

DOING BUSINESS

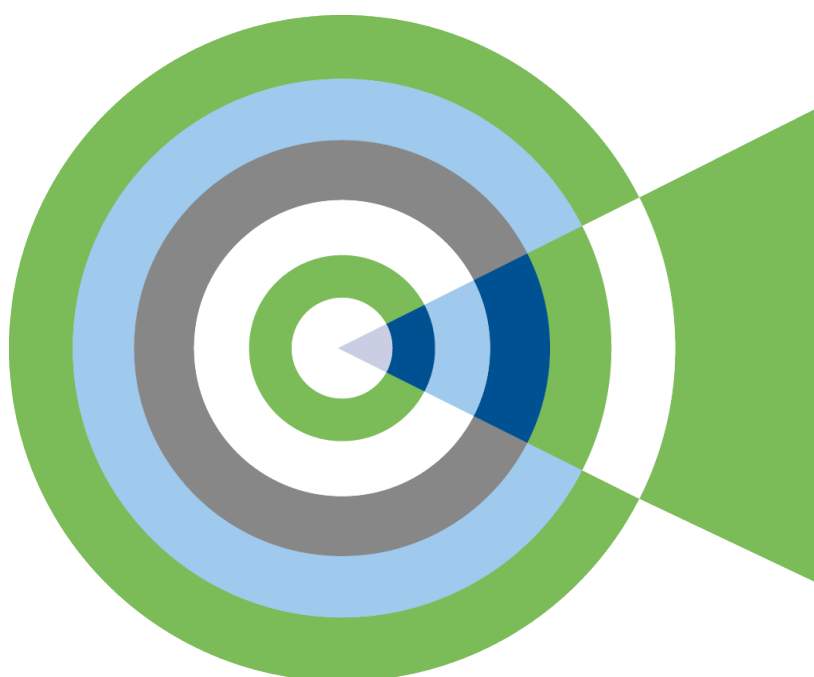
IN GUATEMALA



The network
for doing
business

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1 – INTRODUCTION

UHY is an international organization providing accountancy, business management, and consultancy services through financial business centers in around 100 countries throughout the world.

Business partners work together through the network to conduct transnational operations for clients as well as offer specialist knowledge and experience within their national borders. Global specialists in various industry and market sectors are also available for consultation.

This detailed report provides key issues and information for investors considering business operations in Guatemala has been provided by the office of UHY representatives:

UHY PÉREZ, S.A.

*2.ª calle 24-00 zona 15 Vista Hermosa II,
Edificio Domani Nivel 17 Oficina 1702
Guatemala, Guatemala*

Phone +502 2503 5900
Website www.uhy-perez.com
Email gerencia@uhy-perez.com

You are welcome to contact **Omar Pérez** (operez@uhy-perez.com) for any inquiries you may have.

Information in the following pages has been updated to be effective at the date shown, but inevitably they are both general and subject to change and should be used for guidance only. For specific matters, investors are strongly advised to obtain further information and take professional advice before making any decisions. This publication is current in March 2023.

We look forward to helping you do business in Guatemala.

UHY Pérez, S.A. (the 'Firm') is a member of Urbach Hacker Young International Limited, a UK company, and forms part of the international UHY network of legally independent accounting and consulting firms. UHY is the brand name for the UHY international network.

The services described herein are provided by the Firm and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.

2 – BUSINESS ENVIRONMENT

DEMOGRAPHY

According to information provided by Invest in Guatemala Agency, Guatemala is a country with a young population; 80% of it is less than thirty-five years old. Guatemala has the largest population in Central America with 17.4 million people and counts an estimated 6.6 million people in its labor force.

The country also shows an important growth rate in the working-age population. Since 2010, Guatemala shows a growth of around 30% in the working-age population, higher than the rest of Central American countries and way above the region indicator.

These figures not only reflect a vibrant, young economy for industries that require scalable workforces (such as services outsourcing). The capital city, Guatemala, is in the country's geographical heart and is home to an average of 4.5 million inhabitants.

TABLE 1
Population statistics

POPULATION	17,422,821 MILLION INHABITANTS (JULY 2023 EST.)
Growth Rate	1.62%
Male Population	8,510,685
Female Population	8,642,603
Rural Population	47.3%
Urban Population	52.7%

The data in the table below (from CIA's *World Factbook*) gives a segmentation of the Guatemalan population by age group:

TABLE 2
2023 population estimate by age group

AGE	PROPORTION
0–14 years	33.68%
15–24 years	19.76%
25–54 years	36.45%
55–64	5.41%
65 years and over	4.7%

The median age in 2023 is estimated to be as follows:

- Both Genders – 23.2 years
- Male – 22.6 years
- Female – 23.8 years

Other population indicators are as follows:

- Birth rate – 22.34 births / 1,000 population (2023 est.)
- Death rate – 4.91 deaths / 1,000 population (2023 est.)
- Net migration rate – -1.69 migrant(s) / 1,000 population (2023 est.)
- Rate of urbanization – 2.59% annual rate of change (2020-25 est.)

CULTURE/ETHNICITY

- Nationality – Guatemalan
- Ethnic groups – mestizo (mixed Amerindian-Spanish - in local Spanish called Ladino) 56%, Maya 41.7%, Xinca (indigenous, non-Maya) 1.8%, African descent .2%, Garifuna (mixed West and Central African, Island Carib, and Arawak) .1%, foreign .2% (2018 est.)
- Religions – Roman Catholic, Protestant, indigenous Mayan beliefs
- Languages – Spanish (official) 69.9%, Maya languages 29.7% (Q'eqchi' 8.3%, K'iche 7.8%, Mam 4.4%, Kaqchikel 3%, Q'anjob'al 1.2%, Poqomchi' 1%, other 4%), other 0.4% (includes Xinca and Garifuna) (2018 est.)

GEOGRAPHY

Guatemala is in Central America, bordering the North Pacific Ocean, between El Salvador and Mexico, and bordering the Gulf of Honduras (Caribbean Sea) between Honduras and Belize.

- Border countries – Belize 266km, El Salvador 199km, Honduras 244km & Mexico 958km
- Area – total 108,889 square km
 - Land 107,159 square km
 - Water 1,730 square km
- Climate – tropical; hot, humid in lowlands and cooler in highlands
- Terrain – mostly mountains with narrow coastal plains and rolling limestone plateau (Petén)
- Administrative Divisions – Guatemala is divided into 22 departments ('departamentos') and sub-divided into 332 municipalities ('municipios').
- Natural Resources: petroleum, nickel, rare woods, fish, chicle, and hydropower.

TRANSPORTATION AND PORTS

- Airports – 16 (paved runways)
- Pipelines – oil 480km (2013)
- Railways – 800 km, narrow-gauge: 800 km 0.914-m gauge (2014)
- Roadways – 17,621 km
- Waterways – 990km (260km navigable year-round, with an additional 730km navigable during the high-water season (2012))
- Ports and harbours – Atlantic Ocean: Puerto Barrios, Santo Tomás de Castilla; Pacific Ocean: Champerico, Puerto Quetzal, Puerto San José

Ground transportation – the most common way of getting around is by bus or car. 'Chicken buses' are recycled and often colorfully painted former US school buses, are popular within cities and for short-distance trips. Some operators (such as Litegua between Guatemala City and Puerto Barrios, Fuente Del Norte between Guatemala City and Flores, or Monja Blanca to Cobán) run modern air-conditioned buses for longer distances. Information on schedules for other lines is limited and usually must be obtained locally. However, as a rule, there are frequent services along major routes as well as to smaller settlements. There are no

passenger trains. Private shuttles are common. Within cities and many towns, nimble tuk-tuks, which are well-adapted to crowded streets and narrow lanes, provide a taxi service.

- By air – Guatemala's airlines offer non-stop services to various departments.
- Boats – ferries are available in certain regions, such as Sayaxché, Champerico, or around Livingston.

ECONOMY

Guatemala is the most populous country in Central America with a GDP per capita of roughly one-half the average for Latin America and the Caribbean.

The agricultural sector accounts for 13.5% of GDP and 31% of the labor force; key agricultural exports include sugar, coffee, bananas, and vegetables. Guatemala is the top remittance recipient in Central America because of Guatemala's large expatriate community in the United States. These inflows are a primary source of foreign income, equivalent to over one-half of the country's exports or one-tenth of its GDP.

The Peace Accords of 1996 ended 36 years of civil war and removed a major obstacle to foreign investment. Since then, Guatemala has pursued important reforms and macroeconomic stabilization. The Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) entered into force in July 2006, encouraging increased investment and diversification of exports, with the largest increases in ethanol and non-traditional agricultural exports. While CAFTA-DR has helped improve the investment climate, security concerns, the lack of skilled workers, and poor infrastructure continue to hamper foreign direct investment.

The distribution of income remains highly unequal with the richest 20% of the population accounting for more than 51% of Guatemala's overall consumption. More than half of the population is below the national poverty line, and 23% of the population lives in extreme poverty. Poverty among indigenous groups, which make up more than 40% of the population, averages 79%, with 40% of the indigenous population living in extreme poverty. Nearly one-half of Guatemala's children under age five are chronically malnourished, one of the highest malnutrition rates in the world.

Guatemala is facing growing fiscal pressures exacerbated by multiple corruption scandals in 2015 that led to the resignation of the President, Vice President, and numerous high-level economic officials.

- Official Currency – quetzal
- Currencies – Quetzal (GTQ), US dollar (USD), others allowed
- Fiscal Year – calendar year
- Exchange rates – quetzals per US dollar: 7.32 (2017) 7.59 (2016), 7.59 (2015) 7.65 (2014), 7.73 (2013)
- GDP (purchasing power parity): USD 141.5 billion (2020 est.)
- GDP (official exchange rate): USD 76.678 billion (2019 est.)
- GDP - real growth rate: 2,8% (2017 est.)
- GDP - per capita (PPP): USD 8,400 (2020 est.)
- GDP - composition by sector: agriculture 13.3%, industry 23.4%, services 63.2% (2017 est.)

*For more information visit:

- www.banguat.gob.gt (exchange rates)
- www.cia.gov
- www.investinguatemala.org
- www.banguat.gob.gt

GOVERNMENT

Country name:

- Conventional long form: Republic of Guatemala
- Conventional short form: Guatemala
- Local long form: *República de Guatemala*
- Local short name: Guatemala

Government type: Constitutional democratic republic

Capital: Guatemala

Geographic coordinates: 15 30 N, 90 15 W

Time difference: UTC-6 (1 hour behind Washington, DC during Standard Time)

Administrative Divisions: 22 departments (*departamentos* / singular=*departamento*); Alta Verapaz, Baja Verapaz, Chimaltenango, Chiquimula, El Progreso, Escuintla, Guatemala, Huehuetenango, Izabal, Jalapa, Jutiapa, Petén, Quetzaltenango, Quiché, Retalhuleu, Sacatepéquez, San Marcos, Santa Rosa, Sololá, Suchitepéquez, Totonicapán, Zacapa.

Independence and National holiday: September 15, 1821 (from Spain)

Constitution: May 31, 1985, effective January 14, 1986, note - suspended May 25, 1993, by former President Serrano Elías; reinstated June 5, 1993 following the ouster of the president; amended November 1993.

Legal System: Civil law system; judicial review of legislative acts; has not accepted compulsory ICJ jurisdiction.

BUSINESS PROTOCOL IN GUATEMALA

INITIAL CONTACT

Local contacts are essential in Guatemala. Potential buyers do not react well to a direct 'cold' approach. Plan to attend a trade show or join a trade mission to meet interested parties. You can also arrange for a chamber of commerce, trade association, government agency, or bank to introduce you to Guatemalan companies.

Your first written correspondence should be in Spanish, stating that, if possible, you would prefer to correspond in English subsequently. Request an appointment about two weeks in advance. Expect to meet in an office rather than in a restaurant or bar. Schedule only two meetings per day, one between 10:00 - 11:30 am and the second starting at 3 pm.

IMPORTANCE OF RELATIONSHIPS

Expect to invest a considerable amount of time developing a good rapport and a pleasant, relaxed relationship before discussing business. Establishing an atmosphere of trust is a precondition to a successful business relationship.

Good topics for small talk are football (soccer), Guatemalan history, literature, and places to visit, as well as information about your hometown and region. You will probably need two or three visits to the country before you can expect to do serious business. Like other Latin Americans, Guatemalans value deep, long-lasting relationships.

HIERARCHY, STATUS, AND RESPECT

In Guatemala, one's status depends more on social class, education, and family background than on personal achievement. Business visitors can enhance their status by displaying a lively interest in intellectual pursuits, dressing elegantly, and staying in top hotels.

PROPER PROTOCOL

Shake hands with everyone in the room, both men and women, when meeting or departing. The handshake should not be too firm.

Use last names only preceded by *señor*, *señora*, or *señorita* (Mr, Mrs, or Miss). The use of titles is very common, such as *licenciado* (anyone with a college degree), *doctor*, *professor*, *arquitecto*, *ingeniero*, etc. The use of the title without the last name (*señor ingeniero*) is also appropriate.

Smile and maintain eye contact when you are introduced to someone. “¿Como está?” (How are you?) is the most common greeting.

Business cards in English are accepted. However, all correspondence and documents from your company should be translated into Spanish.

Putting your hands in your pockets while talking to someone is considered impolite. Another gesture to avoid is the American OK sign.

COMMUNICATION STYLE

As warm and friendly people, Guatemalans tend to be talkative, non-verbally expressive, and open about showing emotion in public. Don't be offended if you are sometimes interrupted in mid-sentence because the conversational overlap is not rude in Guatemala. However, avoid confrontation during negotiations.

Never expect to get down to business quickly. Guatemalans need some time to get to know you.

BUSINESS ENTERTAINMENT

Wise negotiators include plenty of time for socializing during drawn-out discussions. If you wish to entertain a high-level executive, ask his/her secretary to recommend a restaurant. It is important to host your counterpart only at elegant, prestigious establishments. Similarly, business visitors should only stay in top hotels while in Guatemala.

Women drink wine, spirits, and liqueurs, while beer is considered a man's drink. Guatemalans normally eat a light breakfast between 7 – 9 am and a substantial lunch from noon until 2 pm. Dinner usually starts after 7 pm, but dinner parties don't normally get underway until after 9 pm.

Avoid using the side of your fork to cut anything and do not pick up food of any kind with your hands. Although they are a very expressive people, Guatemalans do not like a lot of conversation during meals. Wait until coffee is served before talking business unless your counterpart introduces the topic.

3 – FOREIGN INVESTMENT AND INCENTIVES / FDI

LEGAL FRAMEWORK FOR FOREIGN INVESTMENT

OVERVIEW

Guatemala is a country interested in promoting economic and social development. This is reflected in the Foreign Investment Law (*Ley de Inversión Extranjera*) and the Promotion and Development for Export and Maquila activities Law ('Ley de Fomento y Desarrollo de la Actividad Exportadora y de Maquila'), as well as by certain exonerations on some taxes such as income tax and value-added tax.

The laws also promote, and guarantee foreigners will receive impartial treatment about Guatemalans, enjoying the same rights and obligations.

LOCAL BUSINESS STRUCTURES

The structure for foreign investment will depend on several factors including legal considerations, the location of the business, and taxation. Guatemalan law recognizes the following local business structures:

- Collective company ('Sociedad Colectiva')
- Limited liability company ('Sociedad de Responsabilidad Limitada')
- Commandite company ('Sociedad en Comandita Simple')
- Commandite company by shares ('Sociedad en Comandita por Acciones')
- Corporation or stock Company ('Sociedad Anónima')

The most important provisions applicable to local business structures are:

- The company is established by granting and executing a public deed, authorized by a Guatemalan Notary.
- At least two natural and/or artificial persons must execute the bylaws of the company. To avoid dissolution, the company must continue with at least two shareholders throughout its life
- Shares must be issued to the stockholder's name (nominative shares)
- After its establishment, the company must be provisionally registered in the Mercantile Registry of the Republic of Guatemala
- Following this, the company is registered as a contributor before the Tax Administration Office, obtains its Tax Identification Number (NIT), and authorization to issue invoices and other accounting documents
- With these requirements, the company may begin its operations, pending any opposition by an interested party. Most opposition are based on similarities with another company's name and/or trade name
- The approximate time to complete the establishment of a local company is 30 days after receiving the corresponding legal information and documents. However, a provisional registration is obtained within five business days of incorporation, as long as all the corresponding legal documents are obtained.

BRANCH OFFICES

A foreign incorporated enterprise may decide to establish a branch office because of some of the unique tax benefits related to this business structure. Legally established foreign companies which would like to set up and operate in any manner in the country, or to have one or more branches or agencies, are subject to the provisions of the Code of Commerce and other laws in the Republic.

Among the most important applicable provisions are:

- Proof that the foreign company is duly incorporated under the laws of its country of origin.
- The filing of a certified copy of the Articles of Incorporation and Bylaws of the foreign company if any, as well as of any possible amendments to the same.
- Appointment of an Attorney in Fact in Guatemala with ample powers to perform and execute the everyday business of the branch and to legally represent it, with the entire special powers that the Law of the Judicial Body states.
- Deposit of the initial operating capital exclusively assigned to operations in Guatemala and of a bond in favor of third parties for an amount no less than the equivalent in quetzals of USD 50,000, an amount which the Mercantile Registry will set and which must remain in force during all the time the corporation operates in the country, and an express statement that the corporation shall be liable not only with all of its assets located in the territory of Guatemala but abroad as well, for acts and businesses that are engaged in by the corporation in the country.
- Submission to the courts and laws of Guatemala for all acts and businesses which may be executed in Guatemala, or which may have effects in Guatemala; and rendition of an affidavit that neither the corporation nor its representatives or workers may invoke foreign rights.
- An affidavit granted by the legal representative of the company containing the commitment of the company to fulfill all legal obligations before leaving the country.
- Delivery of a certified copy of the foreign company's last balance sheet and loss and profit statement.
- Upon submission and review of all required documents, the Mercantile Registry will approve the provisional registration of the branch.
- Following this, the branch must be registered as a contributor before the Tax Administration Office, obtaining its Tax Identification Number and authorization to issue invoices and other accounting documents.
- With these requirements, the branch may begin its operations, pending any opposition by an interested party. The approximate time to complete the establishment of a branch office is 30 days after receiving the corresponding legal information and documents.

TEMPORARY BUSINESS

Foreign companies may also request authorization from the Mercantile Registry to carry out temporary business in Guatemala. In these cases, foreign companies are required to provide evidence of being duly organized in their country of origin and must appoint a legal representative in Guatemala.

OPERATIONS REQUIRING NO REGISTRATION IN GUATEMALA

Foreign companies do not require to be registered in Guatemala to carry out any of the following activities:

- Take part in legal action or proceeding before a Guatemalan court or public office.

- Open or maintain bank accounts in an authorized bank in Guatemala.
- Sell or purchase from independent commercial agents legally established in Guatemala.
- Purchase orders through agents legally established in Guatemala provided such purchases are subject to confirmation or acceptance abroad.
- Grant or open loans to companies established in Guatemala.
- Issue, endorse or contest credit instruments in Guatemala.
- Acquire movable goods or real estate, except for land near international borders and waterfront properties, provided that such goods are not part of a local company, or the foreign company does not negotiate with such goods regularly.

FOREIGN INVESTMENT LAW

The main economic sectors of Guatemala are open to both local and foreign investment and ownership. However, some restrictions apply to sectors considered to be of strategic interest, such as the military.

The Foreign Investment Law of Guatemala (Decree 9-98 of the Congress of Guatemala) promotes foreign investment and includes provisions that recognize and guarantee private property rights equally for Guatemalan nationals and foreign investors. The law expressly forbids all and any discriminatory actions towards foreign investors and establishes that no restrictions can be placed on foreigners for owning any amount of stock in Guatemalan business entities.

The financial activities of foreign investors are subject to the general protections granted to any kind of investments carried out in Guatemala. The Foreign Investment Law (Decree 9-98 of the Congress of Guatemala), Chapter 10 (investment chapter) of DR-CAFTA FTA as incorporated by its Chapter Twelve referring to Financial Services Chapter and the Guatemalan Constitution, clearly make provision for foreign investors to receive treatment which is not less favorable than national investors.

The Foreign Investment Law of Guatemala has been valid and binding since March 1998. Its main objective is to encourage domestic and foreign investment in Guatemala, and it was issued to comply with a fundamental obligation of the government, established in the constitution (*Constitución Nacional de la República de Guatemala*), to protect and promote capital formation, savings, and investment.

Before the enactment of this law, applicable legislation was contained in different laws and regulations and therefore it was considered appropriate and necessary to organize and systematize them into a single legal instrument, thus creating the Foreign Investment Law. Although the Guatemalan legal framework already recognized full equality of treatment between domestic and foreign investors, there were some laws which included specific limitations on foreign investments such as fishing licenses, companies providing commercial transportation services, commercial use of radio and television channels in the Radio Communications Law and oil drilling activities. All these limitations were expressly removed with this new law. Providing insurance services was limited to Guatemalan nationals until the enactment of the new Insurance Law Decree Number 25-2010.

One of the most valuable aspects of the law is that it recognizes foreign investors the same treatment as that granted to domestic investors in the development of economic activities. This means that any foreign investor operates under equal legal conditions as the domestic ones and this is a great incentive for foreign investment in Guatemala, since that is not the situation in every country. Guatemalan law expressly prohibits any act of discrimination against a foreign investor or its investment in Guatemala. The original text of the law stated that it should apply equally to all foreign investment, regardless of the country where it is from. However, an amendment in 2007 established that full equality would apply only to foreign investors from any country or nation member of the World Trade Organization (WTO) or to investors from countries that have signed agreements with Guatemala. Thus, limiting the extent of this right. This applies regardless of whether Guatemala maintains diplomatic relations with a country or has any business dealings with a country or nation.

Foreign investors may participate in developing any lawful economic activity in Guatemala and contribute to the capital of any corporation according to the Foreign Investment Law.

However, there are some limitations in specific laws, such as:

1) Guatemalan Constitution – establishes that the government has domain over a strip of land three kilometers along the ocean from the top line of tides. Government also has control over land two hundred meters around lake shores, a hundred meters on each side of navigable rivers and fifty meters around fountains and springs where populations obtain their water supplies.

- There are two exceptions to the stated above: a) if the land is in urban areas and b) it was purchased before March 1, 1956. If any land included in the referred to exclusions is to be sold to foreigners, they are required to obtain an express authorization from the Executive Branch of the Government to acquire it.

2) Forest Law – only a Guatemalan can be awarded with a government land concession.

3) Immigration Law – a foreigner requires an immigration permit to stay in Guatemala for more than 90 days, among other licenses regulating specific activities. Please refer to the next section “Other Laws that promote foreign investment.”

Foreign Investment Law establishes that no public officer or employee may request any additional requirement, condition, or qualification not expressly included in a validly binding law to any foreign investors.

In addition to establishing full equality for foreign investors, the Foreign Investment Law expressly recognizes the following rights for all foreign investors:

- Private property ownership
- Expropriation, where reasons of collective or social benefit/interest can be proven
- Free trade
- Free access to foreign exchange
- The prohibition of confiscatory taxation and double taxation.

Regarding administrative matters which apply to this law, the Foreign Investment Law establishes the 'Investment Office' as a department of the Ministry of Economy for foreign investors (through Government Decision No. 532-92).

The final provisions of the Foreign Investment Law expressly stipulate that any restriction, requirement, or condition concerning only to foreign investors for the development of a business or foreign investment in Guatemala in a law that has not been expressly modified or amended by this law are automatically unenforceable.

4 – SETTING UP A BUSINESS

In the following section you will find step-by-step procedures for company registration/filing.

Below is a detailed summary of the bureaucratic and legal hurdles faced by entrepreneurs wishing to incorporate and register a new business in Guatemala. It examines the procedures, time and cost involved in launching a commercial or industrial business with between 10 and 50 employees and start-up capital of 10 times the economy's per-capita gross national income.

No.	Procedure	Time to complete	Associated costs
1	<p>Check the proposed company name online and obtain a letter from a Guatemalan public notary to open bank account Agency: Public notary</p> <p>First, the entrepreneurs or the public notary must conduct a company name availability search on the Mercantile Registry of Guatemala's website. After that, they can proceed with the letter mentioned before. Then, the minimum paid capital requirement of GTQ 5,000 must be deposited in a local bank before the articles of incorporation are signed. For this purpose, a public notary must issue a letter confirming that they were requested to draw up and register the company's deed of constitution. This letter allows for the opening of a temporary bank account while registration is completed. The letter must state the exact address of the new company, which must be supported by a utility bill.</p>	1 day	GTQ0.5 for each name
	<p>Deposit the subscribed capital in a bank and obtain a receipt Agency: Bank</p> <p>The legal representative should open a bank account and deposit the subscribed capital. The bank will require a utility bill with new company's address. The deposit slip is presented to the notary.</p>	1 day	No charge
	<p>A public notary prepares the deed of constitution, completes the forms required by the Commercial Registry and tax authority and pays the registration fees online Agency: Public notary</p>	Less than a day (online procedure)	See comment

<p>On March 18, 2013 Guatemalan government launched <i>Mi Negocio</i>: a new online platform that allows registering new companies with Commercial Register (<i>Registro Mercantil</i>), tax authority (<i>Superintendencia de Administración Tributaria</i>), social security institute (<i>Instituto Guatemalteco de Seguridad Social</i>) and Ministry of Labor (<i>Ministerio de Trabajo</i>) through a single form online (https://minegocio.gt/). This online platform significantly reduces the entrepreneur's time to get the definitive registration, tax and social security numbers and the authorization to print invoices.</p> <p>The notary issues a certified copy of the deed and prepares the appointment of the legal representative (sole administrator or members of the board), who must be registered before the tax authorities. Then, the notary fills the online forms required by the Commercial Registry and Superintendence of Tax Administration with the help of the new company's accountant.</p> <p>The following forms are required by the Commercial Registry:</p> <ul style="list-style-type: none"> a- certified copy of the deed of constitution b- appointment of legal representative c- bill of any public service with the exact address of the new company d- letter of intent from the owner of the address e- payment receipt <p>Finally, the notary pays in Banrural (local bank) the amount required by the Registry: GTQ 5,000 average notarial fees + GTQ 250 stamp tax, GTQ 300 notarial stamp tax for the certified copy, GTQ 112 stamp tax for the appointment; GTQ 15 edict; GTQ 100 social books; 100 commercial license.</p>		
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	<p>Obtain provisional registration of the new company before the Commercial Register, Tax Identification Number, Edict, and registration of the legal representative appointment and the authorization to print invoices Agency: Registration Court</p> <p>Provisional registration at the Commercial Registry with the tax and social security authorities can be completed within 2 or 3 days using the online portal minegocio.gob.gt. To physically submit the documents, provincial registration in Guatemala takes about 10 to 14 days. In addition, once a corporation is registered, by law, it has 1 year to send a notice to the Mercantile Registry stating the number of shares issued in regard to the paid-in capital.</p>	3 days	No charge
	<p>Publication of the edict in <i>Diario de Centro América</i> and opposition to the provisional registration of the company by affected third parties Agency: Official Gazette (<i>Diario de Centro América</i>)</p> <p>The Mercantile Registry publishes the notice of incorporation three days after the provisional registration. The law establishes an opposition term of 8 business days from the day following the publication in case any third party disagrees with the registration.</p>	2 days on average for the edict to be published and 8 days for the opposition to the provisional registration by third parties	GTQ 525.62
	<p>Obtain definitive registration, commercial license, Social Security Number, and authorization for social and accounting books. Agency: Commercial Register (<i>Registro Mercantil</i>) and Tax Authority (Superintendencia de Administración Tributaria).</p> <p>Social Security number, commercial license, and authorization for social and accounting books can be obtained once the registration is complete. This can be done through the online portal minegocio.gob.gt in 3 days on average. It takes on average 10 to 15 days to physically obtain the registration and commercial license. Once a corporation is registered, by law, it has 1 year to send a notice to the Mercantile Registry stating the number of shares issued in regards to the paid-in capital.</p>	3 days	GTQ 250 stamp tax

5 – LABOUR

LABOUR & EMPLOYMENT – COMMON ISSUES

LABOR FRAMEWORK

It is important that foreign investors are clear on the labor regulations applicable in Guatemala before starting operations. Our law is protective of worker's rights and establishes minimum guarantees and rights that cannot be waived. Also, labor legislation entitles workers the right to form unions to improve their labor conditions within a company.

We can mention the following among the most important aspects:

1. Wages: Can be paid per time unit, for the work to be performed, and by commission or participation in company profits. Every year the Ministry of Labor sets a minimum wage for non-agricultural and agricultural activities that everyone must comply with.
2. Work contracts: Work contracts must be formalized in writing and registered with the Labor Administrative Department. Work contracts are deemed for an indefinite period, unless clearly stated otherwise.
3. Vacation: Workers are entitled to 15 working days off for every year worked, which must be paid for as if the employee had worked.
4. Working sessions: There are three types of working periods: day, night, and mixed. The day shift cannot exceed eight hours a day nor 44 hours a week. The night shift cannot exceed 6 hours a day, nor 36 hours a week. The mixed day cannot exceed 7 hours a day nor 42 hours a week.
5. *Aguinaldo* (Christmas bonus), *bono 14* and incentive bonus: Employers must pay to their workers an incentive bonus of at least Q250.00 every month. Parties may increase said amount if they deem it convenient. Guatemalan law also stipulates two additional salaries to be paid per year worked: an *aguinaldo* to be paid in December and a *bono 14* in July.
6. Termination of a work contract through an advanced notice to the employer: A worker may request termination of his/her work contract at any time. When the employer requests termination of work contract, they must evidence sufficient cause. In that case, the former worker is entitled to a severance payment consisting of one salary per year worked for the employer and, as damages, up to 12 additional wages and court fees for the timeframe between layoff and the actual payday.
7. Social Security: An employer is also obliged to contribute to the Guatemalan Social Security Institution (IGSS), to the Technical Capacitation and Productivity Institution (INTECAP), and to the Recreation for Workers Institution (IRTRA). These contributions by the employer add up to 12.67% of the wage paid to each works.

INDIVIDUAL CLAIMS

The most common issues include the following:

- Disputes regarding justified/unjustified termination of working contracts of employees and resulting claims for severance entitlements (severance is equivalent to an average of the salaries received during the last six months of the contract for each year of continuous work, with no limit on the years of work or monthly salary ceiling).

- Disputes concerning the true legal nature of the contracts and/or agreements entered with associates (employment relationship vs independent contractor).
- Adjustments in calculation of severance entitlements, based on additional compensations and other rights (performance bonuses, share participation agreements, non-salary benefits, etc.)
- Overtime claims (specific limits exist, both from a daily and weekly perspective).
- Maternity protection claims (in the event of termination or harassment of female employees while pregnant or during the breastfeeding period following childbirth).

COLLECTIVE CLAIMS

These include:

- Petitions from organized workers through unions or coalitions demanding collective bargaining to improve salaries, economic benefits and working conditions. These unions or coalitions are formed independently in each specific business or company (or group of related companies) and are not generally unions for a trade or branch of activity.
- Reinstatement petitions in cases where employees are fired while a union is in the formation process or while a collective dispute has been filed before the courts.

ACTIONS AND CLAIMS BY LABOUR AUTHORITIES

There are official visits and verifications from labor inspection authorities (from General Labor Inspection) regarding compliance and fulfilment of all labor laws and regulations.

Recently, the Labor Inspector acquired additional powers for them to have immediate access to workplaces in which the following labor-related events have taken place: mass firings (ten or more employees), employer substitutions, plant closures, employment of underage workers, and other situations the General Labor Inspection deems as emergencies.

LABOUR & EMPLOYMENT ISSUES/LEGAL PROCEEDINGS

Even though certain external formalities may differ, the substance of the legal proceedings is very similar to those in most other countries in the region (Latin America). Thus, the employer's right to answer claims, file counterclaims, submit evidence and have rulings reviewed by a superior court is duly guaranteed. However, Guatemalan labor laws (both substantive and procedural) are of a public order and highly protective of the worker, so most burden fall on the employer. Therefore, employers must know and comply with the applicable laws and seek competent counsel if necessary.

In Guatemala, proceedings take place in specialized Labor Courts established and recognized by the political constitution. These proceedings should be simple, disregarding formality as much as possible, but these objectives are rarely met.

A Labor Court of First Instance processes individual lawsuits in a predominantly oral procedure consisting of three hearings (the first one for answering the complaint, formulating a response when proper, and collecting evidence; the second and the third hearings are to collect evidence missing in the first one). The ruling issued by the Labor Judge can be appealed before a Court of Appeals overseen by three magistrates.

Organized workers fill a petition for collective claims (a union or *ad hoc* coalition) before a First Instance Labor Judge, which must integrate preliminarily the workings of a Conciliation Tribunal composed of three members (the judge, a union sector representative, and an employer sector representative). If conciliation fails, the workers can declare and execute a legal strike, where legality and justice must be resolved by the judge with a right of appeal before the Court of Appeals. Also, the dispute can be submitted (as an alternative to a strike) to resolution by a Court of Arbitration (integrated in the same way as the Conciliation Tribunal) and its judgement can also be appealed before the Court of Appeal.

Things to be aware of regarding labor and employment laws include:

- Guatemala has a Labor Code and specialized laws and regulations created to regulate most labor issues. Many of the country's most relevant labor rights and benefits (and many non-core ones) have been raised to the level of constitutional law, as they are included in the political constitution of 1985. Guatemala has also ratified and applies a significant number of International Labor Conventions of the International Labor Organization (ILO), including all the treaties of the 1998 ILO Declaration on Fundamental Principles and Rights at Work
- Most of the labor laws and regulations concern public order and are highly paternalistic, thus workers cannot relinquish their minimum labor legal rights. The interpretation and scope of any labor laws, regulations or agreements is construed in favor of the workers when in doubt (*in dubio pro operario*)
- Employee remuneration in Guatemala must be properly understood. It comprises 12 monthly salaries, plus a Christmas bonus (*aguinaldo*) and a 14th salary to be paid in July (*bono 14*). An employee has the right to receive a severance entitlement equivalent to a month of salary per year of work (for an unlimited number of years and with no maximum salary cap) in the event of unjustified termination. The estimate of that indemnity must consider proportional parts of the Christmas bonus, the 14th salary, and possibly other non-wage benefits received by the employee.

LEGAL SYSTEM AND FOREIGN COMPANIES

The Roman tradition is the foundation of the Guatemalan legal system: a civil law structure of mainly legal provisions codified, and a justice system applied on codified law and not on previous cases (jurisprudence). Such a system applies equally to individuals and companies; no difference is made one to another, only with certain procedural issues which might differ slightly.

Employers in the country can be companies or individuals, and both receive the same treatment. Both employer's categories are subject to labor laws which are specifically designed to protect workers.

Foreign companies (those established under the laws of countries other than Guatemala) are treated the same way as local companies. The Commerce Code specifies certain activities that do not require the foreign company domicile in Guatemala. However, for hiring employees, a foreign company should establish a branch in Guatemala or seek alternative arrangements with a service provider capable of providing payroll services.

Recently, there has been discussion in Congress regarding possible additional labor obligations on foreign companies (a bond to secure legal responsibilities towards employees) to obtain specific fiscal benefits (under drawback and export-related activities and legal regimes).

TRIALS

All trials are decided by judges. Juries are not allowed in the legal system. Trials are conducted exclusively by a judge in the first instance and on appeal by a higher court composed of three magistrates.

Cases will be submitted to a Labor Court of Conciliation in collective proceedings originating from collective bargaining negotiations and disputes (one judge, one union representative and one employer representative) and, in certain circumstances, to a Court of Arbitration (working in the same way).

Most cases are settled out of court, specifically by an agency of the Ministry of Labor and Social Welfare, which is called the General Inspection of Labor, which has a specific Conciliation Section where employers and employees are summoned to appear to try to settle disputes. An important number of cases are also settled before the Labor Courts, which have ample faculties and powers to seek amicable settlements between the parties.

LABOUR AND EMPLOYMENT LAWSUITS

Suits must be filed before a First Instance Labor Court competent in the territory where dispute has arisen. If the lawsuit meets all formal requirements, the judge sets a first hearing and serves notice to the employer at least three working days ahead. In the first hearing, the employer must respond to the claim and has the right to counter-claim the employee. In such a first hearing, all the evidence must be presented by both parties, if it is not possible due to the nature of the evidence or some impossibility related to the court, second or third hearings will be set. After all evidence has been received, the judge issues a judgement, which can be appealed before a Court of Appeals. The second instance before the Court of Appeals is just a revision of the first instance judgement, exclusively over any unconformities of the appealing party, but where no new evidence is brought or received, except in extraordinary circumstances.

The decision of the Court of Appeals is final and mandatory for both parties. There is only chance to revise procedures by a Constitutional Court if it is clearly demonstrated the Labor Courts violated in any way the constitutional rights of defense and due process of any of the parties.

LABOUR AND EMPLOYMENT LAWS AND REGULATIONS

The main laws and regulations are as follows:

- Political Constitution of the Republic of Guatemala
- Labor Code (Decree 1441 and subsequent reforms) and regulations
- CAFTA-DR Free Trade Agreement with the United States (Chapter 16 - Labor)
- Foreign Investment Law (Decree 9-98 of Congress)
- Decree 76-78 of Congress (Christmas bonus or *aguinaldo* benefit for the private sector)
- Decree 42-92 of Congress (Annual bonus or 14th salary for private and public sector)
- Decree 78-89 of Congress and reforms (Incentive Bonus for the private sector)
- Income Tax Law (Decree 26-92 of Congress and subsequent reforms)

- Social Security Institute (IGSS) founding law (Decree 295) and regulations
- Executive accords which determine on a yearly basis the minimum wages for each of the different activities (non-agricultural, agricultural, drawback and export-related activities)
- Executive accord No. 346 which determines which activities are not subject to working hours limitations (overtime).

As a member of the International Labor Organization (ILO), Guatemala has ratified and applies several International Labor Conventions, many of which have very significant effects on labor relations and disputes. As of September 2011, Guatemala has in force 69 International Labor Conventions, of which the most important (called the Major Conventions) are the following:

- No. 29 Forced Labor Convention (1930)
- No. 87 Freedom of Association and Protection of the Right to Organize Convention (1948)
- No. 98 Right to Organize and Collective Bargaining Convention (1949)
- No. 100 Equal Remuneration Convention (1951)
- No. 105 Abolition of Forced Labor Convention (1957)
- No. 111 Discrimination (Employment and Occupation) Convention (1958)
- No. 138 Minimum Age Convention (1973)
- No. 182 Worst Forms of Child Labor Convention (1999)

The exact list of ratified Conventions can be found at the following link:

www.ilo.org/ilolex/cgi-lex/ratifce.pl?Guatemala

The same laws apply throughout the territory, except for minimum wages that may differ according to the economic activity and the applicability of certain social security programs that do not have national coverage.

ALTERNATIVE LABOUR DISPUTE RESOLUTION SOLUTIONS

Private arbitration is neither accepted nor recognized in the resolution of labor issues and disputes. All the administration of justice in labor matters must be carried out by the Labor Courts, which are part of the Judicial Branch (Supreme Court).

The previously mentioned Court of Arbitration for in the resolution of collective disputes arising from collective bargaining is not really an arbitration body that functions as an alternative to the public Labor Courts since it is also composed of and presided over by the Labor Judge and by two other members (one from the employee sector and the other from the employer sector). This Arbitration Court's functions are set forth in the Labor Code in the chapter dealing with the procedural aspects of collective disputes of a socio- economic nature, and the judgement is subject to a full review (material and formal) by the Court of Appeals.

Conciliation is completely voluntary and can be used as an alternative solution. The conciliation can be done privately or through the General Labor Inspection and even the Ministry of Labor.

Conciliation activity is mandatory only in collective conflicts pertaining to collective bargaining. Otherwise, it should not be held as a necessary phase of the judicial proceedings by either party. Any recommendation or position taken by the Court of Conciliation is not obligatory or binding for the parties and must be voluntarily accepted.

6 – TAXATION

It is often difficult to gather accurate and current information regarding taxation in Guatemala as there are no reporting services such as those available in the United States and other countries.

It is also difficult to determine how tax laws will be applied in complex situations. The laws and regulations are limited and ordinarily cover only the most common situations. The system of legal precedent from court decisions is not widely used in Guatemala and each issue is resolved by reference to the respective codes. Though there has been no great interest in tax planning, it is possible to have informal consultations with the tax authorities and to obtain authoritative rulings in many cases. Points which involve large discrepancies between the government and management criteria are commonly brought to judgment by the Constitutional Court whose binding sentences have normally resulted in the laws in dispute being abrogated.

National income is drawn principally from agriculture, poultry and cattle raising, which occupy two-thirds of the economically active population. Taxes collected by the central government are levied on income, property, bequests and gifts, imports, exports, and sales. Local taxes at country-wide level are also levied by the municipalities.

TAX AUTHORITIES

The tax authority in Guatemala is the central government through the Superintendence of Tax Administration (*Superintendencia de Administracion Tributaria - SAT*), which collects and administers almost all taxes and leaves the municipal governments to collect contributions of a municipal nature (*arbitrios*).

All taxes collected are placed in a common national pool (*fondo común*) from which they are drawn for allocation to the various national projects and municipalities.

The principal taxes payable in Guatemala are:

- Income taxes
- Transactions taxes (value added, interest income, stamp, inheritance, and gift taxes)
- Solidarity tax law.

VALUE ADDED TAX (IVA, FOR ITS ABBREVIATION IN SPANISH)

VAT is an indirect tax on consumption. It applies to the transfer of goods for a price and to rendering services. Final users or consumers bear the tax. The Value Added Tax in Guatemala is a tax charged at twelve percent (12%) of the tax base. The amount of the tax must always be included in the sales price of good or value of the services.

INCOME TAX

According to the Income Tax Law (Ley del Impuesto Sobre la Renta), Decree-26-92 of the Congress of the Republic of Guatemala, there is an Income Tax levied on all earnings obtained by a natural or artificial person, either national or foreigner, domiciled or not in the country, as well as any entity, patrimony, or asset that the law indicates, coming from capital or work investment in the country, or a combination of both. According to the Income Tax Law, it may be paid in one of two ways:

- 1) 7% over gross income (flat tax), or
- 2) 25% over net income (gross income, less the authorized deductions of law). If you choose the 25% regime, no more than 97% of gross income may be used in deductions.

TERRITORIALITY PRINCIPLE

The tax is generated whenever the taxable income is produced in Guatemala or is considered by law as Guatemalan source income and is identified as such. Guatemalan source income is all revenue generated by capital, goods, services, and rights of any nature invested or used in the country or that derive from any type of activities carried out in Guatemala, including foreign exchange earnings, regardless of the nationality, domicile or residence of the persons participating in the operations and the place where the agreements are executed.

Exemptions:

According to the Income Tax Law among the exempt situations are the following:

- Income obtained by universities.
- Income obtained by non-profit associations or foundations legally established and registered as exempt entities before Tax Administration.
- Interests and commissions from loans obtained abroad by States bodies.
- Compensations or benefits obtained due to death or incapacity from accidents or disease.
- Benefits obtained from the social security.

INCOME TAX ON SALARIES:

Any individual who obtains income for rendering personal services derived from an employment must be taxed in accordance with law. Such taxes will be determined based on taxable income, which is obtained by subtracting from the net income the deductions authorized by law.

This tax will only be paid by individual persons working under employment, and whose income is larger than Q36,000.00 annually. The amount to be paid as salary tax will be calculated based on the taxed income in accordance with a progressive rate scale included in the Income Tax Law.

INCOME TAX FOR PERSONS NOT DOMICILED IN GUATEMALA:

The tax will be determined by applying the percentages of law to the income from a Guatemalan source for individual or artificial persons not domiciled in Guatemala, received, or accredited, and the tax determined will be considered as a definite payment.

INCOME TAX, CONTAINED IN THE TAX UPDATED LAW

The Income Tax Law will be repealed as of January 1, 2013. The new income tax, contained in the Tax Update Law (Ley de Actualización Tributaria), Decree 10-2012 of the Congress of the Republic of Guatemala will take effect on that date.

The Tax Update Law establishes that Income Tax may be paid in one of the two ways:

1. Optional Simplified Regime over income of profit activities with the following rates:
 - a. For January 1, 2013, to December 31, 2013: 6% on taxable income.
 - b. As of January 1, 2014, according to the following progressive rate scale:
2. Regime over earnings of profit activities with the following rates:
 - a. For January 1, 2013, to December 31, 2013: 31% on taxable income
 - b. For January 1, 2014, to December 31, 2014: 28% on taxable income
 - c. Starting on January 1, 2015: 25% on taxable income.

In addition, the Tax Update Law foresees specific rules regarding rates, deductions, exemptions, and other requirements that vary depending on the type of income:

1. Income of Profit Activities: According to the regimens described above.
2. Income Tax on Salaries: This tax will only be paid by individual persons working under employment, and whose income is larger than Q60,000.00 annually, the

Monthly Taxable Income (Taxable base amount)

		Fixed	Tax Rate
Q0.01	Q30,000.00	Q0.00	5%
Q30,000.01	And up	Q.1,500.00	7% on the excess of Q30,000.00

amount to be paid as salary tax will be calculated based on the taxed income in accordance with a progressive rate scale included in the Tax Update Law.

3. Income of non-residents: The Tax Update Law establishes new categories of non-residents and rates that vary from 5% to 25%.
4. Capital Income: The Tax Update Law classifies the capital income in returns on real property and movable property, and capital gains and losses. This classification includes a description of the activities that are considered capital income and the applicable tax rate.

TRANSFER PRICING RULES

Until of March 5, 2012, there was no legislation transfer pricing legislation in Guatemala. However, Tax Update Law, Decree 10-2012 of the Congress of the Republic of Guatemala, has incorporated into the Guatemalan law special transfer pricing rules that be applied in all transactions between related parties.

In this regard, the Tax Update Law establishes that the special transfer pricing rules for the valuation of transactions between related parties are applicable in any transaction carried out between a resident in Guatemala and a resident abroad and that has any effect in the determination of the taxable income of the period in which the transaction is carried out and in the subsequent periods.

According to the Tax Update Law, to determine the value of the transactions according to the Arm's Length Principle, one of the following methods must be applied:

1. Comparable uncontrolled price method.
2. Cost plus method.
3. Resale price method.

4. Partition of profits method.
5. Transactional net margin method.
6. Import and Export valuation method.

Furthermore, the Tax Update Law, grants to the Tax Authority enough powers to:

1. Verify whether transactions between related parties have been valued in accordance with the Arm's Length Principle in tax matters and adjust when the valuation agreed by these parties has resulted in lower taxes in Guatemala.
2. Reclassify a transaction according to its real nature if its economic reality differs from its legal form, or the agreements of the transaction vary substantially from those taken between nonrelated parties, and the structure of the transaction prevents the Tax Authority to determine the appropriate transfer price.
3. Determine the valuation of a transaction between related parties prior to its completion. Taxpayers must request and comply with the procedure established by law for the Tax Authority to determine the value of the transaction.

Finally, it is indicated that the treatment to be applied to services rendered between related parties must follow the same criteria as the transfer of goods or merchandise.

SOLIDARITY TAX

On December 22, 2008, the Solidarity Tax Law, Decree No. 73-2008, was published in the Official Gazette of Guatemala. This law came into effect on January 1, 2009, and created the Solidarity Tax (ISO, for its abbreviation in Spanish). The ISO levies a 1% the gross income or the net worth of those taxpayers in the general Income Tax regime, and taxpayers who are in the Regime over Earnings of Profit Activities as of January 1, 2013, and those who carry out mercantile or agricultural activities within Guatemala and obtain a gross margin greater than 4% of the gross income.

TAX ON FISCAL REVENUE STAMP AND SPECIAL SEALED PAPER USED BY NOTARIES:

According to the Fiscal Revenue Stamp and Special Sealed Paper used by Notaries Law (*Ley de Timbres Fiscales y de Papel Sellado especial para Protocolos*) this tax is levied on documents described in the law. The persons who must assume the tax are those who grant or execute documents containing acts or contracts levied by this tax. The tax amount is three percent (3%). The tax is determined by applying the rate to the value of the levied act or contract. The value is the amount stated in the document, which may not be lower than that stated in public registries, cadasters, or official lists.

Documents that evidence the payment or account credit of dividends paid by Guatemalan companies are subject to this tax.

TAXES ON REAL STATE

Guatemalan law has a sole annual tax (*Impuesto Único sobre Inmuebles – IUSI*) on the value of real estate located in the territory of the Republic. This tax is levied on real estate, rustic or rural and urban, which includes the land, structure, constructions, or facilities attached to the real estate and its improvements.

The law states a list of applicable rates and scales to determine the annual tax on real estate.

TAX ON REAL ESTATE TRANSFERS:

First Real Estate transfers are levied by the Value Added Tax, equivalent to 12% of the amount of the sale.

Second and subsequent Real Estate transfers are levied by the Tax on Fiscal Revenue Stamp Tax, equivalent to 3% of the amount of the sale.

OTHER TAX-RELATED ISSUES:

FREE-TRADE ZONES: Free-Trade Zones in Guatemala are governed in accordance to Decree 65-89, Free-Trade Zones Law (Ley de Zonas Francas). There are more than 10 Free-Trade Zones operating currently in Guatemala. The benefits obtained from operating in them are tax exemption, excellent location, besides obtaining basic utilities such as electricity, water, telephone, Internet service, security and in some places, land, and water transportation.

Free-Trade Zone users may be natural or artificial persons who must be previously authorized to operate as such by the Ministry of Economy.

Users may be:

- Industrial: Those whose line of business is manufacturing or assembling goods to be exported outside the national customs territory, re-exporting or technological investment and development.
- Service: Those whose line of business is rendering services linked to international commerce.
- Commercial: Those whose line of business is trading in merchandise to be exported outside the national customs territory, as well as re-exporting products when no activities take place that change the products' characteristics or alter their origin.

Companies that manage Free-Trade Zones, as well as their users have various fiscal incentives, including some tax exemptions.

7 – ACCOUNTING & REPORTING

TAX YEAR

The fiscal year runs from January 1 to December 31 every year.

ACCOUNTING STANDARDS

From January 1, 2008, Guatemala adopted the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). To view these standards, see the [IASB](#) website.

ACCOUNTING REGULATION BODIES

See the [Congress of the Republic of Guatemala](#) website.

ACCOUNTING REPORTS

All companies must provide an annual report in Spanish and publish their balance sheet and profit and loss statements in the Official Gazette. For more information consult:

- [Fundesa's Business Guidebook](#)
- A document on accounting in Guatemala at the following link – [Hispanic-American Commission](#) (Spanish only).

PUBLICATION REQUIREMENTS

Companies' balance sheets must be published each year. It is advisable to have an accounting system which is clear and wholly translated into Spanish. It must be noted that it is difficult to get information on Guatemalan companies as there are very few published balance sheets.

PROFESSIONAL ACCOUNTANCY BODIES

For more information, see the following websites:

- [Institute of Public Accountants and Auditors of Guatemala](#) (Spanish only)
- [Guatemalan Association of Public Accountants and Auditors](#) (Spanish only)
- [List of audit firms](#) (Spanish only)

CERTIFICATION AND AUDITING

Audited financial statements must be filed annually by an external auditor in the country.

8 – UHY FIRMS IN GUATEMALA



UHY PÉREZ & CO GUATEMALA



CONTACT DETAILS

UHY Pérez & Co
2a calle 24-00 zona 15 Vista Hermosa
II
Edificio Domani, Nivel 17 Oficina 1702
Guatemala City
Guatemala
Tel: +502 2503 5900
www.uhy-perez.com

CONTACTS

Liaison contact:	Omar Pérez Rosales
Position:	Partner
Email:	operez@uhy-perez.com
Liaison contact:	Bryan Pérez Rosales
Position:	Partner
Email:	bperez@uhy-perez.com

SOCIAL MEDIA CONNECTIONS

- Facebook: <https://www.facebook.com/uhyperrez/>
- LinkedIn: <https://www.linkedin.com/company/uhy-p%C3%A9rez-&-co>

Year established: 2003
PCAOB registered?: Yes
Number of partners: 3
Total staff: 80

ABOUT US

We are a team that shares a culture based on values, always working with excellence to solve the financial, tax and corporate needs of our clients.

BRIEF DESCRIPTION OF FIRM

UHY Pérez & Co. is an audit and accounting firm operating in our country since 2003, providing external audit services, management consulting, tax and legal services.

We are a firm specialized in financial consulting in the Central America region and since we started serving our clients in 2003, we have distinguished ourselves by providing a customized service tailored for each of our clients.

SERVICE AREAS

Audit & Assurance, Business Advisory & Accounting, Corporate Finance, Corporate Governance & Risk Management, Corporate recovery & Insolvency, Corporate Tax, Forensic accounting & litigation support, Fund Services, Legal, Internationalisation, Management Consulting & Solutions, Private Client Services.

SPECIALIST SERVICE AREAS

Taxes, Audit and Transfer Pricing

PRINCIPAL OPERATING SECTORS

Real Estate and Construction
Financial
Chemical & Pharmaceutical
Not-for-profit Organisations
Retail Distribution
Industrial Manufacturing
Family-Owned Companies



The network
for doing
business



Public Services
Private Equity
Energy

LANGUAGES

Spanish and English

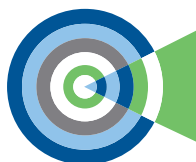
OTHER COUNTRIES IN UHY CURRENTLY WORKING WITH, OR HAVE WORKED WITH IN THE PAST

El Salvador
Honduras
Nicaragua
Costa Rica
Panama
United States
Mexico
Canada
France
Hong Kong

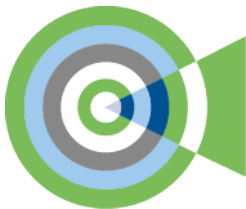
BRIEF HISTORY OF FIRM

After 30 years of professional experience, where we prepared ourselves to offer accounting, taxes and consulting services with high professional and quality services standards, we began our professional services office, NEW WORLD CONSULTANTS in 2003, immediately after leaving my last dependent charge, Tributary Administration Superintendent, the highest charge at the administrative area in the Tributary Administration Superintendence.

Since the beginning we started having exchanges with prestigious international networks in our services field, and by August 2008 we sealed our relation with the UHY International. As a result of our agreement, we started our new firm, UHY Pérez & Co. in substitution to our previous name. All this, gave us more depth and breadth to make our clients to compete in an international level, in successful and efficiently ways.



The network
for doing
business



LET US HELP YOU ACHIEVE FURTHER BUSINESS SUCCESS

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