined trajectory exceeds 100 years of legal practice. Beyond the numbers, this represents the unification of talents, knowledge, and values that allow us to reaffirm our commitment to providing legal counsel of the highest quality, always under the highest standards of ethics, professionalism, and excellence.



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SIMÕES, RIBEIRO, BERNARDINI & FURIATI ADVOGADOS

Brazil

Simões, Ribeiro, Bernardini & Furiati Advogados advises clients across Brazil and the globe, delivering sophisticated legal solutions in corporate law. The firm brings together partners with diverse backgrounds who share a commitment to providing personalized, strategic, counsel tailored to each client's objectives, and results-focused.

Personalized Corporate Law Solutions in São Paulo

Each partner has more than 20 years of experience in business law, and the firm's reputation is built on the integration of deep legal expertise with a multidisciplinary, collaborative, and modern approach. With a team of 19 experienced, multi-lingual attorneys, Simões, Ribeiro, Bernardini & Furiati guides clients through every stage of their legal matters. Bringing international best practices to both their Brazilian and cross-border legal work, the firm provides strategic representation across diverse practice areas.



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BRAZIL

1. Websites for company registry search and registration services.

- Trade Boards/Company Registries (Juntas Comerciais) are state-level government bodies. Each state trade board has its own portal, and search procedures vary accordingly. For companies located in São Paulo, the portal of JUCERSP: jucesponline.sp.gov.br. For companies in Rio de Janeiro, the portal of JUCERJA: jucerja.rj.gov.br.
- Registration of companies within the Brazilian IRS/Federal Revenue can be consulted at: receita.fazenda.gov.br

2. Websites for foreign investment related services.

- Banco Central do Brasil (BCB): www.bcb.gov.br – all foreign capital entering Brazil must be registered through the BCB's systems named SISBACEN/RDE-IED. Related information is protected and can only be consulted by this authority and the company receiving the foreign investment.
- Invest & Export Brasil (MDIC/Apex-Brasil): www.gov.br/mdic – the Ministry of Development, Industry, Commerce and Services, which coordinates investment promotion.
- Apex-Brasil: www.apexbrasil.com.br – the government trade and investment promotion agency.

3. Website for IP related search and registration.

This is the website of Instituto Nacional da Propriedade Industrial (INPI): www.gov.br/inpi. The Brazilian patent and trademark office, handling trademarks, patents, industrial designs, and geographical indications. Search of the INPI's trademark and patent databases is free of charge and open to the public.

4. Is there a necessity for incorporating the corporate name of the company in contracts?

Yes. Under Brazilian law, contracts must identify the parties with sufficient precision, including full corporate name and legal qualification. It is also common and advisable practice to include the company's CNPJ (registry at Brazilian IRS) and registered head-office address in the contract, which helps identify the contracting entity and can be relevant to determine jurisdiction in the event of a dispute. Omitting this information creates risk of unenforceability and difficulties in identifying the contracting entity.

5. Is there a necessity for incorporating the corporate identity number of the company in contracts?

Yes. The CNPJ must be included in contracts, together with the company's qualification details, as part of the same requirement to identify the contracting parties with sufficient precision discussed above.

BRAZIL

6. Is there any local convention for signing for contracts?

As a general rule, private contracts are mostly recognized and accepted. There is no mandatory hard-signature requirement for most commercial contracts in Brazil and electronic signatures are legally recognized. A widely observed convention is signing contracts in the presence of two witnesses, which confers the status of an extrajudicial enforceable instrument, allowing direct enforcement without a declaratory judgment. Contracts are typically executed in Portuguese, though bilingual versions are permissible for international transactions (the Portuguese version generally prevails in Brazilian courts).

Certain contracts, however, must be executed as a public deed before a notary, notably those creating or transferring rights in rem over real estate.

7. Any requirement of notarization/legalization of contracts?

For commercial contracts, notarization is generally not required, although the parties may choose to certify the signatures of the signatories.

However, and as stated above, certain contracts must be executed as a public deed before a notary, and powers of attorney intended for use in Brazil granted by foreign parties must be notarized and apostilled.

8. Sectors where no foreign investment can be made?

Under the Brazilian Federal Constitution and sector-specific legislation, foreign investment is fully prohibited in nuclear energy activities, which are subject to the Federal Government's monopoly, postal and domestic mail services, ownership of rural land in border areas by foreign nationals or foreign-controlled entities, and of Brazilian-native lands.

9. Sectors where there is a cap on foreign investment?

Under the Brazilian Federal Constitution and sector-specific legislation, certain sectors are subject to caps or conditions on foreign investment: (i) ownership of rural land, where foreign individuals and foreign-controlled Brazilian companies face quantitative and geographic limits on acquisition and lease, including area caps per individual or company and aggregate municipal limits, with additional restrictions in border areas; (ii) media and broadcasting companies, in which at least 70% of total and voting capital must be held, directly or indirectly, by native Brazilians or naturalized citizens of over ten years, who must also hold management positions and set programming content; (iii) financial institutions, where foreign participation requires prior authorization from the President of the Republic and approval from the Central Bank; (iv) health services, where foreign capital participation is regulated and subject to conditions and limitations; (v) mining, where related concessions require compliance with certain local regulations, and mining on border lands is restricted; and (vi) cabotage and coastal shipping, where foreign-flagged vessels may generally only carry cargo in Brazilian coastal shipping and inland waterway navigation when chartered by a Brazilian shipping company.

BRAZIL

10. What are the most effective entry strategies for your jurisdiction, and what are the typical corporate structures utilized?

Recommended entry strategies:

- Incorporation of a local subsidiary: the most common and practical route for established foreign businesses
- Acquisition of an existing Brazilian company: faster market entry
- Joint venture with a local partner: valuable for navigating regulated sectors, local relationships and distribution networks
- Branch office of a foreign company: uncommon, as it requires a Presidential Decree and is administratively burdensome

Typical corporate structures:

- Sociedade Limitada (LLC equivalent): Most commonly used by foreign investors. Flexible, lower compliance burden, limited liability, no public disclosure of shareholder meetings.
- Sociedade Anônima (corporation equivalent): Required for regulated sectors (banks, insurance, publicly traded companies). Higher compliance costs but more capital-raising flexibility. Preferred for large investments or when IPO is considered.
- SLU (single-member LLC): available for sole investors.

11. What are the typical permits and licenses that foreign investors are required to have in order to do business in your region?

Foreign entities can do business with Brazilian entities without the need for any local registration. They may sign contracts and export goods to Brazilian companies without major restrictions. Directors or representatives of the foreign entity visiting Brazil for such purposes may nonetheless need a visa, depending on their jurisdiction of origin and the nature of the visit.

If investing in Brazil, a foreign individual or entity must first obtain its own Brazilian Federal taxpayer registration (CPF for individuals or CNPJ for legal entities) and appoint a Brazil-based attorney-in-fact with powers to manage the investment, receive service of process, and represent the foreign investor before Brazilian authorities and in the local company's corporate acts (such as shareholders'/quotaholders' meetings).

Once the investment structure is in place, the specific registrations, permits, and licenses required for the locally incorporated company depend on the legal form adopted, the location of the business, its economic activities, and the degree of regulatory or environmental risk.

BRAZIL

12. Does your government control and manage commercial joint ventures between foreign investors and local businesses? If so, how?

No, general governmental approval or control applies to joint ventures between foreign and local parties. joint ventures (JVs) are governed by private contractual and corporate arrangements, through general corporate law, shareholder agreements, and consortium agreements.

Antitrust merger control by Brazil's antitrust agency (*Conselho Administrativo de Defesa Econômica*) applies to JVs meeting applicable turnover thresholds, and sector regulators may need to approve changes of control in regulated industries. Sectoral regulators may impose additional approval requirements in regulated industries.

13. How does your government oversee proposed activities by foreign investors, and are there specific sectors of the economy where foreign investment is restricted?

Brazil does not have a general foreign direct investment (FDI) screening mechanism for national-security purposes. From a screening perspective, this makes market entry comparatively straightforward. This does not mean, however, that foreign investment is unsupervised: depending on the target sector, the assets involved and the size of the transaction, prior approval, licensing or ownership limitations may still apply. A sector-specific regulatory analysis is therefore advisable before signing or closing any transaction. In practice, oversight of foreign investment is exercised through the following authorities, each within its respective competence:

- **Central Bank of Brazil:** Monitors foreign direct investment inflows and cross-border credit transactions through its electronic reporting systems. Depending on the amount and nature of the transaction, the foreign investor or the Brazilian recipient entity may be subject to registration and periodic reporting obligations.
- **Federal Revenue Service:** Monitors the pricing and structuring of cross-border transactions and intercompany financing, including transfer pricing and capitalization rules, to prevent artificial profit shifting abroad.
- **Brazil's antitrust agency:** Requires pre-merger notification for transactions meeting the applicable revenue thresholds, prior to closing.
- **Sector regulators:** Activities and approvals within regulated industries are supervised by the relevant sectoral regulator, including ANATEL (telecommunications), ANEEL (electricity), ANP (oil and gas), ANVISA (health products), SUSEP (insurance), CVM (capital markets), and BCB (financial institutions).
- **COAF (Conselho de Controle de Atividades Financeiras), Brazil's financial intelligence unit:** Exercises anti-money laundering oversight over relevant transactions.

Restrictions are limited to the sectors noted earlier in items 8-9.

BRAZIL

14. What should be considered regarding capital availability and access in your jurisdiction? Are there significant constraints related to capital, infrastructure, or labor, and what strategies can be used to address them?

Credit is generally abundant in Brazil, but interest rates have remained high in recent years, so borrowing costs should be factored into any financing plan. Beyond conventional bank credit, Brazil offers BNDES (Brazil's national development bank) financing, project finance, investment funds, and export credit lines, though eligibility varies by line and should be confirmed case by case, including for foreign-controlled companies. Equity-heavy structures and export credit lines are also commonly used to lower the overall cost of capital.

Brazil's layered federal, state, and municipal tax framework calls for careful planning; specialized tax counsel and available incentives can help navigate it efficiently. Consumption taxation is currently being consolidated into a VAT-like system, with a transition period running through 2033, aimed at simplifying the framework and reducing companies' operational costs.

Infrastructure quality varies by region, particularly in logistics, ports, and energy, so site selection benefits from due diligence on connectivity and permitting timelines, and public-private partnerships offer an additional avenue worth considering.

Brazil's labor framework offers a well-defined set of employee protections, which rewards careful workforce structuring from the outset; independent contractor arrangements work best where genuine autonomy exists, and locally compliant employment solutions are generally advisable for initial market entry.

15. What kind of taxes, duties, and levies can foreign investors expect to face in your jurisdiction?

Brazil has a multi-level tax system, with taxes levied at the federal, state, and municipal levels. Careful upfront tax planning is important given this layered structure, and specialized local tax advice is recommended to navigate the applicable regimes efficiently. Foreign investors should expect to face the following main categories of taxes:

Federal taxes

- **IRPJ (Corporate Income Tax):** 15% on taxable income, plus a 10% surtax on annual profits exceeding the current threshold of BRL 240,000. This surtax applies under both the Actual Profit regime and the Deemed Profit regime. The tax base depends on the applicable taxation regime, which should be assessed with local tax counsel.
- **CSLL (Social Contribution on Net Income):** 9% for general entities (20% for financial institutions). It is non-deductible for IRPJ purposes.
- **PIS/COFINS (social contributions on gross revenue):** 3.65% under the cumulative regime or 9.25% under the non-cumulative regime, depending on the applicable taxation regime.
- **IPI (Excise Tax on Manufactured Products):** A federal tax on manufactured goods (domestic or imported), with rates generally ranging from 0% to 30% depending on the product's essentiality (some products, such as tobacco, can exceed this range); exports are exempt.

BRAZIL

- **II (Import Duty):** A federal tax levied on imported goods, with rates generally ranging from 0% to 35% depending on the product's tariff classification under the Mercosur Common External Tariff.
- **IE (Export Duty):** A federal tax levied on exports, generally at a 0% rate; higher rates (up to 30%) apply only to a limited list of strategic products.
- **IOF (Tax on Financial Transactions):** A federal tax levied on credit, foreign exchange, insurance, and securities transactions. Rates vary significantly by transaction type and are frequently adjusted by presidential decree; outbound financial transactions are currently generally taxed at 3.5%, while inbound financial transactions (including foreign investment inflows) are generally taxed at 0.38% or exempt, and credit operations involving legal entities are subject to a fixed rate plus a daily accrual rate. Current rates should always be confirmed given frequent regulatory changes.
- **ITR (Rural Land Tax):** A federal tax levied annually on rural real property, with progressive rates ranging from 0.03% to 20% of the land's taxable value, depending on the property's total area and its degree of productive use; small rural plots may be exempt under certain conditions.

State taxes

- **ICMS (VAT on goods and certain services):** Rates typically 17-20% internally, with significant state-by-state variation and tax-incentive competition.
- **ITCMD:** Tax on donations and inheritance, with rates generally ranging from 2% to 8% depending on the state, subject to a nationwide 8% cap.

Municipal taxes

- **ISS:** Services Tax (2-5% on service revenues).
- **IPTU:** Urban property tax, with rates commonly ranging from approximately 0.3% to 3.5% of the property's assessed value, depending on the municipality and property type; there is no nationwide statutory cap.
- **ITBI:** Real estate transfer tax (typically 2-3% on real estate acquisitions).

Payroll and social charges

- **INSS:** Employer social security contributions (20% of payroll, plus work-accident and third-party charges).
- **FGTS:** Severance fund deposits (8%), which together add roughly 70-100% on top of nominal salaries.

Note on Tax Reform: Brazil's constitutional tax reform is progressively replacing ICMS, ISS, PIS, and COFINS with two new VAT-like taxes: CBS (federal) and IBS (state/municipal), alongside a new Selective Tax (IS) levied on goods and services deemed harmful to health or the environment. IPI rates are being reduced to zero for most products, with a few exceptions. The transition period runs from 2026 to 2033. Foreign investors must monitor the implementation closely as it substantially alters tax planning.

BRAZIL

16. What are the rates of tax (Corporate Tax Rate/On Dividend/On Royalty/On Sale of Shares in Local Company)?

The rates below cover the specific taxes most relevant to a foreign investor's return on investment; for a full overview of the Brazilian tax system, see item 15 above.

- **Corporate Tax Rate:** Combined 34% (15% IRPJ, plus a 10% surtax on annual profits above BRL 240,000, plus 9% CSLL; 20% CSLL for banks). The effective rate depends on the applicable taxation regime (the Actual Profit regime or the Deemed Profit regime, as described in item 15), which should be assessed with local tax counsel as part of any structuring analysis.
- **On Dividends:** As of 2026, dividends are subject to a 10% withholding income tax for non-resident beneficiaries. A transition rule preserves the prior exemption for profits accrued up to FY2025, provided distribution was approved by December 31, 2025 and payment occurs by 2028. The related financial remittance is currently exempt from IOF (0%), though this rate is set by decree and subject to change.
- **On Royalties:** 15% withholding income tax (25% for beneficiaries in listed tax havens), plus a 10% CIDE-royalties charge payable by the Brazilian licensee, subject to treaty relief where applicable. Trademark and software licensing payments are also generally subject to municipal ISS (2-5%, depending on the municipality), though its applicability to certain royalty categories (e.g., copyright licensing) remains a matter of legal debate. The related FX remittance is currently subject to IOF at 3.5%, a rate set by decree and subject to change.
- **On Sale of Shares in a Local Company:** Capital gains earned by non-residents are subject to progressive withholding tax of 15% to 22.5% (25% flat if the seller is resident in a tax haven). The Brazilian buyer or the seller's local representative is responsible for withholding, even in offshore-to-offshore transfers of Brazilian shares. The related financial remittance is currently exempt from IOF (0%) for the repatriation of registered foreign investment, though this rate is set by decree and subject to change.

17. What key intellectual property laws are most relevant to inbound investors and foreign imports or their distributors (such as trademark protection, licensing)?

The Industrial Property Law governs trademarks, patents, and industrial designs. Brazil follows a first-to-file system, so registering trademarks with the INPI before market entry is a key protective step for inbound investors and distributors. Software and copyright legislation protect software and other works. License and technology transfer agreements should be recorded with the INPI, for enforceability against third parties and for the tax deductibility of the related royalty payments by the Brazilian licensee. Brazil is a party to the Paris Convention, the PCT (Patent Cooperation Treaty), the TRIPS Agreement, and the Madrid Protocol (international trademark registration) since 2019, giving investors access to internationally recognized filing and protection routes.

BRAZIL

18. In the event of a commercial dispute, would local courts or international arbitration provide a more favorable forum for foreign investors to resolve the issue?

Brazil offers foreign investors two well-established and reliable avenues to resolve commercial disputes: the state court system and arbitration, and the right choice often depends on the size and nature of the dispute.

Brazilian courts are widely used, including by foreign investors, particularly for lower-value disputes where arbitration costs would be disproportionate; several jurisdictions, such as São Paulo, have specialized business courts with growing expertise in complex commercial matters.

Arbitration, in turn, is generally preferred for higher-value or more complex commercial or technical disputes. Its main advantages are speed (typically 18-36 months, versus 5-10+ years in court litigation through final appeal), the direct enforceability of awards both domestically and abroad under the New York Convention, the parties' ability to choose specialist arbitrators, a neutral venue and the language of the proceedings, and confidentiality. Brazil has a mature and reliable arbitration framework, with courts consistently supportive of arbitration agreements and awards, and hosts well-regarded arbitral institutions. These benefits come at a higher upfront cost (institutional and arbitrators' fees), which explains why arbitration is generally reserved for higher-value matters, while litigation before Brazilian courts remains a viable and cost-effective option for lower-value disputes.

19. Are foreign arbitration awards enforceable?

Yes. Brazil is a party to the 1958 New York Convention (ratified in 2002), and its framework for enforcing foreign arbitral awards is considered reliable and arbitration-friendly. Foreign arbitral awards are enforceable after recognition (*homologação*) by the Superior Court of Justice (STJ), which reviews only formal and public policy requirements, not the merits of the award. Once recognized, the award is enforced as a domestic judgment. The process typically takes 6-18 months, and the STJ may grant urgent interim relief while recognition is pending.

Importantly, under Brazilian law the nationality of an award is determined by the seat of arbitration. Awards rendered in Brazil (even under foreign institutional rules and in a foreign language) are deemed domestic and require no recognition proceeding, being immediately enforceable before Brazilian courts. For contracts with Brazilian counterparties whose assets are located in Brazil, choosing a Brazilian seat is therefore an effective strategy to eliminate the recognition step altogether.

BRAZIL

20. How do cultural factors influence business practices and negotiations in your jurisdiction?

- Brazilians place strong value on personal relationships as a foundation for successful business. Investing time in social interaction, such as meals and informal meetings, before formal negotiations tends to build stronger, longer-lasting partnerships.
- Decision-making tends to be centralized at senior levels; ensure senior-level engagement in negotiations.
- Portuguese is the sole official language and the language of all legal documents and court proceedings. Not everyone in Brazil is fluent in English, so bilingual counsel is essential. Assuming Spanish suffices is a common mistake.
- Meetings may start late; deadlines are sometimes treated as targets rather than firm commitments. Build flexibility into project timelines.
- Brazilians tend to have an indirect communication style and may be reluctant to say “no” directly. Learn to read non-committal responses as potential refusals.
- Expect long negotiation cycles and extended negotiation periods; rushing can damage relationships and deals.
- Local presence matters. Having a Brazilian representative or local office signals commitment and is often necessary to build trust and navigate the regulatory environment.

21. Best legal tips for doing business in your jurisdiction. (What you wish others knew about doing business in your jurisdiction.)

- Engage local Brazilian counsel early. Brazil’s regulatory and tax framework has features and layers of its own, and specialized Brazilian lawyers add significant value in structuring the investment efficiently from day one.
- Structure your investment vehicle carefully. Corporate documents – the articles of association/bylaws and, where applicable, a shareholders’/quotaholders’ agreement – should be carefully tailored to the specific investment, rather than adapted from a generic template. This is particularly important when a local partner is involved: provisions on governance, deadlock resolution, transfer restrictions, non-compete, exit mechanisms, and minority protections should be negotiated up front and reflect the real balance of interests between the foreign investor and the local partner.
- Register your IP at INPI immediately; Brazil is a first-to-file jurisdiction. Trademark squatting is a real risk; file before entering the market.
- Register foreign capital with the BCB promptly; every inbound investment must be registered. Failure to do so on time creates penalties and complications on repatriation.
- Plan for the tax burden from day one; Brazil’s multi-level tax system adds up to a significant overall burden. Engage local tax counsel early, factor the applicable federal, state, and municipal taxes into your financial model, and monitor the ongoing tax reform, which will reshape indirect taxation through 2033.

BRAZIL

- Understand labor and employment obligations from day one; Brazilian employment law provides extensive employee protections. Independent contractors should only be engaged where genuine autonomy exists, since arrangements that in practice resemble an employment relationship may be reclassified as such, with resulting retroactive entitlements, social security, and tax obligations. Budgeting for statutory employment costs from the outset – including FGTS, employer social security contributions, 13th-month salary, annual paid leave plus the one-third vacation bonus, and applicable collective bargaining benefits – allows for accurate cost planning.
- Choose your service providers carefully – BPO firms, accounting, and payroll providers play a central role in day-to-day compliance. A poorly chosen provider may not cause an immediate problem, but errors in bookkeeping, payroll processing, or tax filings tend to surface only later, as tax and labor contingencies that can be costly and time-consuming to unwind. Vet providers' track record and references before engaging them and monitor their work on an ongoing basis rather than treating the engagement as a one-off decision.
- Do not count on US-style discovery; manage your own evidence. Brazil has no broad discovery or document production regime comparable to common law jurisdictions, and arbitral tribunals seated in Brazil tend to order narrow, targeted production only. Keep complete records of contracts, amendments, correspondence, and performance from day one; the evidence you control is usually the evidence you will litigate with.
- Comply with the Anti-Corruption Law; Brazilian law imposes strict liability on companies for corruption acts by employees and intermediaries. Implement a robust compliance program before operations begin.

QUIJANO & ASSOCIATES

Practice Areas

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Commercial Real Estate Law
Corporate and Transactional Law
Corporate Law
Entertainment Law
Estate Planning Law
Finance Law
Intellectual Property Law
International Arbitration Law
International Law
International Trade Law
Internet Law
Litigation
Maritime Law
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Real Estate Law
Resorts and Leisure Law
Securities Law
Trusts and Estates Law

British Virgin Islands

Since our foundation in 1959, we have provided services in all matters related to the formation of companies, foundations and trusts; vessel registration, capital markets, banking & finance, mergers & acquisitions, immigration law and fiduciary services, among others.

Quijano & Associates offers comprehensive maritime law services, including the registration and representation of vessels under the Panamanian flag, as well as advisory solutions for the creation and maintenance of legal entities across multiple jurisdictions. These include Panama, the British Virgin Islands, Seychelles, Belize, Hong Kong, The Bahamas, The Marshall Islands and Nevis.

With over six decades of experience, our firm has become a trusted partner for banks, international financial institutions, shipping companies, foreign investors, and multinational corporations. From our headquarters in Panama and Switzerland, and through our subsidiaries in the BVI, Belize, Seychelles, and The Bahamas – along with representative offices in Liechtenstein and Hong Kong – we deliver personalized, efficient, and confidential legal support.

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MAGLIONA ABOGADOS

Practice Areas

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Industrial Property Law
Intellectual Property Law
Internet Law
Labor and Employment Law
Litigation
M&A Law
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Motion Picture Production and Distribution Law
Motion Pictures and Television Law
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Chile

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MAGLIONA
— ABOGADOS —

CHILE

1. Websites for company registry search and registration services:

Chile has two registration systems:

- **Simplified electronic system:** Registry of Companies and Legal Entities (RES) of the Chilean Ministry of Economy, Development and Tourism. It provides online incorporation, amendment, dissolution, searches and certificates for companies registered or migrated into this system: www.registrodeempresasysociedades.cl/ObtenerCertificadosHome2.aspx.
- **Traditional registration system:** Companies are registered with the Commercial Registry corresponding to their registered office. For Santiago: Santiago Commercial Registry (CBRS), including its company search index: www.conservador.cl/portal/indice_comercio (new web site: nuevo-portal.conservador.cl/consultas-en-linea/indices/indice-del-registro-de-comercio).

2. Website for foreign investment related services:

Foreign Investment-Related Services: InvestChile, the Foreign Investment Promotion Agency, provides free specialized services, information and support to foreign investors throughout the different stages of their investment projects in Chile: www.investchile.gob.cl.

3. Websites for IP related search and registration:

National Institute of Industrial Property (INAPI): Search and registration of trademarks, patents, utility models, industrial designs, geographical indications and other industrial property rights: www.inapi.cl.

Department of Intellectual Rights (DDI): Registration of copyright-protected works, software, phonograms, pseudonyms and copyright-related agreements: www.derechosintelectuales.gob.cl.

4. Is there a necessity for incorporating the corporate name of the company in contracts?

Yes. In accordance with the supplementary legal provisions of the Chilean Civil Code, the contracting parties must be duly identified. Every contract must identify the party by its full corporate name, corporate form (SpA, Ltda., S.A.), and legal representative, including evidence of the representative's power (usually by referring to the relevant deed of incorporation and/or power of attorney). Failure to properly identify the party may create issues regarding enforceability and opposability.

5. Is there a necessity for incorporating the corporate identity number of the company in contracts?

Yes. The contracting parties must be duly identified by establishing the company Taxpayer Identification Number (RUT) as a Chilean contractual, tax, and notarial practice. It is required for billing, execution of notarial public deeds, registry filings, and any procedure before the Chilean Internal Revenue Service (SII). Its omission does not invalidate the contract, but it may create significant operational friction, including issues with invoicing, withholding taxes, and registrations.

CHILE

6. Is there any local convention for signing for contracts?

There is no single local convention governing the execution of all contracts. In addition to the general and supplementary rules established in the Civil Code, private instruments may generally be executed with handwritten or electronic signatures, and electronic signatures are legally recognized under Law No. 19,799. However, certain transactions, including real estate sales, mortgages, and some corporate acts, require execution by public deed before a notary and may also require registration or publication. Parties may appear personally or through a duly authorized representative, and special powers of attorney are commonly used when personal attendance is not possible. Foreign documents and powers of attorney may require apostille or legalization before being used in Chile.

7. Any requirement of notarization/legalization of contracts?

The formalities will depend on the type and nature of the contract. Private contracts do not require notarization unless the law requires a public instrument (e.g., sale of real estate, mortgages, incorporation of companies under the traditional regime). However, as a matter of evidence, in private instruments, the signatures of the parties are typically certified (legalized) before a notary public.

Documents executed abroad generally must be legalized through the Haya Apostille (Chile is a party) or consular legalization otherwise and frequently require protocolization before a Chilean notary and translation if in a foreign language. Powers of attorney granted abroad must generally be granted before a Chilean consul, or apostilled and protocolized.

8. Sectors where no foreign investment can be made?

Chile has a very open regime, with no broad list of prohibited sectors. However, there are certain very specific restrictions on foreign investment or foreign participation: land ownership in border zones (special authorization, DL 1,939); artisanal fishing reserved to Chileans/Chilean-flagged vessels; activities linked to nuclear materials (state control via CCHEN); and maritime cabotage, largely reserved to Chilean-flagged vessels.

9. Sectors where there is a cap on foreign investment?

There is no generalized system of percentage caps. Lithium: reinforced state control (CODELCO/ENAMI as majority partners under the National Lithium Strategy); private/foreign participation via contracts with the State. Copper: no legal cap, but CODELCO (state) retains a significant role. Media and regulated sectors (banks, insurance, pension funds) have suitability/authorization requirements from the CMF, not properly a foreign cap.

10. What are the most effective entry strategies for your jurisdiction, and what are the typical corporate structures utilized?

The most effective entry strategy depends on the scale and nature of the investment. Foreign investors commonly establish a Chilean subsidiary, particularly a Sociedad por Acciones (SpA), due to its flexible ownership and management structure, or a Sociedad Anónima (S.A.) for larger or regulated businesses. Other alternatives include a limited liability company (Ltda.) or an agency of a foreign company.

CHILE

11. What are the typical permits and licenses that foreign investors are required to have in order to do business in your region?

Tax ID (RUT) and start of activities before the SII. Municipal business license (patente municipal). Sector permits: health, environmental (SEA), labor, and customs. Regulated sectors (banking, insurance, pension funds, telecommunications, and power generation) require CMF or sector regulator authorization. Work/residency visa for key foreign personnel.

12. Does your government control and manage commercial joint ventures between foreign investors and local businesses? If so, how?

No general prior-approval regime for private commercial joint ventures; governed by ordinary corporate/contract law. State control only appears in regulated sectors (financial, lithium, and certain natural resources), not merely because a partner is foreign.

13. How does your government oversee proposed activities by foreign investors, and are there specific sectors of the economy where foreign investment is restricted?

Since the repeal of the former DL 600, the framework is Law No. 20,848 (2015), creating the FDI regime (*Inversión Directa Extranjera*) and InvestChile. No general screening mechanism; capital inflows are channeled through the formal exchange market subject to informational registration before the Central Bank. Sector-specific restrictions are those noted in Question 8 and Question 9.

14. What should be considered regarding capital availability and access in your jurisdiction? Are there significant constraints related to capital, infrastructure, or labor, and what strategies can be used to address them?

Chile generally offers good access to capital, modern infrastructure, and an open investment framework. Foreign investment usually requires no prior authorization, while capital inflows exceeding USD 10,000 must be channeled through the formal exchange market and reported to the Central Bank. Potential constraints include regulatory and permitting requirements, sector-specific restrictions, and a protective labor framework. These can be addressed through early financing and tax planning, proper registration of capital flows, careful assessment of permits and labor costs, and engagement with local legal, tax, and technical advisers.

15. What kind of taxes, duties, and levies can foreign investors expect to face in your jurisdiction?

Foreign investors in Chile face four main layers of taxation: (i) corporate income tax (IDPC) on the company's profits; (ii) an additional tax withheld on dividends/profit remittances to non-resident shareholders; (iii) an additional tax on royalties and technical/engineering service payments made abroad; and (iv) tax on capital gains from the sale of shares or equity interests in Chilean companies. Beyond direct/withholding taxes, investors also face VAT (19%) on most goods and services, Stamp Tax on credit and financing instruments, municipal tax on business activities, and territorial tax on real estate. A specific mining royalty may also apply to mining operators. Chile's double taxation agreements may reduce or eliminate taxation at source for certain payments.

CHILE

16. What are the rates of tax (Corporate Tax Rate/On Dividend/On Royalty/On Sale of Shares in Local Company)?

- **Corporate Tax Rate:** General regime 27%; Pro-SME (Pro Pyme): transitional rate of 12.5% for commercial years 2025–2027 and 15% for commercial year 2028, pursuant to Law No. 21,755. Permanent rate: 25%.
- **On Dividend:** 35% additional tax withheld on remittances to non-residents, with credit for corporate tax paid. The effective overall tax burden is generally 35% for recipient's resident in jurisdictions with a double taxation agreements (DTAs) and may reach 44.45% for recipients in non-treaty jurisdictions.
- **On Royalty:** Payments to non-residents are generally subject to 30% additional tax. A reduced 15% rate applies to certain industrial property rights, including patents, utility models, industrial designs, integrated circuit layouts, plant varieties, and non-standard software. Standard software is exempt, while lower rates may apply under double taxation treaties.
- **On Sale of Shares in Local Company:** Capital gains derived by a non-Chilean resident from the sale of shares in a Chilean company are generally subject to 35% additional tax on the gain, subject to applicable exemptions and double taxation treaty provisions. A 10% single tax applies to qualifying publicly traded shares that meet the requirements of Article 107 of the Chilean Income Tax Law.

Other Taxes: VAT: 19%. Stamp Tax: 0.066% per month or fraction thereof, capped at 0.8%; instruments payable on demand or without a maturity date are subject to a 0.332% rate. Real estate is subject to territorial tax at rates ranging from 1% to 1.4% of its tax-assessed value.

- *Note:* A tax reform bill is currently under consideration. Among other measures, it provides for a gradual reduction of the corporate tax rate and a tax invariability regime for investments exceeding specified thresholds, applicable to both domestic and foreign investors.

17. What key intellectual property laws are most relevant to inbound investors and foreign imports or their distributors, (such as trademark protection, licensing)?

Law No. 19,039 on Industrial Property (trademarks, patents, and designs) – INAPI.

Law No. 17,336 on Intellectual Property (copyright). First-to-file trademark system: Register before distributing.

License/distribution agreements don't require mandatory INAPI registration to be valid as between the parties. However, if they are not registered with INAPI, they are not enforceable against third parties; registration is therefore required for third-party opposability and is also relevant for customs enforcement.

Chile is party to Paris Convention of Industrial Property, the Patent Cooperation Treaty (PCT), and Madrid Protocol (since 2022).

CHILE

18. In the event of a commercial dispute, would local courts or international arbitration provide a more favorable forum for foreign investors to resolve the issue?

International arbitration is usually preferred for higher-value/cross-border contracts (neutrality, specialization, and predictable enforcement). Local courts are reasonably effective and reliable, though slower, and are the only avenue for specific matters (labor and tax).

19. Are foreign arbitration awards enforceable?

Yes. Chile is a party to the 1958 New York Convention and has Law No. 19,971 (UNCITRAL Model Law based). Recognition (exequatur) is processed before the Supreme Court, with limited grounds for refusal; courts are generally favorable to enforcement.

20. How do cultural factors influence business practices and negotiations in your jurisdiction?

Personal trust-building is important in Chile, although the business environment is generally more formal and hierarchical than in other Latin American jurisdictions. Punctuality is highly valued, and business relationships are often developed through regular personal interactions. Communication tends to be diplomatic and indirect, particularly when declining proposals. Initial dealings are formal and title-conscious, becoming more relaxed as trust develops. Lawyers are commonly involved from the early stages of negotiations, particularly in corporate and commercial transactions.

21. Best legal tips to doing business in your jurisdiction. (What you wish others knew about doing business in your jurisdiction.)

Solid institutions/rule of law:

- Formal processes must be strictly followed.
- Watch notarial and registry timing and build in buffers.
- Verify powers of attorney rigorously, especially foreign-granted ones.
- Plan taxes early given the integrated tax system and additional tax on remittances.
- Do not underestimate Chile's protective labor regime.
- Certain transactions may require merger control filings.
- Environmental and sector-specific permits can be lengthy and should be assessed at an early stage.
- Strong compliance, Anti-Money Laundry (AML) and corporate governance practices are increasingly important.

PINILLA, GONZÁLEZ & PRIETO ABOGADOS

Practice Areas

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Computers and Software Law
Constitutional Law
Construction Law
Consumer Protection Law
Contracts Law
Copyright Law
Corporate and Transactional Law
Corporate Governance Law
Corporate Law
Corporate Litigation Law
Criminal Law
Data Protection Law
Disciplinary Law
Education Law
Employment Law
Energy Law
Environmental Law
Family Law
Foreign Investment Law
Housing and Urban Development Law
Information Technology Law
Insolvency Law
International Arbitration Law
International Commercial Law

Colombia

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COLOMBIA

Practice Areas cont.

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 International Mergers and
 Acquisitions Law
 International Taxation Law
 Investment Law
 Labor and Employment Law
 Labor Law
 Litigation
 M&A Law
 Medical Liability Law
 Natural Resources Law
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 Oil and Gas Law
 Outsourcing Law
 Police Law
 Project Finance Law
 Property Law
 Public Contract Law
 Public Finance Law
 Public Law
 Public Utility Law
 Real Estate Law
 Tax Law
 Tax Litigation Law
 Tax Planning Law
 Trusts and Estates Law
 Utility Law
 Zoning, Planning, and
 Land Use Law

1. Websites for company registry search and registration services:

The main national website to search company registration information is the **Registro Único Empresarial y Social (RUES)**: www.rues.org.co/. RUES allows users to search basic information of registered companies and business entities in Colombia and to obtain certificates related to commercial registration.

Company incorporation and registration services may also be accessed through the **Ventanilla Única Empresarial (VUE)**: www.vue.gov.co/, which allows online company registration before the relevant Chamber of Commerce.

2. Websites for foreign investment related services:

Foreign investment registration and exchange-control matters are handled through the **Banco de la República**: www.banrep.gov.co/. Foreign investment may be automatically registered when foreign exchange is channelled through an authorized foreign exchange intermediary or compensation account, depending on the transaction.

The Ministry of Commerce, Industry and Tourism (MINCIT) also provides official guidance on foreign investment in Colombia: www.mincit.gov.co/.

3. Website for IP related search and registration:

The competent authority for industrial property matters in Colombia is the **Superintendencia de Industria y Comercio (SIC)**. Trademark, patent and industrial design searches and filings are generally made through the **Oficina Virtual de Propiedad Industrial (SIPI)**: sipi.sic.gov.co/.

For trademarks, the SIC website provides access to trademark registration information, trademark searches, the Industrial Property Gazette and related tools.

4. Is there a necessity for incorporating the corporate name of the company in contracts?

Yes. As a matter of Colombian legal and commercial practice, contracts should identify each corporate party by its full corporate name or legal name, as registered with the Chamber of Commerce and reflected in the certificate of existence and legal representation. RUES (rues.org.co) and the Chambers of Commerce (ccb.org.co) are the official sources to verify the company's registered name and status.

COLOMBIA

5. Is there a necessity for incorporating the corporate identity number of the company in contracts?

Yes. It is highly recommended and standard practice to include the company's **Número de Identificación Tributaria (NIT)** in contracts, together with the corporate name, domicile, address, and identification of the legal representative. The RUES allows consultation using company identification information, and the commercial registry contains identification details of registered merchants and companies.

6. Is there any local convention for signing of contracts?

Yes. Colombian contracts customarily include:

- Full legal name of each party
- NIT or identification number
- Domicile and address
- Name and identification of the legal representative
- Reference to the legal representative's authority, usually based on the certificate of existence and legal representation
- Signature blocks for each party
- In some cases, initials on each page, although this is a practice rather than a general legal requirement

Electronic signatures are generally accepted in Colombia, subject to compliance with applicable electronic commerce and evidentiary rules. For high-value or regulated transactions, parties typically use certified electronic signatures or digital signature platforms.

7. Any requirement of notarization/legalization of contracts?

As a general rule, ordinary commercial contracts do not require notarization to be valid, unless a specific legal formality applies to the transaction. However, notarization, authentication, public deed, or registration may be required for specific acts, such as certain real estate transactions, powers of attorney, corporate acts requiring public deed, documents executed abroad, or documents to be filed with public authorities.

For example, the incorporation of a **Sociedad por Acciones Simplificada (S.A.S.)** may generally be made by private document registered before the Chamber of Commerce, while some corporate or asset-transfer structures may require additional formalities.

Documents executed abroad may need apostille or legalization, and, if issued in a language other than Spanish, official translation, depending on the intended use before Colombian authorities.

COLOMBIA

8. Sectors where no foreign investment can be made?

Colombia generally applies the principle of universality and equal treatment for foreign investment. However, foreign investment is restricted or prohibited in certain areas, including:

- Activities related to national defense and national security; and
- Processing, disposal, or dumping of toxic, hazardous or radioactive waste not produced in Colombia.

9. Sectors where there is a cap on foreign investment?

The main express cap is in open television concessionaires, where foreign investment may not exceed 40% of the total capital stock of the concessionaire company.

Other sectors, such as financial services, hydrocarbons, mining, public utilities, telecommunications, ports, transport, health, gambling, and insurance, may not necessarily have general foreign ownership caps, but they are subject to specific licensing, authorization, concession or supervisory regimes.

10. What are the most effective entry strategies for your jurisdiction, and what are the typical corporate structures utilized?

The most common entry strategies are:

- **Incorporating a local subsidiary**, usually as a S.A.S., because it offers flexibility, limited liability, and simplified corporate governance. A S.A.S. may be incorporated by one or more shareholders and acquires separate legal personality once registered with the Commercial Registry.
- **Registering a branch of a foreign company**, typically used where the foreign parent wants to operate directly in Colombia, particularly in infrastructure, oil and gas, mining, or regulated industries.
- **Entering into distribution, agency, franchise, or commercial alliance agreements**, where the investor wants market access without immediate incorporation.
- **Joint ventures**, contractual or corporate, especially for infrastructure, energy, public procurement, and local market access.

For most private-sector investments, the S.A.S. is usually the preferred vehicle due to flexibility, limited liability, no mandatory board of directors unless provided in the bylaws, and ease of incorporation.

COLOMBIA

11. What are the typical permits and licenses that foreign investors are required to have in order to do business in your region?

There is no single general business license applicable to all foreign investors. Typical requirements may include:

- incorporation or registration with the relevant Chamber of Commerce;
- tax registration before DIAN and obtaining a NIT;
- foreign investment registration before the Banco de la República, when applicable;
- municipal industry and commerce tax registration;
- sector-specific permits, licenses, concessions or authorizations;
- labor, social security and payroll registrations if employees are hired;
- data protection registration and compliance, where applicable; and
- environmental permits, if the project has environmental impact.

Foreign investment is generally registrable before the Banco de la República, and registration grants exchange rights such as remittance of profits and repatriation of capital, subject to applicable rules.

12. Does your government control and manage commercial joint ventures between foreign investors and local businesses? If so, how?

As a general rule, the Colombian government does not control or manage private commercial joint ventures between foreign investors and local businesses. Private parties are generally free to structure contractual or corporate joint ventures, subject to general corporate, tax, competition, foreign exchange, anti-money laundering, public procurement, and sector-specific rules.

However, government approval or supervision may be required if the joint venture operates in regulated sectors such as financial services, public utilities, hydrocarbons, mining, telecommunications, infrastructure concessions, health, insurance, gambling, or national-security-sensitive activities.

COLOMBIA

13. How does your government oversee proposed activities by foreign investors, and are there specific sectors of the economy where foreign investment is restricted?

Colombia does not have a general foreign-investment screening mechanism comparable to some national-security review regimes in other jurisdictions. Foreign investment is generally permitted and receives equal treatment, subject to the special restrictions and sectoral rules applicable to defense/security, hazardous waste, open television concessionaires, and regulated sectors.

Oversight is exercised through:

- Foreign exchange registration and reporting before the Banco de la República
- Tax reporting before DIAN
- Corporate registration and supervision by Chambers of Commerce and, where applicable, Superintendencia de Sociedades
- Sectoral authorities, depending on the industry
- AML/CTF, competition, consumer protection, data protection, and environmental compliance rules

14. What should be considered regarding capital availability and access in your jurisdiction? Are there significant constraints related to capital, infrastructure, or labor, and what strategies can be used to address them?

Foreign investors should consider access to local banking, exchange-control registration, tax treatment of capital contributions and debt, interest deductibility, withholding taxes, thin capitalization rules, and foreign exchange volatility. Foreign investment registration is important because it supports exchange rights, including remittance of dividends and repatriation of capital.

Practical constraints may include regulatory uncertainty, infrastructure gaps, permitting timelines, regional security considerations, labor informality and sector-specific bottlenecks. Recent investment climate reports identify regulatory uncertainty, infrastructure and labor-market informality as factors relevant to investment decisions in Colombia.

Common strategies include:

- Using a Colombian subsidiary for local operations
- Performing tax, regulatory, labor, and environmental due diligence
- Securing banking and foreign exchange procedures before closing
- Including robust dispute resolution clauses
- Using local partners where sector knowledge or permitting is relevant
- Structuring capital through a combination of equity, shareholder loans, and external financing, subject to tax and financial analysis

COLOMBIA

15. What kind of taxes, duties, and levies can foreign investors expect to face in your jurisdiction?

Foreign investors may face, among others:

- Corporate income tax
- Withholding tax on dividends, royalties, interest, services, and other outbound payments
- VAT, generally applicable to goods and services unless exempt or excluded
- Industry and commerce municipal tax – ICA
- Stamp tax in certain cases
- Financial transactions tax – GMF
- Customs duties and import VAT
- Payroll and social security contributions
- Capital gains/occasional gains tax on certain asset disposals

Tax Item	General Colombian Treatment
Corporate Tax Rate	The general corporate income tax rate is 35% for Colombian companies, permanent establishments and foreign legal entities required to file income tax returns in Colombia. Certain financial institutions and other entities may be subject to surtaxes or special rates.
On Dividend	Dividends paid to foreign companies or non-resident individuals are generally subject to a 20% dividend tax, with additional rules if the underlying profits were not taxed at the corporate level.
On Royalty	Payments abroad for royalties, exploitation of intellectual property, know-how, software, and similar items are generally subject to 20% withholding tax , without prejudice to treaty relief where applicable.
On Sale of Shares in Local Company	Gains from the sale of shares may be taxed as ordinary income or as occasional gains depending on the holding period and nature of the asset. Assets held for two years or more may generate occasional gains, generally taxed at 15% for entities, while listed shares may benefit from a non-taxable treatment if the sale does not exceed 3% of the outstanding shares in the relevant year and the statutory requirements are met.

COLOMBIA

16. What key intellectual property laws are most relevant to inbound investors and foreign imports or their distributors, (such as trademark protection, licensing)?

The most relevant IP framework includes:

- The **Andean Community Decision 486 of 2000**, which regulates industrial property in Colombia, including trademarks, patents, utility models, industrial designs, trade names, and unfair competition-related IP matters
- SIC regulations and practice for trademarks, patents and industrial designs
- Copyright rules for software, content, and creative works
- Contractual licensing, distribution, and technology-transfer arrangements
- The SIC is the competent authority for trademarks, patents and industrial designs, and the SIPI platform is used for searches and filings.

Inbound investors and distributors should verify trademark availability before market entry, register key marks, regulate trademark use in distribution agreements, and ensure that licenses are properly drafted for territory, term, exclusivity, quality control, sublicensing, and termination.

17. In the event of a commercial dispute, would local courts or international arbitration provide a more favorable forum for foreign investors to resolve the issue?

For ordinary domestic commercial disputes, Colombian courts are available, but proceedings may be lengthy. For cross-border transactions, high-value contracts, infrastructure, energy, mergers and acquisitions, distribution and joint venture arrangements, international arbitration is often preferred because it may offer neutrality, specialized decision-makers, procedural flexibility, confidentiality, and enforceability abroad.

Colombia has a modern arbitration statute, **Law 1563 of 2012**, which regulates national and international arbitration and recognizes arbitration as a dispute resolution mechanism for matters that are freely disposable or authorized by law.

18. Are foreign arbitration awards enforceable?

Yes. Foreign arbitral awards are enforceable in Colombia, subject to recognition and enforcement rules under Law 1563 of 2012 and applicable treaties. Colombian law provides for recognition of foreign arbitral awards, and courts may deny recognition only on limited statutory grounds.

COLOMBIA

19. How do cultural factors influence business practices and negotiations in your jurisdiction?

Business in Colombia is relationship-driven. Trust, reputation, personal meetings, and local references are important, particularly in long-term commercial relationships. Negotiations tend to be formal and hierarchical, and counterparties usually expect clear documentation, careful review of authority, and professional courtesy.

Foreign investors should allow sufficient time for relationship building, regulatory checks, tax validation, internal approvals and formal execution processes. Spanish-language documents are often required for filings before Colombian authorities, and bilingual contracts should clearly state the prevailing language in case of conflict.

20. Best legal tips to doing business in your jurisdiction. (What you wish others knew about doing business in your jurisdiction.)

1. **Verify the counterparty before signing.** Review the certificate of existence and legal representation, RUES information, beneficial ownership information, tax status, and authority of the legal representative.
2. **Choose the right legal vehicle.** A S.A.S. is usually the most flexible vehicle for private investment, while branches may be appropriate for certain regulated or project-based activities.
3. **Register foreign investment properly.** Registration before the Banco de la República is key for remitting dividends and repatriating capital.
4. **Do sector-specific due diligence.** Some sectors require licenses, concessions, permits, or prior authorization.
5. **Protect IP before market entry.** Conduct trademark searches and register core trademarks with the SIC before distribution or commercial launch.
6. **Use robust contracts.** Include clear governing law, dispute resolution, limitation of liability, tax gross-up, force majeure, compliance, anti-bribery, data protection, termination, and audit clauses.
7. **Plan taxes before funding.** Equity, shareholder loans, royalties, services, and dividends have different tax and financial consequences.
8. **Prefer arbitration for cross-border high-value contracts.** Colombia has a recognized arbitration framework under Law 1563 of 2012.
9. **Do not assume LATAM is uniform.** Colombian rules on foreign exchange, commercial registration, taxes, labor, and regulated sectors are jurisdiction-specific.
10. **Build local compliance from day one.** Tax, financials, corporate books, UBO/beneficial ownership, labor, data protection, AML, and sector permits should be addressed at incorporation, not after operations start.

GUARDIA MONTES ABOGADOS

Practice Areas

Administrative Law
 Administrative Litigation Law
 Agricultural Law
 Alternative Dispute Resolution Law
 Arbitration Law
 Bankruptcy Law
 Business Formation Law
 Business Law
 Business Restructuring Law
 Civil Practice Law
 Collections Law
 Commercial Law
 Commercial Transactions Law
 Condominium Association Law
 Contracts Law
 Cooperative Housing Association Law
 Corporate and Transactional Law
 Corporate Formation Law
 Corporate Law
 Corporate Litigation Law
 Corporate Reorganization Law
 Creditors Rights in Bankruptcy Law
 Creditors Rights Law
 Criminal Law
 Dispute Resolution Law
 Employment Law
 Employment Litigation Law
 Entrepreneurial Business Law
 Environmental Law
 Foreign Investment Law
 Government Affairs Law
 Homeowners Association Law

Costa Rica

Guardia Montes Abogados is unlike any other law firm. It sets the difference in the Costa Rican legal market that is evidenced in the longstanding relationships they have with their clients. The firm's unique results come from a business-oriented approach, responsiveness, and cost-efficient decisions made by highly regarded professionals combined with their extensive range of experience in their respective practice areas.

Guardia Montes Abogados is a full-service law firm that provides high quality legal services for national and multinational companies, as well as individual investors and entrepreneurs. The team of multi-disciplinary attorneys provides legal services focused on favorable results, responsiveness, and cost-efficient outcomes.

The firm's mission is to become their clients' strategic allies. The team provides legal services to protect clients' interests, mitigate your risks, help develop businesses, and offer solutions for conflicts. Guardia Montes Abogados work is based on integrity, excellence, team work, and the best customer service.



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 GUARDIA
 MONTES
 ABOGADOS

COSTA RICA

Practice Areas cont.

Hospitality Law
 Immigration Law
 Insurance Law
 Intellectual Property Law
 International Family Law
 International Free Trade Agreements Law
 International Real Estate Law
 Investment Law
 Labor and Employment Law
 Litigation
 M&A Law
 Mediation Law
 Public Law
 Public Procurement and Privatization Law
 Real Estate Law
 Regulatory Law
 Tax Law
 Transportation Law
 Travel and Tourism Law
 Trusts and Estates Law
 White Collar Crime Law
 Wills Law

1. Websites for company registry search and registration services:

The National Registry of Costa Rica: www.registronacional.go.cr. Online searches, certifications and filing services are available through www.rnpdigital.com.

2. Websites for foreign investment related services:

Costa Rica's One-Stop Investment Window (VUI): vui.cr. Investment and foreign-trade information is also available through PROCOMER (www.procomer.com), COMEX (www.comex.go.cr) and investincr.com.

3. Websites for IP related search and registration:

The Intellectual Property Registry operates within the National Registry: www.registronacional.go.cr. Online searches and filing services are available through www.rnpdigital.com.

4. Is there a necessity for incorporating the corporate name of the company in contracts?

Yes. The agreement should identify the company by its exact registered corporate name. An omission will not invariably invalidate an otherwise identifiable agreement, but it creates avoidable uncertainty as to the contracting party and the authority of the signatory.

5. Is there a necessity for incorporating the corporate identity number of the company in contracts?

Yes. Contracts identification number should be included as the company's permanent legal identifier. Although not a universal condition of contractual validity, it is standard Costa Rican practice and materially reduces identification and enforcement risk.

6. Is there any local convention for signing of contracts?

The signature block should state the company's exact registered name and corporate identification number, together with the signatory's full name, identification, capacity, and authority. Authority should be verified against a current registry certification or the relevant power of attorney. Wet-ink signatures remain customary; a Costa Rican certified digital signature has the same legal and evidentiary effect as a handwritten signature under Law No. 8454. Witnesses, corporate seals, and initials on every page are not generally required unless agreed by the parties or mandated for the particular instrument.

COSTA RICA

7. Any requirement of notarization/legalization of contracts?

Not generally. Private commercial agreements do not ordinarily require notarization. A public deed and, where applicable, registration are required for acts for which Costa Rican law prescribes that form, including certain real-estate, security, and corporate acts. Foreign public documents and powers intended for use before Costa Rican authorities or registries generally require an apostille or consular legalization, as applicable, and an official Spanish translation if issued in another language.

8. Sectors where no foreign investment can be made?

Costa Rica does not impose a general nationality-based prohibition on foreign investment. Restrictions arise in limited constitutional or statutory regimes involving State monopolies, public-domain assets, public concessions, and activities reserved to the State. These are activity-specific restrictions and should not be treated as a general bar to foreign ownership of Costa Rican companies.

9. Sectors where there is a cap on foreign investment?

The principal limitations arise under special regimes. For example, concessions in the restricted area of the Maritime-Terrestrial Zone are subject to the nationality and ownership limitations in Article 47 of Law No. 6043, including a 50% foreign-ownership ceiling for concession-holding companies. Cabotage, civil aviation and certain public concessions are also subject to nationality, domicile, or local-control requirements under their respective statutes. Sector-specific advice is essential.

10. What are the most effective entry strategies for your jurisdiction, and what are the typical corporate structures utilized?

The usual entry vehicle is a Costa Rican subsidiary, most commonly a Sociedad Anónima (S.A.) or a Sociedad de Responsabilidad Limitada (S.R.L.). Both may generally be wholly foreign-owned and neither is subject to a general statutory minimum capital. A registered branch, acquisition, contractual alliance, or joint venture may be preferable in particular cases. The appropriate structure should be selected by reference to governance, liability, funding, tax, regulatory approvals, profit repatriation, and exit strategy.

11. What are the typical permits and licenses that foreign investors are required to have in order to do business in your region?

Requirements depend on the activity and location. A typical operating company will require corporate and tax registration, a municipal business license, land-use clearance, a health operating permit where applicable, employer registration with the CCSS, mandatory occupational-risk insurance with the INS, and beneficial-ownership reporting through the Central Bank. Environmental approval and sector-specific permits may also be required. Incorporation alone does not authorize the commencement of business.

COSTA RICA

12. Does your government control and manage commercial joint ventures between foreign investors and local businesses? If so, how?

There is no general approval system merely because a joint venture combines foreign and Costa Rican participants. Ordinary corporate, contractual, tax, competition, and sectoral rules apply. If the arrangement constitutes an economic concentration and meets the statutory thresholds, prior notification to or authorization by COPROCOM may be required under Law No. 9736.

13. How does your government oversee proposed activities by foreign investors, and are there specific sectors of the economy where foreign investment is restricted?

Costa Rica has no general foreign-investment screening mechanism based solely on nationality. Oversight is exercised through corporate and tax registration, beneficial-ownership and anti-money-laundering controls, municipal, labor, health and environmental permits, merger control, and sector-specific licensing. Restrictions are concentrated in special systems, including the Maritime-Terrestrial Zone, cabotage, civil aviation, public-domain concessions, and activities reserved to the State.

14. What should be considered regarding capital availability and access in your jurisdiction? Are there significant constraints related to capital, infrastructure, or labor, and what strategies can be used to address them?

Local banking is well-regulated, but credit commonly requires local collateral, financial history, and extensive compliance review. Foreign investors therefore frequently combine equity, shareholder, or intercompany funding and international financing, subject to tax, transfer-pricing, and beneficial-ownership rules. Costa Rica offers institutional stability, connectivity, and skilled labor; however, energy, logistics, and statutory employment costs may be significant, and specialised talent can be scarce. Early planning of location, permits, incentives, funding, and workforce is advisable.

15. What kind of taxes, duties, and levies can foreign investors expect to face in your jurisdiction?

The principal charges include corporate income tax; value-added tax, generally at 13%; withholding and remittance taxes; capital-income and capital-gains tax; social-security and occupational-risk contributions; customs duties and import taxes; the annual tax on legal entities; municipal license taxes; and property or transfer taxes where applicable. The actual burden depends on the activity, source, and character of income, residence, transaction structure, and any available incentive regime, including the Free Trade Zone Regime.

COSTA RICA

16. What are the rates of tax (Corporate Tax Rate/On Dividend/On Royalty/On Sale of Shares in Local Company)?

- **Corporate Tax Rate:** 30% is the general corporate income-tax rate. Lower progressive rates may apply to qualifying smaller enterprises, based on annually adjusted gross-income thresholds.
- **On Dividend:** 15% generally.
- **On Royalty:** 25% generally for royalties remitted abroad, subject to the precise nature of the payment and any applicable double-tax treaty.
- **On Sale of Shares in Local Company:** 15% generally on the capital gain. Specific rules may apply where the gain is connected with a Costa Rican business activity or a statutory transitional basis applies.

17. What key intellectual property laws are most relevant to inbound investors and foreign imports or their distributors, (such as trademark protection, licensing)?

The principal statutes are the Trademark and Other Distinctive Signs Law (No. 7978), Patent Law (No. 6867), Copyright and Related Rights Law (No. 6683), Undisclosed Information Law (No. 7975), and the Enforcement of Intellectual Property Rights Procedures Law (No. 8039), together with applicable treaties. Investors should register key marks early, document licenses and distribution rights carefully, and protect confidential information contractually and operationally.

18. In the event of a commercial dispute, would local courts or international arbitration provide a more favorable forum for foreign investors to resolve the issue?

The answer is transaction-specific. Costa Rican courts are appropriate where interim relief, mandatory local law, or enforcement against local assets is central. International arbitration is often preferred for cross-border transactions because it offers neutrality, specialist decision-makers, procedural flexibility, and a choice of language. The clause should precisely address the seat, rules, language, governing law, and number of arbitrators, while respecting matters reserved to Costa Rican courts.

19. Are foreign arbitration awards enforceable?

Yes. Foreign arbitral awards are generally recognizable and enforceable in Costa Rica under the New York Convention, the Inter-American Convention on International Commercial Arbitration, and applicable Costa Rican procedural and arbitration law, subject only to the limited grounds for refusal established by those instruments.

20. How do cultural factors influence business practices and negotiations in your jurisdiction?

Trust, reputation, and personal relationships carry substantial weight. Negotiations are usually courteous and consensus-oriented, and internal approvals may take time. Material understandings, authority, deliverables, and deadlines should nevertheless be confirmed in writing. Courtesy or commercial momentum should never be mistaken for final approval.

COSTA RICA

21. Best legal tips to doing business in your jurisdiction. (What you wish others knew about doing business in your jurisdiction.)

Conduct due diligence before committing capital; select the structure for its function rather than speed alone; verify title, corporate authority, and beneficial ownership; protect brands before launch; document equity, intercompany funding, and distribution arrangements; obtain permits before operating; maintain corporate, tax, labor, and municipal compliance; identify sector and coastal-zone restrictions early; and use carefully drafted dispute-resolution provisions. A registered company is a legal platform – not, by itself, an operating license.

Principal Costa Rican legal framework reviewed

Political Constitution; Civil Code; Commercial Code; Notarial Code; Code of Civil Procedure; Laws Nos. 8454, 6043, 9736, 7092, 6826, 9416, 8937, 7978, 6867, 6683, 7975 and 8039; applicable sectoral legislation, international conventions, judicial criteria and relevant administrative opinions.

General information only. The legal and regulatory analysis must be confirmed against the facts and sector of each investment.

DR. FRÜHBECK ABOGADOS S.L.P

Practice Areas

Bankruptcy Law
Business Law
Civil Law
Collections Law
Commercial Law
Construction Law
Contracts Law
Corporate and Transactional Law
Corporate Law
Employment Law
Establish Business Law
Family and Matrimonial Law
Finance Law
General Practice Law
International Arbitration Law
International Law
International Outside Corporate Counsel Law
Investment Law
Labor and Employment Law
Leases and Leasing Law
Liquidation of Commercial Debt Law
Litigation
M&A Law
Mortgage Law
Private Client Law
Property Law
Real Estate Law
Succession Law
Tax Law
Trusts and Estates Law
Wills Law
Zoning, Planning and Land Use Law

Cuba

The law firm Dr. Frühbeck Abogados was founded by Dr. Guillermo Frühbeck in Madrid in 1952 and is currently managed by Dr. Guillermo Frühbeck Olmedo.

The firm's desire to guarantee their clients excellent representation and advising as an international law firm demands a highly qualified team of international skilled lawyers and tax accountants. They serve their clients in their native language and are also specialized in the jurisdiction and the system of taxation of their home countries. This enables them to develop tailor-made problem solving for every requirement.

Their membership in several networks allows them to access additional highly qualified lawyers quickly and directly. This enables them to offer their clients in-demand advice throughout the world, because they are able to make contact with local experts.

Dr. Frühbeck Abogados has differed from other firms since its formation. The term "international," which is a problem or a challenge for some, is the central focus of their business philosophy and has been for more than 50 years. They take pride in their successes and continue not only preserving, but improving the quality of their advice and range of services they offer.



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IURISCONSULTI ABOGADOS Y NOTARIOS

Practice Areas

Civil Law
Commercial Law
Contracts Law
Corporate Law
Intellectual Property Law
Trademarks Law

Guatemala

Iurisconsulti Abogados y Notarios is a full-service law firm based in Guatemala, advising businesses, investors, entrepreneurs, and individuals in domestic and international legal matters. For more than 20 years, the firm has combined practical legal guidance with a personalized, relationship-driven approach to help clients achieve their business and personal objectives. Recognized for its integrity, professionalism, and commitment to excellence, Iurisconsulti serves as a trusted legal partner for clients throughout Central America and beyond.

Trusted legal counsel with international focus and personalized service

The attorneys and notaries at Iurisconsulti work collaboratively to provide strategic legal solutions tailored to each client's needs. The firm advises clients on corporate transactions, financial matters, real estate, regulatory issues, and cross-border business activities, utilizing responsive service, clear communication, and practical counsel that supports long-term success. Every engagement is guided by a commitment to ethical practice, personalized attention, and long-lasting client relationships.

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ULLOA & ASOCIADOS

Practice Areas

Administrative Law
Alternative Dispute
Resolution Law
Appellate Practice Law
Business Law
Civil Law
Compliance Law
Corporate and
Transactional Law
Corporate Law
Energy Law
Environmental Law
International Law
Labor and Employment Law
Litigation
Notary Public Services
Outside Business Counsel
Tax Law

Honduras

Ulloa & Asociados is a multidisciplinary firm offering corporate advisory, compliance, litigation, notary, and resource management services – all in one place. Clients benefit from having a single, trusted team that understands both their legal needs and the realities of running a business.

Integral legal solutions for business growth and long-term success

Ulloa & Asociados is a leading Honduran law firm recognized for delivering comprehensive legal solutions to local, regional, and international clients. Since its founding, the firm has built a reputation for excellence, integrity, innovation, and client-centered service, becoming a trusted legal partner for businesses, investors, financial institutions, multinational corporations, family-owned enterprises, and individuals

Their multidisciplinary team provides strategic legal counsel across a broad range of practice areas, including corporate and commercial law, labor and employment, compliance, litigation and dispute resolution, tax law, environmental law, regulatory affairs, notarial services, registrations, immigration, and legal advisory services for individuals and family businesses.

At Ulloa & Asociados, they understand that legal challenges require practical and business-oriented solutions. For this reason, they work closely with their clients to understand their objectives, manage risks effectively, and create long-term value through proactive legal support.

The firm is consistently recognized by leading international legal directories and rankings, including Chambers and Partners, The Legal 500, IFLR1000, and Lexology Index, reflecting their commitment to technical excellence, client service, and professional leadership.



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HONDURAS

1. Websites for company registry search and registration services:

Commercial registries in Honduras are decentralized and managed by regional Chambers of Commerce and Industry. Users can consult corporate documents, verify legal and financial standing, track filings, calculate registration fees, and access digital payment receipts across the following platforms:

- Cámara de Comercio e Industrias de Cortés (CCIC): www.ccichonduras.org (Commercial Registry section)
- Cámara de Comercio e Industrias de Tegucigalpa (CCIT): www.ccit.hn/registromercantil
- Cámara de Comercio e Industrias del Sur (CCISUR): www.ccisur.org/Centro_Associado

2. Website for foreign investment related information:

The National Investment Council (CNI) is a public entity created with the purpose of providing legal services to facilitate, accelerate, and protect private, national, and foreign investment, promoting their registration, offering relevant information on the legal framework, providing economic-financial advice and accompanying investors in investment processes.

3. Website for IP-related search and registration:

All legal aspects concerning intellectual property are processed by the Property Institute, which is an entity aimed at fulfilling the constitutional mandate to administer the protection and legal protection of intellectual property rights and the time to comply with the different treaties and conventions contracted at the international level. In accordance with the world trend in the field of intellectual property, the Honduran State fosters the environment of legal security through the General Directorate of Intellectual Property, which is technically assisted by the World Intellectual Property Organization (WIPO), and acts in accordance with the cooperation agreements signed by Honduras with the World Trade Organization (WTO) and the Free Trade Agreement with the United States (DR-CAFTA).

4. Is there a necessity for incorporating the corporate name of the company in contracts?

It is not legally required that the corporate name of the company appear in contracts, however, it is a requirement that the legal company name or business name appears to prove the element of consent required to form all contracts.

5. Is there a necessity for incorporating the corporate identity number of the company in contracts?

The law does not require a corporate identity to be included in contracts that in our country is known as Matricula or registry. But, it is common practice for contracts to identify the contracting company based on its registration, volume, and registration number that was assigned to it in the Commercial Registry. However, it is a legal requirement that the national tax registration number of each contracting party is indicated.

HONDURAS

6. Is there any local convention for signing of contracts?

Currently Honduras does not have local conventions on contracts, however it is part of international agreements on contracts such as the United Nations Convention on Contracts for the International Sale of Goods, and the United Nations Convention on the Use of Electronic Communications in Contracts. International, among others.

7. Any requirement of notarization/legalization of contracts?

Yes, there are provisions regarding the notarization of contracts established in article 1575 of the Civil Code, which states that requirements that must be included in a public document: 1. Acts and contracts that have as their object the creation, transmission, modification, or extinction of real rights over real estate. 2. 3. 4. 5. 6. 7. 8. The leases of these same assets for three (3) or more years, if they involve third parties. The marital capitulations. The transfer, repudiation, and renunciation of the hereditary rights or those of the conjugal society, if any. The repudiation or renunciation of hereditary rights may also be made by means of a written document presented before a competent judge. The power to contract marriage, the general for lawsuits and the special ones that must appear in court, except as provided in the Organic Law of Courts; the power to administer assets, and any other that has as its object an act drawn up or that must be drawn up in a public deed, or is to harm a third party. The transfer of shares or rights from an act recorded in a public deed. The creation of commercial companies. The other contracts in which the amount of the benefits of one (1) or the two (2) contractors exceed two hundred (L. 200.00) Lempiras must also be recorded in writing, even if it is private.

It is not mandatory to execute every agreement via public deed. For private contracts, notarization via official authentication of signatures by a Honduran Notary Public is fully valid, recognized, and customary in commercial practice.

8. Sectors where no foreign investment can be made?

According to the Law for the Promotion and Protection of Investment in its article 3, the following sectors are excluded from foreign investment:

- Dispositions and wastes from toxic, dangerous, or radioactive wastes
- Activities that affect public health
- Industry and small-scale commerce in accordance with the provisions of article 337 of the Constitution of the Republic
- Manufacture, import, distribution, and sale of arms, ammunition, and similar articles in accordance with the provisions of article 292 of the Constitution of the Republic

HONDURAS

9. Sectors where there is a cap on foreign investment?

There are no limitations for foreign investment, beyond the sectors that are excluded by law, such as the manufacture and import of weapons and small-scale trade that are for the exclusive use of Hondurans; On the other hand, what exists are various incentives for foreign investment, such as special regimes that allow foreign investors to benefit from tax benefits. Likewise, in the free zone, operations and activities can be carried out to: introduce, remove, store, manipulate, pack, display, pack, unpack, buy, sell, exchange, manufacture, mix, transform, refine, distill, assemble, cut, benefit and generally operate all kinds of merchandise, products and raw materials, packaging and other commercial effects.

10. What are the rates of tax?

In Honduras, taxes are divided into fiscal, municipal, and customs.

11. Is your country a signatory to the following international treaties related to IP?

Honduras is part of the Berne Convention and has the Copyright and Related Rights Law, where it is not obliged to register the work, since its protection is granted by the Berne Convention from the moment of its creation provided that the works are original and are embodied in a material medium or support, because ideas are not protected but the original way in which those ideas are expressed. Honduras is also part of the Patent Cooperation Treaty (PCT) and includes in its patent registration application forms where it is determined as a national phase PCT application. Honduras is not part of the Madrid Protocol.

12. What are the safeguards to be taken to enforce joint venture agreement/shareholder's agreement?

The joint venture (JV) agreements are not regulated in Honduras law, but can be done. In order for them to have legal certainty, it is recommended to incorporate them into the conditions in the bylaws. This incorporation in the statutes is more effects for third parties once it is registered with the Public Registry of Commerce, however an agreement signed between the shareholders has legal force.

HONDURAS

13. Are foreign arbitration awards enforceable?

Arbitral awards made abroad, as well as those considered international under this law, will be executed in Honduras in accordance with the treaties, pacts or conventions that are in force in the Republic. The recognition and execution of the arbitration award will be requested before the Supreme Court of Justice. The party requesting recognition and enforcement must present the award and the arbitration agreement, duly legalized and translated into Spanish, where appropriate. The recognition and execution of a foreign arbitration award will be carried out in accordance with the provisions of the treaties, pacts or conventions in force in the Republic; in the absence of any in force, the following rules will apply:

1. The recognition and execution of a foreign arbitration award may only be denied, at the request of the interested party, in any of the following cases:
 - a. That one of the parties to the arbitration agreement was affected by some incapacity.
 - b. That the agreement is not valid under the law to which the parties have submitted it or, if nothing has been indicated in this regard, under the law of the country in which the award has been issued.
 - c. That the party against which the award is invoked has not been duly notified of the appointment of an arbitrator or of the arbitration proceedings or has been unable, for any other reason, to assert their rights.
 - d. That the award refers to a controversy not provided for in the arbitration agreement or contains decisions that exceed the terms of the arbitration agreement. However, if the provisions of the award that refer to the issues submitted to arbitration can be separated from those that are not, the former may be recognized and executed.
 - e. That the composition of the arbitral tribunal or the arbitration procedure have not been adjusted to the agreement concluded between the parties or, in the absence of such agreement, that they have not been adjusted to the law of the country where the arbitration was carried out.
 - f. That the award is not yet binding on the parties or has been annulled or suspended by a court whose law was applied to make the award.
2. The Supreme Court of Justice, ex officio, may deny recognition or execution when it proves that according to the laws of the republic the object of the controversy is not subject to arbitration or the award is contrary to international public order.

14. Is your country a signatory to the following international treaties related to dispute resolution?

Geneva Convention: Yes

New York Convention: Yes

CACHEAUX CAVAZOS & NEWTON

Practice Areas

Administrative Law
Advertising and Marketing Law
Agency and Distributorships Law
Agricultural Law
Alternative Dispute Resolution Law
Antitrust and Trade Regulation Law
Automotive Law
Aviation and Aerospace Law
Banking Law
Bankruptcy Law
Business Law
Business Structuring Law
Civil Law
Civil Practice Law
Civil Rights Law
Class Action Law
Collections Law
Commercial Dispute Resolution Law
Commercial Law
Commercial Real Estate Law
Communications and Media Law
Company Formation Law
Company Law
Comparative Trade Law
Compliance Law
Computers and Software Law
Conflict Disputes Law
Constitutional Law
Construction Law
Consulting with Corporate Clients
Consumer Law

Mexico

At Cacheaux Cavazos & Newton (CCN), we are dedicated to providing effective and personalized legal solutions for our clients. Our team of highly skilled and internationally experienced lawyers is committed to excellence in customer service and advocating for our clients' interests in all the jurisdictions where we operate.

CCN is a bilingual and bicultural international law firm, comprised of attorneys who are licensed to practice law in the United States and Mexico. For over 30 years, we have advised and represented domestic and international clients offering effective counsel and solutions in a broad range of legal matters, including international trade, investment, industrial markets, services, and products, in Texas, Mexico, and the United States.

Immediately after its founding in 1994, CCN opened its first office in Mexico in the Distrito Federal, today Mexico City, as its first effort to organically surmount borders, thus offering a full range of legal services to its clients with efficiency and bicultural fluency. CCN Mexico City, with its almost 30 years in operation, has a solid team of lawyers practicing and advising in all legal areas through multiple specialized practice areas.

CCN's Mexico City office facilitates the firm's efforts to liaise with federal authorities on issues related to foreign investment, antitrust, health, transportation and logistics, energy, economic development, tax, immigration, and customs, among many others.

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Practice Areas cont.

Contracts Law
 Convention on the
 International Sale
 of Goods
 Copyright Law
 Corporate and
 Business Advisory Law
 Corporate and
 Transactional Law
 Corporate Law
 Corporate Restructuring Law
 Criminal Law
 Customs Law
 Cybersecurity and
 Data Protection
 Direct and Indirect
 Taxation Law
 Employee Benefits Law
 Employment and Safety Law
 Employment Law
 Energy Law
 Environmental Law
 Establish Business Law
 Export Controls Law
 Export Controls
 Sanctions Law
 Finance Law
 Food, Pharmaceuticals, and
 Healthcare Law
 Foreign Corrupt Practices
 Act Law

1. Website for company registry search and registration services:

The Public Registry of Commerce (*Registro Público de Comercio*, RPC) is the official registry for the incorporation, registration, and search of business entities in Mexico. Business entity registry services are administered through an official registration management system, SIGER (*Sistema Integral de Gestión Registral*), operated by the federal Ministry of Economy (*Secretaría de Economía*). Through this platform, users may conduct corporate name searches, file incorporation documents, and access publicly available corporate records. Under Article 2 of the General Law of Business Entities (*Ley General de Sociedades Mercantiles*, LGSM), commercial companies registered in the RPC acquire legal personality separate from that of their shareholders.

The portal can be accessed at: rpc.economia.gob.mx/siger2

2. Websites for foreign investment related services:

Foreign investment-related services are managed by the Ministry of Economy through the National Registry of Foreign Investments (*Registro Nacional de Inversiones Extranjeras*, RNIE). Under the Foreign Investment Law (*Ley de Inversión Extranjera*, LIE) and its regulations, foreign investors and Mexican companies with foreign equity participation must register with the RNIE and file periodic reports on their activities, equity structure, and financial information. The National Commission on Foreign Investments (*Comisión Nacional de Inversiones Extranjeras*, CNIE), a body within the Ministry of Economy, oversees foreign investment policy and approvals in regulated sectors.

The RNIE portal is accessible at: rnie.economia.gob.mx, and relevant information on Direct Foreign Investment, including the list of entities registered with RNIE is available here: www.gob.mx/se/acciones-y-programas/competitividad-y-normatividad-inversion-extranjera-directa

MEXICO

Practice Areas cont.

Foreign Investment Law
Franchises and
Franchising Law
General Practice Law
Government Contracts Law
Health Care Law
Immigration Law
Import and Export Law
Infrastructure Projects Law
Insurance Bad Faith Law
Insurance Defense Law
Insurance Law
Intellectual Property Law
International Arbitration Law
International Free Trade
Agreements Law
International Law
International Litigation Law
International Trade Law
International Trade
Remedies Law
Investment Law
Labor and Employment
Defense Law
Labor and Employment Law
Leases and Leasing Law
Licensing Law
Litigation
M&A Law
Migration Law
Natural Resources Law

3. Websites for IP related search and registration:

Intellectual property searches and registrations in Mexico are handled by the Mexican Institute of Industrial Property (*Instituto Mexicano de la Propiedad Industrial*, IMPI), the federal agency responsible for trademarks, patents, utility models, and industrial designs. Trademark and patent searches may be conducted through IMPI's online databases (*Marcanet for trademarks and SIGA for patents*). Mexico's IP framework is primarily governed by the Federal Law on Industrial Property Protection (*Ley Federal de Protección a la Propiedad Industrial*, LFPPI), which entered into force on November 5, 2020, replacing the former Ley de la Propiedad Industrial.

IMPI's official portal can be accessed at: www.gob.mx/impi

Marcanet: acervomarcas.impi.gob.mx:8181/marcanet/

SIGA: sig.impi.gob.mx/

4. Is there a necessity for incorporating the corporate name of the company in contracts?

Yes. While there is no single statutory provision declaring a contract void solely for omitting a party's corporate name, it is a strongly recommended practice and effectively a legal necessity under Mexican law. Article 6, Section III of the LGSM requires that every company's constitutive instrument include its corporate legal name (a.k.a., *razón social for certain partnerships*, or *denominación for corporations*). A legal entity's corporate name is the primary means by which it is identified in legal and commercial dealings. Contracts should always state the full, exact corporate name as registered with the RPC, including the corporate form abbreviation (e.g., S.A. de C.V. or S. de R.L. de C.V.). Failure to accurately identify a contracting party by its full corporate name may lead to enforceability issues, difficulties in establishing standing, or challenges in legal proceedings.

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Practice Areas cont.

North American Free Trade Agreement Law
Northern Economic Development Law
Patents Law
Privacy Law
Professional Liability Law
Property Law
Public Procurement and Privatization Law
Real Estate Law
Real Estate Zoning and Land Use
Regulatory Law
Restructuring Law
Securities Law
Shipping and Logistics
Social Security Law
Tax Law
Tax Litigation Law
Technology Law
Telecommunications, Media and Technology Law
Trade Secrets Law
Trademarks Law
Transportation Law
Trusts and Estates Law
Unfair Competition Law
Wills Law
Wills, Estates and Trusts Law
Workers Compensation Law
Zoning, Planning, and Land Use Law

5. Is there a necessity for incorporating the corporate identity number of the company in contracts?

There is no general statutory requirement mandating the inclusion of a corporate identity number in all commercial contracts. However, it is standard and strongly recommended practice to include the company's Federal Taxpayer Registration number (*Registro Federal de Contribuyentes*, RFC), which is the Mexican tax identification number issued by the Mexican Tax Administration Service (*Servicio de Administración Tributaria*, SAT). The RFC is essential for tax invoicing (*facturación electrónica*), withholding obligations, and regulatory compliance. In many commercial sectors, parties also reference the company's commercial registry folio (*folio mercantil*), which is the corporate registration number assigned by the RPC. Including these identifiers enhances legal certainty and facilitates enforceability.

6. Is there any local convention for signing of contracts?

Yes. Mexican law and practice impose important conventions for the signing of contracts. The most significant is the requirement that any person signing on behalf of a legal entity must have sufficient legal authority to do so. For business entities, such legal authority is typically granted through and evidenced with a power of attorney (*poder*) formalized before a notary public (*notario público*) or a commercial public broker (*corredor público*). Under Article 10 of the LGSM, a business entity's representation lies with its administrator(s), who may execute all transactions related to the corporate purpose; however, such legal authority is usually limited by the bylaws and must be verified on a case-by-case basis. The standard practice is to use legal authority derived from general or specific powers of attorney granted by a shareholders'/members' meeting or the board of directors/managers, which must be notarized and, in some cases, recorded with the RPC. Although not legally required for all private agreements, it is common practice for contracts to be signed in the presence of two witnesses (*testigos*), which can strengthen evidentiary value. It is also customary for each page of a contract to be initialized by the parties in addition to the full signature on the signature page.

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7. Any requirement of notarization/legalization of contracts?

Notarization is required for certain categories of transactions under Mexican law but is not mandatory for all contracts. Under Article 5 of the LGSM, commercial companies must be incorporated before a *fedatario público* (notary public or commercial public broker), and all amendments to their constitutive documents must also be formalized in the same manner. Notarization is additionally required for: (a) the transfer of real property; (b) the granting of general powers of attorney; (c) certain corporate resolutions; and (d) certain acts involving government filings.

8. Sectors where no foreign investment can be made?

The Foreign Investment law (*Ley de Inversión Extranjera*, LIE) establishes two categories of activities where foreign investment is entirely prohibited:

- Under Article 5, the following strategic areas are reserved exclusively to the Mexican State: (a) exploration and extraction of petroleum and other hydrocarbons (subject to constitutional reforms allowing participation through profit-sharing and license contracts under the secondary hydrocarbons legislation); (b) planning and control of the national electric system, as well as the public service of transmission and distribution of electric power; (c) nuclear energy generation; (d) radioactive minerals; (e) telegraphs; (f) radiotelegraphy; (g) postal services; (h) issuance of currency; (i) control, supervision, and surveillance of ports, airports, and heliports; and (j) other activities expressly reserved by applicable laws.
- Under Article 6, certain activities are reserved exclusively to Mexican nationals or Mexican companies with a foreigners' exclusion clause (*cláusula de exclusión de extranjeros*), including: (a) domestic land transportation of passengers, tourism, and freight (excluding courier and parcel services); (b) development banking institutions, as provided by the applicable law; and (c) the provision of professional and technical services expressly designated by applicable legal provisions. Article 6 itself expressly prohibits foreign investment from participating in these activities, whether directly or indirectly, through trusts, agreements, corporate bylaws or charters, pyramiding schemes, or any other mechanism that would grant it control or any participation whatsoever, except as provided in Title Five of the Law regarding neutral investment (*inversión neutra*).

9. Sectors where there is a cap on foreign investment?

The LIE imposes caps on foreign equity participation in certain sectors. Under Article 7, foreign investment is limited to: (i) up to 10% in cooperative production companies; and (ii) up to 49% in a range of activities including, among others: (a) manufacture and sale of explosives, firearms, cartridges, ammunition, and fireworks (excluding the acquisition and use of explosives for industrial and extractive activities, and the preparation of explosive mixtures for consumption in such activities); (b) printing and publication of newspapers for circulation exclusively within Mexican territory; (c) Series "T" shares of companies owning agricultural, livestock, and forestry land; (d) freshwater, coastal, and exclusive economic zone fishing (excluding aquaculture); (e) integral port administration; (f) port pilotage services for vessels conducting inland navigation operations; (g) shipping companies engaged in the

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commercial operation of vessels for inland navigation and cabotage (excluding tourist cruises and the operation of dredges and naval artifacts for port construction, conservation, and operation); (h) supply of fuels and lubricants for vessels, aircraft, and railroad equipment; (i) radio broadcasting, subject to reciprocity in the country where the investor or the economic agent that ultimately controls it is incorporated; and (j) regular and non-regular domestic air transport services, non-regular international air transport in the air-taxi modality, and specialized air transport.

Article 7 further provides that these caps may not be exceeded directly or through trusts, agreements, corporate bylaws or charters, pyramiding schemes, or any other mechanism granting control or a participation greater than established, except as provided in Title Five regarding neutral investment (*inversión neutra*). Article 8 requires a favorable resolution from the National Foreign Investment Commission (*Comisión Nacional de Inversiones Extranjeras*, CNIE) for foreign investment to participate in a percentage greater than 49% in the following activities and companies: (i) port services to vessels for inland navigation operations, such as towage, mooring, and lighter services; (ii) shipping companies engaged exclusively in deep-sea traffic; (iii) companies holding concessions or permits for public-service aerodromes; (iv) private preschool, primary, secondary, upper-secondary, higher, and combined education services; (v) legal services; and (vi) construction, operation, and exploitation of railways that constitute a general means of communication, and the provision of the public railway transport service.

10. What are the most effective entry strategies for your jurisdiction, and what are the typical corporate structures utilized?

The most common and effective entry strategies for foreign investors in Mexico include the following:

- *Sociedad Anónima de Capital Variable* (S.A. de C.V.): This is the most widely used corporate structure for foreign investors. It is a stock corporation with variable capital, offering flexibility in capital increases and decreases. It requires a minimum of two shareholders and is governed by the LGSM. The S.A. de C.V. is favored for its well-developed statutory framework, limited liability for shareholders, and ease of share transfer.
- *Sociedad de Responsabilidad Limitada de Capital Variable* (S. de R.L. de C.V.): This is a limited liability company with variable capital, often used for joint ventures and private equity structures. It offers greater flexibility in governance arrangements through its bylaws and is generally preferred when partners wish to restrict the transferability of equity interests. The S. de R.L. de C.V. is recognized under Article 1, Section III of the LGSM.

There are many other type of entities to consider and choose from, but these two are the most widely used by foreign investors.

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11. What are the typical permits and licenses that foreign investors are required to have in order to do business in your region?

Local counsel should be consulted prior to commencement of operations to identify the full scope of permits applicable to a specific business activity. However, foreign investors doing business in Mexico are generally required to obtain or comply with the following basic permits, licenses, and registrations:

- Federal Taxpayer Registration (RFC): All entities must register with the SAT to obtain a unique tax identification number for federal tax compliance and electronic invoicing.
- Registration with the RNIE: Companies with foreign equity participation must register with the RNIE and file periodic reports pursuant to the LIE and its regulations.
- Employer Registration (Registro Patronal): To hire employees the Company must first register as employer with the with Mexican Institute of Social Security (*Instituto Mexicano del Seguro Social*, IMSS).
- Import and Export Licenses and Permits: Depending on the sector, certain goods require specific import or export licenses and permits from the Ministry of Economy or sector regulators.
- Municipal Operating License (*Licencia de Funcionamiento*): Local government permits are required for the operation of commercial establishments and vary by municipality.
- Environmental Permits: Activities that may impact the environment require impact assessments and permits from the Ministry of Environment (*Secretaría de Medio Ambiente y Recursos Naturales*, SEMARNAT) and, in some cases, state or municipal environmental authorities.
- Sector-Specific Licenses: Regulated industries (e.g., financial services, telecommunications, energy, healthcare, and food and beverages) require additional sector-specific authorizations from the relevant regulatory bodies.

12. Does your government control and manage commercial joint ventures between foreign investors and local businesses? If so, how?

The Mexican government does not impose a general requirement for prior approval or direct management of commercial joint ventures between foreign investors and local businesses. Joint ventures are structured through private agreements and are governed primarily by the LGSM and general contract law. However, in sectors where the LIE imposes foreign investment caps (see Questions 8 and 9), the structure and governance of any joint venture must be designed to comply with the applicable ownership limitations. The CNIE has the authority to review and approve foreign investment in activities subject to caps or prior authorization under Articles 8 and 9 of the LIE. Additionally, if a joint venture involves a merger, acquisition, or concentration that meets the applicable thresholds, it may be subject to antitrust review by the National Antitrust Commission (*Comisión Nacional Antimonopolio*, CNA).

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13. How does your government oversee proposed activities by foreign investors, and are there specific sectors of the economy where foreign investment is restricted?

The principal statute governing foreign investment oversight is the LIE, whose stated purpose under Article 1 is to establish rules for channeling foreign investment into Mexico and ensuring it contributes to national development. The LIE, together with its Reglamento, classifies economic activities into three categories: (a) activities reserved exclusively to the Mexican State or Mexican nationals (Articles 5 and 6); (b) activities subject to foreign equity participation caps (Article 7) or requiring prior CNIE approval for foreign participation above 49% (Article 8); and (c) activities open to 100% foreign investment (the residual category under Article 4). Foreign legal entities intending to carry out habitual commercial activities through a branch or representative office in Mexico (i.e., without a subsidiary), must first obtain an authorization from the Ministry of Economy under Article 17 of the LIE and register with the RPC. The CNIE evaluates applications based on criteria including the impact on employment, technological contribution, and compliance with environmental regulations. The government has progressively liberalized most sectors, and the vast majority of economic activities are now open to 100% foreign ownership.

14. What should be considered regarding capital availability and access in your jurisdiction? Are there significant constraints related to capital, infrastructure, or labor, and what strategies can be used to address them?

Mexico offers a relatively open environment for capital access and investment. Key considerations include:

- **Banking System:** Mexico has a well-developed banking sector, with both domestic and international banks operating in the country. Foreign companies may open bank accounts in Mexico, though compliance with anti-money laundering (AML) and know-your-customer (KYC) requirements is required under Mexico's anti-money laundering framework (*Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita*).
- **Capital Markets:** The Mexican Stock Exchange (Bolsa Mexicana de Valores or BMV) and the Institutional Stock Exchange (*Bolsa Institucional de Valores* or BIVA) are Mexico's two stock exchanges, regulated by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores* or CNBV). Companies may access public capital markets through equity or debt offerings, subject to compliance with the Securities Market Law (*Ley del Mercado de Valores*).
- **Foreign Exchange:** Mexico maintains a free-floating exchange rate with no general restrictions on foreign currency exchange or repatriation of profits. The Bank of Mexico (*Banco de México*) oversees monetary policy and foreign exchange stability.
- **Trade Agreements:** Mexico is party to an extensive network of free trade agreements, including the T-MEC/USMCA, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and trade agreements with the European Union and over 50 countries. These agreements facilitate access to global markets and provide investment protections.
- **Infrastructure and Labor:** Mexico offers competitive labor costs and a large, young workforce. Industrial parks, particularly along the U.S.-Mexico border and in central Mexico, provide developed infrastructure. However, investors should conduct due diligence regarding infrastructure quality in more remote regions and evaluate the availability of skilled labor for their specific industry.

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15. What kind of taxes, duties, and levies can foreign investors expect to face in your jurisdiction?

Foreign investors in Mexico can expect to encounter the following principal taxes, duties, and levies:

- **Income Tax (*Impuesto sobre la Renta*, ISR):** The main federal income tax, levied on worldwide income for residents and on Mexican-source income for non-residents, governed by the Income Tax Law (*Ley del Impuesto sobre la Renta*, LISR).
- **Value-Added Tax (*Impuesto al Valor Agregado*, IVA):** A federal consumption tax generally levied at 16% on the sale of goods, provision of services, temporary use of goods, and imports. A 0% rate applies to certain exports and food and medicine products.
- **Special Tax on Production and Services (*Impuesto Especial sobre Producción y Servicios*, IEPS):** An excise tax applicable to specific goods and services, including tobacco, alcohol, sugary beverages, fossil fuels, and pesticides.
- **Customs Duties (*Aranceles*):** Import duties are levied on goods entering Mexico based on the tariff classification under the General Import and Export Tax Law (*Ley de los Impuestos Generales de Importación y de Exportación*). Rates vary significantly depending on the product and applicable trade agreements.
- **Payroll Taxes (*Impuesto sobre Nóminas*):** State-level taxes levied on payroll expenditures, with rates varying by state (generally between 2% and 3%).
- **Statutory Profit Sharing (*Participación de los Trabajadores en las Utilidades*, PTU):** Employers must distribute 10% of pre-tax profits to employees annually, subject to the 2021 legislative cap: the greater of three months of the employee's salary or the average of the PTU paid in the previous three years.
- **Social Security Contributions:** Mandatory employer contributions to the IMSS, the Workers Housing National Fund (*Instituto del Fondo Nacional de la Vivienda para los Trabajadores*, INFONAVIT), and the Retirement Savings System (*Sistema de Ahorro para el Retiro*, SAR).

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16. What are the rates of tax (Corporate Tax Rate/On Dividend/On Royalty/On Sale of Shares in Local Company)?

- **Corporate Tax Rate:** The standard corporate income tax rate in Mexico is 30% on taxable income, applicable to both Mexican companies and permanent establishments of foreign entities (Articles 9 and 2 of the LISR).
- **On Dividend:** Dividends paid by a Mexican company to non-resident shareholders are subject to a 10% withholding tax on profits generated after January 1, 2014. Additionally, if dividends are paid from earnings that have not been subject to corporate-level taxation (i.e., not from the *Cuenta de Utilidad Fiscal Neta* or “CUFIN”), the distributing company must pay an additional tax at an effective grossed-up rate of approximately 42.86%.
- **On Royalty** Royalties paid to non-residents are generally subject to withholding tax at rates ranging from 5% to 35%, depending on the type of royalty and the nature of the underlying intellectual property or technical assistance. The most common applicable rates are: 25% for general royalties (use of trademarks, trade names); 25% for technical assistance; and reduced rates under applicable double taxation treaties (e.g., 10% under many of Mexico’s treaties). The specific rate depends on the treaty provisions and the classification of the payment.
- **On Sale of Shares in Local Company:** Capital gains realized by non-residents from the sale of shares in Mexican companies are generally subject to a 25% tax on gross proceeds or, at the taxpayer’s election, 35% on the net gain (after deducting the tax cost basis of the shares, adjusted for inflation). The applicable rate may be reduced under an applicable double taxation treaty. Sales of shares listed on a recognized stock exchange may benefit from certain exemptions or reduced rates under specific conditions.

Note: The aforementioned withholding rates may be reduced under the terms of an applicable tax treaty to which Mexico is a party, subject to compliance with treaty benefits documentation.

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17. What key intellectual property laws are most relevant to inbound investors and foreign imports or their distributors, (such as trademark protection, licensing)?

The principal statute governing intellectual property in Mexico is the Federal Law on Industrial Property Protection (*Ley Federal de Protección a la Propiedad Industrial*, LFPPI), which entered into force on November 5, 2020. The LFPPI consolidated and modernized Mexico's IP framework, replacing the former industrial property law. Key aspects relevant to foreign investors include:

- **Trademark Protection:** Mexico follows a “first to file” system for trademarks. Registration with IMPI grants the holder exclusive rights to use the trademark in commerce for 10 years, renewable for successive 10-year periods. Mexico recognizes both traditional trademarks (word, design, and combined marks) and non-traditional marks (sound, holographic, trade dress, and certification marks) under the LFPPI.
- **Licensing:** Trademark and patent license agreements should be recorded with IMPI to be enforceable against third parties. Licensors should ensure that quality control provisions are included to maintain the validity of the mark.
- **Patents and Utility Models:** Patents are granted for a term of 20 years from the filing date. Utility models receive a 15-year term. Mexico is a member of the Patent Cooperation Treaty (PCT).
- **Trade Secrets:** The LFPPI provides robust protection for trade secrets, including civil and criminal enforcement mechanisms for misappropriation.
- **International Commitments:** Mexico is a party to the Paris Convention, the TRIPS Agreement, the Madrid Protocol for international trademark registration, and the T-MEC/USMCA, which includes enhanced IP protection provisions, particularly regarding geographical indications, pharmaceutical patents, and digital trade.

The LFPPI was most recently amended on April 3, 2026, introducing procedural and substantive changes to patent filing and prosecution.

MEXICO

18. In the event of a commercial dispute, would local courts or international arbitration provide a more favorable forum for foreign investors to resolve the issue?

For most foreign investors, international arbitration provides the more favorable forum for resolving commercial disputes in Mexico. While Mexican courts are competent to adjudicate commercial disputes and the judiciary has undergone significant modernization, proceedings can be lengthy and may involve procedural complexities unfamiliar to foreign parties. Mexico has a well-established legal framework supporting arbitration, codified in Title IV of Book V of the Code of Commerce (*Código de Comercio*), which is based on the UNCITRAL Model Law. The major international arbitration institutions – including the International Chamber of Commerce (ICC), the International Centre for Dispute Resolution (ICDR), and the Mexican Arbitration Center (*Centro de Arbitraje de México* or CAM) – are active in Mexico. Arbitration clauses selecting an international seat outside Mexico (or within Mexico) are generally enforceable, and Mexican courts have shown a supportive stance toward arbitral proceedings, including granting interim measures in aid of arbitration. That said, for smaller-value disputes or matters requiring urgent interim relief (such as injunctions), Mexican courts may be the more practical choice. Investors should carefully consider the dispute resolution clause at the drafting stage, weighing factors such as the value of the transaction, the parties' jurisdictions, enforcement considerations, and the desired neutrality of the forum.

19. Are foreign arbitration awards enforceable?

Yes. Mexico is a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention), which it acceded to in 1971. Foreign arbitration awards are enforceable in Mexico through the recognition and enforcement proceedings set forth in Title IV of Book V of the Code of Commerce, which incorporates the principles of the New York Convention. A foreign arbitral award may be denied recognition and enforcement only on the narrow grounds enumerated in the *Código de Comercio* (mirroring those of the New York Convention), including:

- Invalidity of the arbitration agreement
- Lack of proper notice or inability to present one's case
- The award deals with matters beyond the scope of the arbitration agreement
- The composition of the tribunal or the arbitral procedure was contrary to the parties' agreement or the law of the seat
- The award is contrary to Mexican public policy (*orden público*)

Mexican courts have generally adopted a pro-enforcement approach toward foreign arbitral awards. Mexico is also a party to the Inter-American Convention on International Commercial Arbitration (the Panama Convention), which provides an additional enforcement framework for awards issued in the Americas.

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20. How do cultural factors influence business practices and negotiations in your jurisdiction?

Cultural factors play an important role in business practices and negotiations in Mexico. Key considerations include:

- **Relationship Building:** Personal relationships are fundamental to doing business in Mexico. Trust (*confianza*) is built over time through face-to-face meetings, social interactions, and mutual respect. Investing time in relationship-building before proceeding to substantive negotiations is strongly advisable.
- **Formality and Hierarchy:** Mexican business culture tends to be more formal and hierarchical than in some other jurisdictions. Titles (*Licenciado, Ingeniero, Doctor*) are commonly used and appreciated. Decision-making authority is typically concentrated at the senior management level.
- **Negotiation Style:** Negotiations in Mexico may proceed at a more deliberate pace than some foreign investors expect. Flexibility, patience, and a collaborative approach tend to produce better outcomes than aggressive or overly transactional tactics.
- **Communication:** While many Mexican professionals speak English, conducting at least part of business interactions in Spanish demonstrates cultural respect and can facilitate rapport. All legal documents and regulatory filings must be in Spanish.
- **Business Etiquette:** Business meals (especially lunch, the main meal of the day) are common venues for building relationships and discussing business. Punctuality standards may be more flexible in social settings, though punctuality for formal business meetings is expected.

MEXICO

21. Best legal tips to doing business in your jurisdiction. (What you wish others knew about doing business in your jurisdiction.)

- Always verify the legal authority of your counterpart: Before executing any agreement, confirm that the individual signing on behalf of a Mexican company has sufficient powers of attorney (poder) to bind the entity. Request and review certified copies of the relevant notarized powers and, where appropriate, verify their registration with the RPC.
- Conduct thorough due diligence on foreign investment restrictions: Before structuring your investment, carefully review the LIE to determine whether your target sector is reserved, capped, or requires prior CNIE approval. Failure to comply with foreign investment restrictions can result in nullification of the transaction.
- Engage local counsel early: Mexican law has unique procedural, regulatory, and cultural dimensions that may not be immediately apparent to foreign investors. Engaging experienced local counsel at the outset of a transaction can help navigate regulatory requirements, draft enforceable agreements, and avoid costly missteps.
- Prioritize tax planning: Mexico's tax regime is complex and imposes significant obligations on both companies and individuals. Proper structuring of the investment – including consideration of the permanent establishment rules under the LISR, applicable double taxation treaties, transfer pricing requirements, and the PTU profit-sharing obligation – can materially reduce the overall tax burden.
- Draft dispute resolution clauses carefully: If your counterpart is a Mexican entity, strongly consider including an international arbitration clause (e.g., ICC or ICDR rules) with a neutral seat. Ensure the clause is clear and covers all potential disputes arising from the agreement, as ambiguous arbitration clauses are a common source of litigation in Mexico.
- Comply with labor and employment requirements from day one: Mexican labor law is highly protective of employees, and non-compliance can result in significant liabilities. Key areas to address include mandatory profit sharing (PTU), social security registration (IMSS), housing fund contributions (INFONAVIT), and compliance with the labor reforms addressing outsourcing (*subcontratación*) restrictions introduced in 2021 and workweek reduction (from 48 to 40 hours, phased through 2030) introduced in May 2026, with the new electronic time-tracking requirement becoming effective in January 2027.
- Protect your intellectual property proactively: Register trademarks, patents, and other IP rights with IMPI before entering the Mexican market. Mexico's "first to file" trademark system means that unregistered rights offer limited protection, and bad-faith filings by third parties are not uncommon.

QUIJANO & ASSOCIATES

Practice Areas

Admiralty Law
Alternative Dispute Resolution Law
Arbitration Law
Banking Law
Business Law
Commercial Law
Commercial Real Estate Law
Corporate and Transactional Law
Corporate Law
Entertainment Law
Estate Planning Law
Finance Law
Government Contracts Law
Immigration Law
Intellectual Property Law
International Arbitration Law
International Law
International Trade Law
Internet Law
Labor and Employment Law
Labor Law
Litigation
M&A Law
Maritime Law
Media Law
Real Estate Law
Resorts and Leisure Law
Securities Law
Trusts and Estates Law

Panama

Since our foundation in 1959, we have provided services in all matters related to the formation of companies, foundations and trusts; vessel registration, capital markets, banking & finance, mergers & acquisitions, immigration law and fiduciary services, among others.

Quijano & Associates offers comprehensive maritime law services, including the registration and representation of vessels under the Panamanian flag, as well as advisory solutions for the creation and maintenance of legal entities across multiple jurisdictions. These include Panama, the British Virgin Islands, Seychelles, Belize, Hong Kong, The Bahamas, The Marshall Islands and Nevis.

With over six decades of experience, our firm has become a trusted partner for banks, international financial institutions, shipping companies, foreign investors, and multinational corporations. From our headquarters in Panama and Switzerland, and through our subsidiaries in the BVI, Belize, Seychelles, and The Bahamas – along with representative offices in Liechtenstein and Hong Kong – we deliver personalized, efficient, and confidential legal support.

We also operate our own trust company, Quijano Trust Corporation, and act as Special Agents for corporate and maritime matters in the Marshall Islands.

Global companies seeking to establish regional headquarters in Panama, international investors looking to benefit from the country's territorial tax system, and leading shipping lines continue to rely on our law firm for efficiency, reliability, and responsive service.

As part of our international reach, Quijano & Associates is a proud member of several prestigious legal networks, including the International Society of Primerus Law Firms, Geneva Group International, and IR Global.

As of 2026, Quijano & Associates formalized a strategic integration with the Panamanian law firm De Obaldía & García de Paredes, with the purpose of expanding our professional capabilities, strengthening our service offering, and further consolidating our presence in the Panamanian market.

This alliance brings together the experience of two law firms whose combined trajectory exceeds 100 years of legal practice. Beyond the numbers, this represents the unification of talents, knowledge, and values that allow us to reaffirm our commitment to providing legal counsel of the highest quality, always under the highest standards of ethics, professionalism, and excellence.



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PANAMA

1. Website for company registry search and registration services:

The main official websites are:

Public Registry of Panama (Official): www.rp.gob.pa/

- In Spanish: Registro Público de Panamá

This is the official registry where companies (Corporations (S.A.), LLCs, Foundations, branches, etc.) are registered.

2. Websites for foreign investment related services:

The Republic of Panama has several official government websites that provide services and information related to foreign direct investment (FDI). The primary agencies are PROPANAMA and the Ministry of Commerce and Industries (MICI).

Service	Official Authority	Website
Foreign investment promotion	PROPANAMA	propanama.gob.pa
Investment guides and incentives	PROPANAMA	propanama.gob.pa/inversiones-info/
Investor services and government facilitation	MICI	mici.gob.pa

PROPANAMA: Official Investment Promotion Agency – propanama.gob.pa

Its responsibilities include:

- Assisting foreign investors in establishing operations in Panama.
- Promoting foreign direct investment (FDI).
- Providing sector-specific investment information.
- Explaining investment incentives and special economic regimes.
- Coordinating with government agencies during the investment process.
- Supporting investors before, during, and after establishment in Panama.

PANAMA

PROPANAMA Investment Information Portal: propanama.gob.pa/inversiones-info/

This portal provides information on:

- Why invest in Panama
- Strategic investment sectors
- Business environment
- Tax and legal framework
- Special investment regimes
- Government support entities
- Publications and investment guides

MINISTRY OF COMMERCE AND INDUSTRIES (MICI): mici.gob.pa/

MICI oversees national investment policy and offers services including:

- Investor assistance through the Investor Services Directorate
- Administration of the SEM (Multinational Headquarters) system
- Administration of the EMMA regime for multinational manufacturing services
- Coordination with investors and public institutions
- Investment facilitation and business support

3. Websites for IP related search and registration:

In Panama, intellectual property (IP) rights – including trademarks, patents, industrial designs, utility models, copyrights, and related rights – are administered by different government authorities.

a. **Intellectual Property (Trademarks, Patents, Industrial Designs):** mici.gob.pa/

Official Authority: Directorate General of the Industrial Property Registry (DIGERPI)

» under the Ministry of Commerce and Industries (MICI).

DIGERPI is responsible for:

- Trademark registration
- Trademark search
- Patent registration
- Patent searches
- Industrial design registration

PANAMA

- Utility model registration
- Trade name registration
- Geographical indications
- Opposition proceedings
- Recordal of assignments and licenses

The DIGERPI section of the Ministry of Commerce and Industries website provides information on filing procedures, legal requirements, fee schedules, and forms.

b. **Copyright Registration** – Website: mici.gob.pa/

Copyrights are administered separately.

Authority: National Directorate of Copyright (DNDA)

Services include:

- Copyright registration
- Registration of software
- Literary works
- Artistic works
- Musical works
- Related rights

4. Is there a necessity for incorporating the corporate name of the company in contracts?

Yes. As a matter of Panamanian corporate and contract practice, the corporate name of the company should be included in contracts **whenever the company is a contracting party**.

Under Panama's corporate and civil law framework, a corporation (e.g., a *Sociedad Anónima* or other legal entity) has a legal personality separate from its shareholders, directors, and officers. Consequently, correctly identifying the legal entity is essential to establish that the company – not an individual – is assuming the contractual rights and obligations, or entering into an agreement.

5. Is there a necessity for incorporating the corporate identity number of the company in contracts?

There is no general legal requirement to include a company's corporate identity number (such as its Public Registry folio or RUC) in a private commercial contract for the contract to be valid; but it is **strongly recommended** as a matter of legal drafting and commercial practice because it provides an unequivocal identification of the contracting entity and reduces the potential for disputes.

PANAMA

6. Is there any local convention for signing of contracts?

While Panamanian law does not prescribe a single mandatory form for signing most private commercial contracts, there are several well-established legal and commercial conventions that parties generally follow:

- a. **Authorized Representatives Sign on Behalf of Legal Entities:** Where a company is a party to a contract, the agreement is typically executed by its legal representative, president, director, or attorney-in-fact, acting within the scope of their authority.
- b. **Counterparts and Electronic Signatures**

It is common practice for parties to execute agreements:

- In counterparts (each party signs a separate original).
- By exchanging scanned signed copies.

Panama also recognizes electronic signatures under its electronic commerce legislation. A qualified or certified electronic signature generally has the same legal effect as a handwritten signature, provided the applicable legal requirements are met.

Unlike some jurisdictions, Panamanian law does not require the use of a corporate seal or company chop for the validity of private commercial contracts.

7. Any requirement of notarization/legalization of contracts?

Most private commercial contracts do not need to be notarized to be valid or enforceable. Under Panamanian law, contracts are generally valid if the essential elements of contract formation are present (consent, lawful object, and lawful cause), unless a specific law prescribes a particular form.

Notarization is required for:

- Transfers of real property
- Creation or release of mortgages
- Certain corporate acts that must be registered
- Certain trust deeds
- Documents affecting registered property rights
- Other acts expressly required by law to be executed before a Panamanian notary public

PANAMA

Contracts Executed Abroad for Use in Panama

If a contract or corporate document is signed outside Panama and must be presented to a Panamanian court, government authority, notary, or the Public Registry, it will generally require authentication unless an exemption applies.

The applicable method depends on the country of origin:

(a) Hague Apostille Convention or (b) Consular Legalization

8. Sectors where no foreign investment can be made?

Although Panama maintains an open investment regime, and foreign investors generally receive the same treatment as Panamanian nationals; there are certain activities which are reserved to Panamanian nationals or are subject to nationality, licensing, or ownership requirements, meaning that foreign investment may be restricted or structured differently in those sectors.

Sector	Restriction
Retail trade (small-scale commerce)	Certain retail activities are reserved exclusively for Panamanian nationals under the Constitution and the Commercial Code.
Professional services	Many regulated professions may only be practiced by Panamanian citizens or licensed professionals. These include, for example, law, medicine, dentistry, pharmacy, architecture, engineering, accounting (subject to licensing requirements), and certain other professions. A foreign investor may own a company, but the professional services themselves often must be performed by locally licensed professionals.
Broadcasting and telecommunications	Certain broadcasting licenses are subject to nationality or ownership limitations designed to preserve national control.
Domestic maritime activities (Cabotage)	Coastal shipping and certain domestic maritime services are generally reserved for Panamanian-flagged vessels or Panamanian operators, subject to statutory exceptions.
Government concessions and strategic sectors	Activities such as ports, airports, mining, electricity, and public utilities are generally open to foreign investment but require government concessions, licenses, or regulatory approvals.
Real Estate	Foreigners generally enjoy the same property rights as Panamanian nationals. Restrictions primarily concern: • Certain lands located near international borders • Public lands and concessions • Indigenous territories (comarcas), where special constitutional and statutory rules apply

PANAMA

9. Sectors where there is a cap on foreign investment?

Generally, no. Panama does not impose broad statutory caps on foreign equity ownership across economic sectors. Unlike some jurisdictions that limit foreign ownership to a fixed percentage, Panama usually permits 100% foreign ownership of companies.

However, there are sector-specific restrictions (mentioned in Question 8) that effectively limit or condition foreign participation, although these are typically nationality, licensing, or qualification requirements rather than percentage caps on foreign shareholding.

10. What are the most effective entry strategies for your jurisdiction, and what are the typical corporate structures utilized?

Foreign investors entering the Panamanian market have a broad range of structuring options due to Panama's liberal investment regime, strategic geographic location, and territorial tax system. There are no general restrictions on foreign ownership, and investors may generally establish wholly foreign-owned operations, subject only to sector-specific regulatory requirements.

The most appropriate market entry strategy depends on the investor's business objectives, the nature of the proposed activities, regulatory considerations, and tax planning.

Common Entry Strategies:

a. Incorporation of a Panamanian Subsidiary

The most common and generally preferred entry strategy is the incorporation of a Panamanian corporation (Sociedad Anónima or S.A.).

b. Branch of a Foreign Company

Rather than incorporating a separate legal entity, a foreign company may register a branch in Panama.

c. Acquisition of an Existing Panamanian Company

Foreign investors frequently enter the market by acquiring:

- An existing operating business.
- Shares in a Panamanian corporation.
- Business assets.

d. Joint Venture

Joint ventures are common where:

- Local market knowledge is valuable.
- Regulatory approvals require local participation.
- Significant infrastructure or development projects are involved.

PANAMA

Typical Corporate Structures

a. Sociedad Anónima (S.A.)

Key characteristics include:

- Separate legal personality
- Limited liability of shareholders
- No general nationality requirements for shareholders
- One or more shareholders
- Managed by a board of directors
- Flexible capital structure
- Suitable for domestic and international operations

The S.A. is the preferred structure for most foreign investors.

b. Foundations and Trusts

Although not typically used as operating businesses, Private Interest Foundations and trusts are frequently utilized for:

- Estate planning
- Asset protection
- Succession planning
- Holding intellectual property or investment assets

c. Limited Liability Company (Sociedad de Responsabilidad Limitada – S. de R.L.)

Although less frequently used than the S.A., the S. de R.L. is appropriate for closely held businesses.

Characteristics include:

- Limited liability
- Membership interests rather than shares
- Restrictions on the transfer of ownership interests
- Simplified governance structure

PANAMA

11. What are the typical permits and licenses that foreign investors are required to have in order to do business in your region?

Permit/License	Purpose	Competent Authority
Company Registration	Incorporation or registration of a local company or branch	Public Registry of Panama
Tax Registration (RUC)	Registration for tax purposes	General Directorate of Revenue (DGI)
Notice of Operations (Aviso de Operación)	General business operating authorization for most commercial activities	Ministry of Commerce and Industries (MICI), through the PanamaEmprende system
Municipal Business License/ Municipal Tax Registration	Registration with the municipality where the business operates	Relevant Municipality
Social Security Registration	Employer registration for employees	Social Security Fund (Caja de Seguro Social – CSS)
Employment Registration	Compliance with labor regulations	Ministry of Labor and Workforce Development (MITRADEL)

12. Does your government control and manage commercial joint ventures between foreign investors and local businesses? If so, how?

No. As a general rule, the Panamanian government does not control or manage commercial joint ventures between foreign investors and local businesses. Panama follows a market-oriented economy in which parties are generally free to negotiate, structure, and manage their joint ventures according to the principle of freedom of contract.

Government involvement is generally limited to corporate registration, regulatory oversight, competition law, and sector-specific licensing, rather than the management of the joint venture itself.

13. How does your government oversee proposed activities by foreign investors, and are there specific sectors of the economy where foreign investment is restricted?

Panama does not operate a comprehensive foreign investment review mechanism comparable to those in other jurisdictions. Foreign investors are generally free to establish or acquire businesses without obtaining prior government approval solely because the investment is foreign.

Instead, investors must comply with the legal and regulatory framework applicable to their business activities.

Before initiating operations, foreign investors may comply with requirements in Question 11.

PANAMA

However, certain sectors are subject to restrictions based on nationality, licensing, or public policy. Please refer to Question 8.

There are also sector-specific regulatory oversights for regulated industries, which must obtain the relevant licenses, permits, or concessions from the competent regulatory authority.

Examples:

- Banking (Superintendency of Banks)
- Insurance (Superintendency of Insurance and Reinsurance)
- Securities (Superintendency of the Securities Market)
- Telecommunications and electricity (National Public Services Authority – ASEP)
- Mining (Ministry of Commerce and Industries)
- Environmental matters (Ministry of Environment)
- Health-related activities (Ministry of Health)

Regulators oversee compliance with applicable laws but do not generally review investments on the basis of foreign ownership.

14. What should be considered regarding capital availability and access in your jurisdiction? Are there significant constraints related to capital, infrastructure, or labor, and what strategies can be used to address them?

a. Capital Availability and Access

Panama has one of the largest and most developed international banking centers in Latin America, with a well-established banking sector comprising domestic and international financial institutions.

Foreign investors generally have access to:

- Local and international commercial bank financing
- Project finance
- Trade finance
- Asset-based lending
- Private equity and venture capital funding
- International capital markets through offshore financing structures

There are no general exchange controls or restrictions on the movement of capital, and Panama uses the U.S. dollar as legal tender, eliminating foreign exchange risk associated with currency conversion.

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b. Infrastructure

Panama offers one of the strongest infrastructure platforms in the region, supported by:

- The Panama Canal
- Major international ports on both the Atlantic and Pacific coasts
- The Tocumen International Airport, a regional aviation hub
- Modern highways and logistics corridors
- Extensive telecommunications infrastructure
- Special economic zones, including Panama Pacifico and the Colón Free Zone

These assets make Panama particularly attractive for logistics, trade, manufacturing, regional headquarters, and distribution operations.

c. Workforce Availability

Panama has a relatively skilled workforce, particularly in:

- Financial services
- Logistics
- Maritime services
- Commerce
- Tourism
- Professional services

English proficiency is high for the huge amount of sectors serving multinational businesses and international trade.

Strategies to Address Potential Constraints

Foreign investors commonly adopt the following strategies:

Financing

- Utilize a combination of local bank financing and parent-company funding.
- Structure investments through international financing arrangements where appropriate.
- Take advantage of Panama's sophisticated banking system for trade finance and treasury operations.

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Infrastructure

- Conduct thorough site due diligence before acquiring land or commencing construction.
- Locate operations within established commercial or industrial zones, including Panama Pacifico, the Colón Free Zone, or other free zones.
- Plan sufficient time for permitting and utility connections in large infrastructure projects.

Labor

- Develop local recruitment and training programs to build a skilled workforce.
- Plan workforce composition in advance to comply with foreign employee limitations.
- Utilize immigration categories and special investment regimes (such as SEM and EMMA) where eligible to facilitate the employment of expatriate personnel.
- Ensure compliance with labor, immigration, and social security requirements from the outset of operations.

15. What kind of taxes, duties, and levies can foreign investors expect to face in your jurisdiction?

Panama offers one of the most attractive tax regimes in the region, based on the principle of territorial taxation. This means that **only income generated from activities carried out within Panama is generally subject to Panamanian taxes**. Income earned from foreign sources is typically exempt from local income tax, making Panama an attractive jurisdiction for international business operations and holding structures.

Foreign investors should consider the following principal taxes and fiscal obligations:

- **Corporate Income Tax:** Companies earning Panamanian-source income are generally subject to a 25% corporate income tax. Businesses with annual taxable income exceeding \$1.5 million may also be subject to an alternative minimum tax calculation. Small and medium-sized enterprises that qualify under Panama's MSME regime may benefit from reduced tax rates.
- **ITBMS (Value-Added Tax):** The transfer of goods and the provision of most services in Panama are subject to the Tax on the Transfer of Movable Goods and the Provision of Services (ITBMS), generally at a rate of 7%. Higher rates apply to specific goods and services, including 10% for alcoholic beverages and hotel accommodations, and 15% for tobacco products.
- **Dividend Tax:** Dividends distributed from Panamanian-source profits are generally subject to a 10% withholding tax (or 20% for bearer shares). Dividends derived from foreign-source income are generally taxed at a reduced 5% rate.
- **Property and Other Taxes:** Depending on the nature of the investment, investors may also be subject to real estate taxes, stamp tax, selective consumption taxes, import duties, and applicable municipal taxes. Real estate tax generally applies to owned property rather than leased premises.

PANAMA

- **Payroll and Employment Contributions:** Companies hiring employees in Panama must comply with labor and social security obligations, including employer contributions to:
 - Social Security: 12.25% of the employee's monthly salary.
 - Occupational Risk Insurance: Depending on the degree of risks of the economic activity of the employer it goes from 0.56% to 5.67% of the employee's monthly salary.
 - Educational Insurance: 1.5% of the employee's monthly salary.
 - Thirteenth Month Bonus: Employers must pay their employees a special bonus called "Thirteenth Month," consisting of one day's salary for every eleven days of work, payable in equal installments on April 15, August 15, and December 15 of each year.
 - Vacations: Workers are entitled to an annual paid rest at the rate of 30 days for every 11 continuous months of work.
 - Severance fund and seniority premium, where applicable.
- **Individual Income Tax:** Employees working in Panama are subject to progressive personal income tax rates, while employers are responsible for withholding and remitting applicable payroll taxes.

In addition to its territorial tax system, Panama has strengthened its international tax framework by signing Tax Information Exchange Agreements (TIEAs) and Double Taxation Agreements (DTAs) with numerous jurisdictions. These agreements promote transparency, facilitate cross-border investment, reduce the risk of double taxation, and provide greater certainty for multinational businesses.

Investors should also be aware of ongoing tax compliance obligations, including annual income tax filings, monthly tax remittances where applicable, accounting requirements under International Financial Reporting Standards (IFRS), and reporting obligations depending on the size and nature of the business.

Because the tax treatment of an investment depends on its legal structure, industry, and source of income, obtaining legal and tax advice before commencing operations is strongly recommended

16. What are the rates of tax (Corporate Tax Rate/On Dividend/On Royalty/On Sale of Shares in Local Company)?

- **Corporate Tax Rate:** 25% on Panamanian-source income.
- **On Dividend:** 10% on dividends distributed from Panamanian-source profits for registered shares; 20% for bearer shares; 5% on dividends derived from foreign-source income.
- **On Royalty:** 12.5% effective withholding tax on royalty payments to foreign recipients (subject to applicable tax treaty relief).
- **On Sale of Shares in Local Company:** 10% capital gains tax on the net gain.

PANAMA

17. What key intellectual property laws are most relevant to inbound investors and foreign imports or their distributors, (such as trademark protection, licensing)?

The principal IP rights relevant to foreign investors include:

- **Trademark Protection:** Trademarks, service marks, trade names, collective, and certification marks may be registered in Panama. Registration grants the exclusive right to use the mark in connection with the protected goods or services. Trademark registrations are valid for 10 years and may be renewed indefinitely for successive 10-year periods. Foreign companies should register their trademarks in Panama, as foreign registrations do not automatically provide protection.
- **Patents:** Panama protects inventions under its Industrial Property Law. Patent protection is generally granted for 20 years from the filing date, subject to compliance with statutory requirements.
- **Copyright:** Literary, artistic, software, audiovisual, and other creative works are protected under Panama's Copyright Law. Copyright generally lasts for the life of the author plus 70 years.
- **Industrial Designs and Trade Secrets:** The Industrial Property Law also protects industrial designs, utility models, confidential business information, and trade secrets, providing legal remedies against unauthorized use or disclosure.
- **Licensing:** IP rights, including trademarks and patents, may be licensed to local distributors, franchisees, or other commercial partners. Well-drafted licensing agreements are essential to define the scope of use, quality control, royalties, duration, and termination, while preserving the owner's IP rights.
- **Enforcement:** Panama provides administrative, civil, and criminal remedies for IP infringement. Customs authorities have the power to investigate and seize counterfeit goods, and rights holders are encouraged to register and actively enforce their IP rights in Panama.

18. In the event of a commercial dispute, would local courts or international arbitration provide a more favorable forum for foreign investors to resolve the issue?

Panama offers both a well-established judicial system and a modern legal framework for domestic and international arbitration. While local courts have jurisdiction over commercial disputes, international arbitration is generally the preferred dispute resolution mechanism for foreign investors involved in cross-border transactions.

Panama has adopted legislation based on the UNCITRAL Model Law and is a party to the 1958 New York Convention, the 1975 Inter-American (Panama) Convention, and the ICSID Convention, ensuring the recognition and enforcement of international arbitral awards. Commercial arbitration in Panama is principally governed by Law No. 131 of 2013.

PANAMA

19. Are foreign arbitration awards enforceable?

Yes. Foreign arbitral awards are enforceable in Panama.

Panama recognizes and enforces foreign arbitral awards under Law No. 131 of 2013, subject only to the limited grounds for refusal established by those international instruments mentioned in Question 18.

20. How do cultural factors influence business practices and negotiations in your jurisdiction?

Personal relationships and trust play a significant role in business culture in Panama.

While commercial decisions are based on sound business considerations, establishing rapport and maintaining professional relationships are often important to successful negotiations and long-term partnerships.

Overall, Panama offers a business-friendly environment with a strong international outlook. Investors who combine sound legal and commercial planning with an appreciation of local business customs are generally well positioned to establish successful and lasting commercial relationships.

21. Best legal tips to doing business in your jurisdiction. (What you wish others knew about doing business in your jurisdiction.)

- Seek local legal advice early
- Choose the appropriate business structure
- Conduct thorough legal due diligence
- Use well-drafted commercial agreements
- Consider international arbitration
- Understand Panama's territorial tax system
- Comply with corporate and regulatory requirements
- Plan employment matters carefully
- Protect your intellectual property
- Perform compliance and AML reviews

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Practice Areas

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Advertising Law
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Alternative Dispute Resolution Law
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Banking Law
Bankruptcy Law
Capital Markets Law
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Competition Law
Consumer Protection Law
Copyright Law
Corporate and Transactional Law
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Corporate Law
Customs Law
Energy Law
Entertainment Law
Environmental Law
Finance Law
Fisheries Law
Foreign Investment Law
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Insurance Law
Intellectual Property Law
Labor Law
M&A Law
Migration Law
Mining Law

Perú

For over six decades, Llona & Bustamante Abogados has guided businesses, investors, and individuals through the full complexity of Peruvian law. Based in Lima, the firm has built its reputation on one core principle: understanding a client's situation deeply enough to anticipate problems – not just solve them.

That forward-thinking approach has made Llona & Bustamante a trusted partner for both domestic clients and international investors navigating Perú's legal and regulatory landscape.

Trusted legal counsel in Perú since 1963

The firm's greatest strength is its people. Llona & Bustamante's lawyers combine advanced academic training with practical, real-world experience across a wide range of industries. The team works in Spanish, English, French, and Japanese, a reflection of the firm's long-standing relationships with investors from across the globe.

Partners and associates collaborate closely, drawing on diverse backgrounds to provide well-rounded, practical counsel. The firm's pro bono program speaks to the firm's deep ethical roots.

Llona & Bustamante is a full-service firm with capabilities spanning the breadth of business and personal legal needs in Perú.



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PERÚ

Practice Areas cont.

Oil and Gas Law
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Investments Law
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Tax Law
Telecommunications Law
Unfair Competition Law

1. Website for company registry search and registration services:

www.sunarp.gob.pe/index.asp

2. Website for foreign investment related services:

www.investinperu.pe/

3. Websites for IP related search and registration:

Trademark: www.indecopi.gob.pe/indecopi

Patent: www.indecopi.gob.pe/indecopi

Copyright: www.indecopi.gob.pe/indecopi

Industrial Designs: www.indecopi.gob.pe/indecopi

4. Is there a necessity for incorporating the corporate name of the company in contracts?

The parties in a contract shall incorporate the company name and the identification of the person duly empowered to act on its behalf.

5. Is there a necessity for incorporating the corporate identity number of the company in contracts?

The parties shall indicate the company identity number and registration information regarding the company and its representatives signing the contract on its behalf.

6. Is there any local convention for signing of contracts?

In general terms, Peruvian law determines that the parties are free to determine formality of the contract unless said formality is determined by law. For instance, Peruvian law requires a special formality for the transfer, lease of registered property or goods, such as real estate property and vehicles. Said transfers shall be made under a public deed granted through a Public Notary and some of them registered before the corresponding public registry.

7. Any requirement of notarization/legalization of contracts?

Peruvian Law does not require any notarization of contracts. Nevertheless, some contracts are certified by a public notary in order to have a certainty of the date of its existence.

8. Sectors where no foreign investment can be made?

No restrictions except for the one mentioned below.

As established in article 71 of the Peruvian Constitution, said property right has the same conditions for Peruvians or foreigners, whether they are persons or corporate entities. However, within a distance of fifty kilometers from the borders, foreigners may not acquire or possess under any title, directly or indirectly, mines, lands, woods, water, fuel, or energy sources, whether individually or in partnership, under penalty of losing that so acquired right to the State. The sole exception involves cases of public need expressly determined by executive decree and approved by the Cabinet, in accordance with the law.

9. Sectors where there is a cap on foreign investment?

Law N° 28278: Television and Broadcasting Law- which establishes that only natural persons of Peruvian nationality or legal entities constituted and domiciled in Peru may be holders of authorizations and licenses.

Law 29785: Law of the right to prior consultation with indigenous or native peoples which established that the execution of certain investment projects may be subject to prior consultation with indigenous or native peoples of the place where said projects are located. However, consultation does not imply a veto right on the project.

10. What are the most effective entry strategies for your jurisdiction, and what are the typical corporate structures utilized?

The most effective strategy to do business in Peru is to previously review the tax, labor, regulatory regulations, as well as operational implications that will apply to the business in Peru.

11. What are the typical permits and licenses that foreign investors are required to have in order to do business in your region?

Basically, all companies operating in Peru are require obtaining a RUC (Tax Payer Number) and also a municipal operating license for is corporate offices. Moreover, we must point out that there is no need for foreign investors to obtain a previous authorization or specific license in order to do business in Peru, local and foreign investors are treated equally.

12. Does your government control and manage commercial joint ventures between foreign investors and local businesses? If so, how?

There are no governmental controls, nor management of, commercial joint ventures among foreign investors and local businesses.

13. How does your government oversee proposed activities by foreign investors, and are there specific sectors of the economy where foreign investment is restricted?

According to the Peruvian Constitution, foreign and local investments are treated equally, investors are guaranteed to freely determine their contractual provisions according to law, meaning that said contracts will have the status and force of law among the parties (including the government) and cannot be modified on a unilateral basis.

14. What should be considered regarding capital availability and access in your jurisdiction? Are there significant constraints related to capital, infrastructure, or labor, and what strategies can be used to address them?

The Peruvian Constitution grants equal rights to foreign and domestic investors and guarantees free possession, use, and disposition of local and foreign currencies in the country. There are no foreign exchange controls, registrations, approvals, or other similar restrictions relating to the remittance of foreign currency to or from Peru. In addition, there is no need of approval by any authority to undertake foreign exchange transactions or to carry foreign currency and exchange it to Peruvian Soles; consequently, foreign currency may be used in any transactions in Peru, provided that the parties agree to do so.

Another feature that makes Peru a very appealing destination for foreign investment is the fact that foreign investors are entitled to open bank accounts of any kind in foreign currency, mainly US Dollars, and Euros. Also, it is important to mention that credit facilities may be granted by authorized financial institutions in Peruvian Soles, US Dollars, and any other currencies without restrictions. Also, foreign investors are entitled to transfer abroad – after tax – in freely convertible currency, using the most favorable exchange rate in force at the time of the transaction, and subject to no prior authorization by the Central Bank nor any governmental authority with respect to the full capital obtained from their investments, and the full proven net dividends or profits obtained from such investments.

15. What are the rates of tax (Corporate Tax Rate/On Dividend/On Royalty/On Sale of Shares in Local Company)?

- **Corporate Tax Rate:** In general terms, companies doing business in Peru are levied with the Income tax with the rate of 29.5% calculated over the annual net taxable revenue. In the case of agricultural and agroindustry activities, a temporary tax system/framework is applicable with a rate equal to 15% for the term period (2026-2035).

Peruvian Income Tax, is applicable to legal entities domiciled in Peru over the income obtained in the fulfillment of its business activities, in and out of the Peruvian territory (worldwide source of income system).

Notwithstanding, Peruvian income tax comprises of four types of tax regimes (Special Income Tax, Unique Simplified Regime and the Micro and Small Business Regimes, all of them based on the amount of annual income, sales, and assets and oriented to small entities and the General Income Tax for all other types of entities).

- **On Dividend:** The distribution of dividends or any other form of distribution of profits, made by legal entities are levied with a rate of 5% when the distribution is made to natural persons or non-domiciled legal entities.

The indicated retention must be made on the date of adoption of the distribution agreement, or when the dividends and other forms of distributed profits are made available, in cash or in kind, whichever occurs first.

- **On Royalty:** Royalties for patents, trademarks, designs, models, plans, processes, secret formulas, copyrights, as well as the right of use of software paid by a Peruvian domiciled person or entity and/or used economically in the Peruvian territory is levied with income tax at the rate of 30%.
- **On Sale of Shares in Local Company:** The sale of shares by a non-domiciled person or entity is levied with income tax at the rate of 30% over the capital gain obtained in the sale of the share participation (sale price minus purchase price). In this regards a capital investment certificate shall be obtained from the local tax authorities before any payment for the sale of shares is received. Nevertheless, capital gains in the transfer of shares in the floor of the exchange for listed companies in the stock exchange are levied with 5% income tax, unless the stock is considered as a constant quotation stock in the market, and said transaction represents a transfer of shares lesser than 10% of the paid-in capital of the issuer, where this transaction will be considered as tax exempt.

16. What key intellectual property laws are most relevant to inbound investors and foreign imports or their distributors, (such as trademark protection, licensing)?

The National Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI) is the authority in charge of fostering the proper functioning of the market, to the benefit of citizens, consumers, and businesses through consumer protection, prevention, and control of restrictive practices of free and fair competition, protection of intellectual property and the promotion and development of infrastructure and quality culture in Peru.

Legislative Decree N° 1034 prohibits and sanctions anti-competitive conduct with the purpose of promoting economic efficiency in the markets for the consumer welfare.

Law N° 31112 establishes a prior control regime of business concentration operations in order to promote economic efficiency in the markets for the welfare of consumers.

Peru is a signatory, among others, to the following conventions:

In Intellectual Property:

- The Paris Convention for the Protection of Industrial Property
- The Lisbon Agreement for the Protection of Appellations of Origin
- The Convention Establishing the World Intellectual Property Organization (WIPO)
- The Agreement on Related Aspects of Intellectual Property Rights Agreement (TRIPs)
- The General Inter-American Convention for Trademark and Commercial Protection (Washington Convention)
- The Agreement Establishing the World Trade Organization (WTO)
- The Patent Cooperation Treaty (PCT)
- The Free Trade Agreement signed between the U.S.A. and Peru. In order to obey this agreement, some changes have been introduced into Peruvian legislation. The National Law N° 29316 (which modifies, includes, and regulates various provisions to implement the trade promotion agreement signed between Peru and the United States of America). These new rulings are only complementary in some aspects, the fundamentals are preserved.
- Decision 486 of the Andean Community - Common Industrial Property Regime, which cover among others, patents of invention, certificates of protection, utility models, industrial designs, industrial secrets, trademarks, trade names, and appellations of origin.

That regime is complemented in the national regulation with:

- Legislative Decree No. 1075, which approves complementary dispositions to Decision 486,
- Legislative Decree N° 1309 (of the Simplification of Administrative Proceedings in Matters of Intellectual Property followed before the Resolutive Bodies of the National Institute for the Defense of Competition and Protection of Intellectual Property-INDECOPI),
- Supreme Decree N° 059-2017-PCM (Regulation of Legislative Decree N° 1075),

In Copyright

- The Berne Convention for the Protection of Literary and Artistic Works for Copyrights
- The Rome Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations
- The WIPO Copyright Treaty (WCT)
- The WIPO Performances and Phonograms Treaty (WPPT)
- The Beijing Treaty on the Audiovisual Performances
- Also, we are counterpart of the Decision 351 of the Andean Community, Common Regime on Copyright and Related Rights (Andean Supranational Legislations)

That regime is complemented in the national regulation with:

- Law on Copyright (Legislative Decree N° 822) as amended by Legislative Decree N° 1076
- Legislative Decree N° 1092 (approving Border Measures for the Protection of Copyright and Related Rights and Trademark Rights)
- The Free Trade Agreement signed between the U.S.A. and Peru, which was introduced into Peruvian Legislation by The National Law N° 29316 (which modifies, includes and regulates various provisions to implement the trade promotion agreement signed between Peru and the United States of America) and Supreme Decree N° 053-2017 (which approve the Regulation of the National Record of Copyrights and related rights).

17. In the event of a commercial dispute, would local courts or international arbitration provide a more favorable forum for foreign investors to resolve the issue?

In case of any commercial dispute and taking into consideration the amount under dispute, local or international arbitration would be a favorable forum to solve issued based on the well-developed arbitration framework which will guarantee prompt and accurate decisions in comparison to the local courts.

18. Are foreign arbitration awards enforceable?

Yes. According to article 5° of Legislative Decree N° 1071- Peruvian Arbitration Law, an arbitration will be considered “international” when any of the following circumstances occur:

- a. If the parties have domiciles in different states
- b. If the place of the arbitration determined in the arbitration agreement or in accordance with it is located outside the state in which the parties are domiciled
- c. If the parties are domiciled in Peru and: (i) the place of performance of a substantial part of the obligations is located outside Peru or (ii) the place which the dispute has a closer connection with is located outside of Peru

Likewise, article 749° of the Peruvian Civil Procedure Code and followings articles establish the procedure to recognize foreign court decisions and foreign arbitration awards.

19. How do cultural factors influence business practices and negotiations in your jurisdiction?

Cultural factors are always important to do business in the country, moreover it is recommended to have a local contact and always seek local legal counsel that will help identify regulatory risks.

20. Best legal tips to doing business in your jurisdiction. (What you wish others knew about doing business in your jurisdiction.)

- Choose the most suitable legal structure that fits the investment objectives
- Understand the industry and local legal regulations applicable to the business and/or operations to be developed in the country
- Protect intellectual property rights before launching a product or service
- Review tax implications over the projected operations
- Review the compliance with labor laws that may result applicable to the corporate structure to be implemented

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Citizenship Law
Civil Appeals Litigation Law
Civil Litigation Law
Commercial Law
Commercial Litigation Law
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Trinidad and Tobago

Martin George & Company has been in existence for more than 33 years and during this time they have established themselves as an effective, results-oriented, client-focused- and success-driven firm which has represented from the smallest individual to the largest corporations and has done so with a quiet, discreet efficiency and in a courteous, prompt, and reliable manner which their clients have grown to trust and respect.

Most of their business comes from referrals from clients whom they have worked for and it is their constant commitment to continue to strive and live up to the quality and standards which clients from all over have come to expect of them.

The firm is currently comprised of three senior attorneys, two legal assistants, and their executive and professional support staff, including a personal assistant, executive assistant, and administrative support staff and law clerks. Their independent support team includes: title search clerks, bailiffs, justices of the peace, private investigators, valuers, surveyors and process servers.

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TRINIDAD AND TOBAGO

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 Real Property Law
 Spousal Support Law
 Succession Planning Law
 Successions Law
 Trusts and Estates Law
 Wills Law

1. Websites for company registry search and registration services:

- Registrar General's Department/Companies Registry (online CROS): rgd.gov.tt (Companies Registry pages/electronic services). (rgd.gov.tt/)
- The government single window for e services (name search/reservation/incorporation): TTBizLink. (ttbizlink.gov.tt/trade/tnt/cmn/pdf/MODULE%20company%20registration.pdf)

2. Websites for foreign investment related services:

- InvestTT (national investment promotion agency – investor guides, facilitation): www.investt.co.tt. (www.investt.co.tt/publications/Trinidad-and-Tobago-Investment-Guide.pdf)
- Ministry of Trade & Industry/Trade and Investment Division (policy, Foreign Investment Act material and licenses): tradeind.gov.tt (and the Ministry/Finance pages that publish the Foreign Investment Act). (tradeind.gov.tt/wp-content/uploads/2016/02/Foreign-Investment-Act-70.07.pdf)

3. Websites for IP related search and registration:

- Intellectual Property Office (T&T) – online services (trademark search etc.): ipo.gov.tt (IP Office pages/online services). (ipo.gov.tt/online-services/)
- WIPO country profile (supplements national office data). (www.wipo.int/en/web/country-profiles/TT)

4. Is there a necessity for incorporating the corporate name of the company in contracts?

Yes. Always use the company's full legal (registered) name in contracts. This is standard practice (and prudent) to ensure the party is unambiguously identified; Companies Registry guidance and local practice require accuracy when naming a company for registration/filing/official purposes. Use the exact name shown on the Certificate of Incorporation. (www.rgd.gov.tt/faqs.php)

TRINIDAD AND TOBAGO

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5. Is there a necessity for incorporating the corporate identity number of the company in contracts?

Not strictly mandatory for every domestic contract, but strongly recommended. Including the company's registration/CRN (and registered office) is common practice and assists identification, enforcement, and due diligence (and is routinely required by banks, government counterparties, and under CDD/AML checks). Many local forms/guidance (FIU/registries) ask for the company registration number. (fiu.gov.tt/wp-content/uploads/08_10_21_Customer-Due-Diligence-Guidance.pdf)

6. Is there any local convention for signing of contracts?

Wet-ink signatures by an authorized signatory remain the usual practice for commercial contracts and deeds. Parties normally show the signatory's name and office (director/manager) and attach a board resolution or power of attorney if needed to prove authority.

Electronic signatures are legally recognized under the Electronic Transactions Act 2011, so e signatures are valid where the parties agree and the signature method satisfies the Act's requirements. For registrable property documents and certain deeds, additional formalities may still be required. (www.scribd.com/document/621092283/Conveyancing-Manual-2021-2022-Secure-unlocked)

7. Any requirement of notarization/legalization of contracts?

- Domestic commercial contracts: notarization is generally not required.
- Documents that will be used overseas (or transactions requiring proof of signature/authority abroad) commonly need notarization and then authentication (apostille/legalization). Trinidad and Tobago is a contracting party to the Hague Apostille Convention; the Ministry of Foreign & CARICOM Affairs provides authentication/apostille services and procedures. If the counterparty or a foreign authority asks for notarization/apostille, follow that requirement. (foreign.gov.tt/services/authentication-documents/)

8. Sectors where no foreign investment can be made?

There is no single national "ban list" in the Foreign Investment Act. The Foreign Investment Act 1990 sets screening/licensing rules (and allows ministers/president to make orders), but absolute prohibitions (or sectoral exclusions) are implemented in sector specific laws and by executive Orders. The main practical effect is: check sectoral statutes and regulator/licensing rules (e.g., broadcasting, state majority enterprises, some licenses) before investing. Also note the special Tobago land order (Foreign Investment (Tobago Land Acquisition) Order 2007), which requires a license before any foreigner acquires land in Tobago. (tradeind.gov.tt/wp-content/uploads/2016/02/Foreign-Investment-Act-70.07.pdf)

TRINIDAD AND TOBAGO

9. Sectors where there is a cap on foreign investment?

Key statutory caps/limits:

Public companies: Foreign holdings that would cause total foreign ownership to reach 30% or more of a local public company trigger the requirement for a foreign investment license under the Foreign Investment Act (i.e., >30% normally requires a license). (tradeind.gov.tt/wp-content/uploads/2016/02/Foreign-Investment-Act-70.07.pdf)

Land: general Foreign Investment Act limits permit up to one (1) acre (residential) and up to five (5) acres (commercial) in Trinidad without a license; the minister may prescribe restricted areas and Tobago requires a license for any land acquisition. (tradeind.gov.tt/wp-content/uploads/2016/02/Foreign-Investment-Act-70.07.pdf)

Financial sector and other regulated sectors: Separate sectoral legislation (Financial Institutions Act, insurance law, telecommunications, broadcasting, utilities) impose licensing conditions, approval thresholds, and regulatory controls; these often require regulator approval for changes in control and may impose additional ownership conditions. Always check the sector regulator's rules. (unctad.org/system/files/official-document/diaeed2012d4_en.pdf)

10. What are the most effective entry strategies for your jurisdiction, and what are the typical corporate structures utilized?

- Common entry routes: (a) Incorporate a locally registered company (private limited company) – most common; (b) acquire an existing local company (M&A); (c) set up a branch or register an external company where permissible; (d) form a joint venture or strategic partnership with a local partner; (e) use a representative/liaison office for market testing; (f) concession/PPP or project specific Special Purpose Vehicle (SPV) for infrastructure projects. Which route is best depends on tax, regulatory licensing, sector specific foreign ownership rules and financing. (agla.gov.tt/registrar-general/registrar-general-companies-registry-2/)
- Typical structures: Private company limited by shares (local subsidiary) is the default vehicle; for regulated activities (banking, telecoms, utilities) investors commonly form a subsidiary together with local partners or acquire a licensed local operator and then apply for regulatory approvals. Investors seeking land ownership, incentives or access to public procurement typically work through a Trinidad and Tobago incorporated company and consult InvestTT and the relevant regulator early. (www.investt.co.tt/publications/Trinidad-and-Tobago-Investment-Guide.pdf)

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11. What are the typical permits and licenses that foreign investors are required to have in order to do business in your region?

- Company incorporation/registration (Registrar General's Department/CROS).
- Foreign Investment License where required under the Foreign Investment Act (e.g., acquisitions >30% of local public company; certain land acquisitions; Tobago land).
- Business/trade license from municipal authority (where applicable).
- Sector licenses from regulators for regulated activities: Financial services (Central Bank/SEC), insurance, banking, credit unions, telecommunications (TATT), energy/oil and gas (Ministry of Energy, EMA), utilities, broadcasting, gaming, alcohol/food and health permits, environmental permits (EMA).
- Work permits/immigration clearance for expatriate staff (Ministry of National Security/Immigration).
- Special permits for land acquisition in Tobago and certain protected areas.

(Note: Exact license set depends on sector – engage InvestTT and the relevant regulator early.

12. Does your government control and manage commercial joint ventures between foreign investors and local businesses? If so, how?

The government does not routinely manage private JVs, but it regulates them via: (a) approval/licensing regimes in regulated sectors (changes of control require regulator consent); (b) Foreign Investment Act licensing where ownership thresholds trigger review; (c) merger/competition oversight by the Fair Trading Commission in transactions meeting notification thresholds; and (d) sector specific statutory restrictions (e.g., broadcasting, utilities). Government participation in JVs occurs where state entities or SOEs are parties or where national interest mandates involvement.

13. How does your government oversee proposed activities by foreign investors, and are there specific sectors of the economy where foreign investment is restricted?

Oversight mechanisms: Foreign Investment Act licensing, sectoral licensing/registration, regulator approvals (TATT, Central Bank, EMA, etc.), environmental assessment process, and licensing for land acquisition (notably Tobago).

Restrictions: no single consolidated “ban list,” but practical restrictions exist in sector laws and orders (e.g., certain broadcasting or national security sensitive activities, State-owned enterprise concessions, land acquisition in Tobago). Many sectors require licenses and regulator consent for foreign control; some areas effectively limited by licensing policy rather than absolute ban.

TRINIDAD AND TOBAGO

14. What should be considered regarding capital availability and access in your jurisdiction? Are there significant constraints related to capital, infrastructure, or labor, and what strategies can be used to address them?

- Capital/access: Trinidad has a well developed banking and financial sector; capital and foreign exchange are generally available and repatriation permitted subject to banking/KYC/AML. Project finance is available domestically and through regional/international banks.
- Infrastructure constraints: Some issues in electricity reliability for heavy industry, port/logistics capacity for some cargo types, and ageing internal infrastructure in places.
- Labor: Skilled labor shortages in specialized fields (e.g., petrochemicals, ICT), but a generally trainable workforce.
- Mitigation strategies: Form JVs with local partners, secure PPPs/concessions, use local contractors, invest in on the job training, import specialized labor short term under work permits, secure long term power/logistics arrangements, use project finance and export/agency financing.

15. What kind of taxes, duties, and levies can foreign investors expect to face in your jurisdiction?

- Corporate income tax: Primary corporate tax applies to resident companies and branches; sector-specific higher rates may apply (especially upstream oil and gas under production sharing/royalty frameworks).
- Withholding taxes: Apply to some payments to non residents (rates depend on category and tax treaties).
- VAT: Standard VAT applies to taxable supplies (with exceptions).
- Customs duties: On imports, variable by tariff classification; some exemptions for projects/ investments made under incentive schemes.
- Other levies: Payroll taxes (national insurance contributions and Health Surcharge/other statutory payroll charges), Green Fund and environmental levies in some sectors, stamp duties on certain instruments (property transfers), and property taxes by local authorities.

Note: Many taxes and incentives depend on the sector and any investment incentive agreements.

TRINIDAD AND TOBAGO

16. What are the rates of tax (Corporate Tax Rate/On Dividend/On Royalty/On Sale of Shares in Local Company)?

- **Corporate Tax Rate:** The current standard corporation tax rate is 30%; banks and petrochemical companies are generally 35%; upstream petroleum profits tax is commonly 50% (deep-sea production 30%).
- **Dividend Withholding:** Often exempt for dividends paid by resident companies to resident shareholders; withholding on dividends to non residents may apply depending on treaty status and company type (rate varies).
- **Royalty Withholding:** Often subject to withholding tax (typical non resident WHT in many jurisdictions 15-25%) and subject to treaty relief where applicable.
- **On Sale of Shares in Local Company:** No separate capital gains tax in many cases for simple share disposals, but profits may be taxable if the transaction is part of trading activities or falls under specific statutory provisions; stamp duty and transfer-related taxes may apply.

Note: These are indicative; exact current rates and exemptions require checking the current tax code, double tax treaties, and revenue authority guidance.

17. What key intellectual property laws are most relevant to inbound investors and foreign imports or their distributors, (such as trademark protection, licensing)?

- Trademarks Act/registry procedures (register trademarks at IPO TT)
- Patents and designs legislation and registration through IPO
- Copyright Act (automatic protection; registration optional in some respects)
- IP enforcement mechanisms: Civil remedies (injunctions, damages), criminal sanctions for counterfeiting, border measures via Customs
- Licensing: Commercial licensing and assignment governed by contract law; ensure registered assignments where registration is required to perfect rights against third parties. Register trademarks before market entry; use distribution/agency agreements with clear IP license clauses.

18. In the event of a commercial dispute, would local courts or international arbitration provide a more favorable forum for foreign investors to resolve the issue?

- Arbitration is commonly preferred by foreign investors for commercial disputes (confidentiality, expertise of arbitrators, neutrality, and enforceability under the New York Convention).
- Trinidad and Tobago courts are competent and accessible for most matters, but may be slower and less predictable for complex cross-border commercial disputes. For major cross border contracts, arbitration with seat agreed (and clear arbitration clause) is usually more investor-friendly.

TRINIDAD AND TOBAGO

19. Are foreign arbitration awards enforceable?

Yes. Trinidad and Tobago is party to the New York Convention; the Arbitration Act/International Arbitration Act gives effect to enforcement of foreign arbitral awards subject to limited statutory public policy and procedural defenses.

20. How do cultural factors influence business practices and negotiations in your jurisdiction?

- Relationship and trust matter: Business is often relationship driven; invest time in building personal rapport.
- Formality and titles: Use formal titles and written agreements; business culture values politeness and protocol.
- Pace: Negotiations may be less aggressive than in some markets – patience, face to face meetings, and local introductions help.
- Local content expectation: In some sectors (e.g., energy, public procurement) there is an expectation of local participation, employment, and benefits to communities.

21. Best legal tips to doing business in your jurisdiction. (What you wish others knew about doing business in your jurisdiction.)

- Do early regulatory due diligence: Check sector licenses, Foreign Investment Act requirements, and land restrictions (especially Tobago).
- Use clear, locally suitable corporate structures: Local subsidiary for operations; include change of control consent clauses where needed.
- Include robust dispute resolution clauses: Nominate seat, governing law and arbitration forum (and ensure enforceability).
- Register IP early (trademarks/patents) and use contractual protections with distributors.
- Confirm tax treatment and incentives with tax counsel and Revenue Authority before structuring major transactions.
- Engage local counsel and a reputable local partner/consultant for licenses, staff matters and community relations.
- Plan for labor and infrastructure needs: Include staffing and contingency for utilities/logistics in project plans.
- Keep documentary proof of authority for signatories (e.g., board resolutions, POAs), and ensure compliance with AML/KYC requirements.



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