

GUATEMALA



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PREPARED BY MERITAS LAWYERS
IN LATIN AMERICA AND THE CARIBBEAN



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DOING BUSINESS IN LATIN AMERICA AND THE CARIBBEAN

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ARS	Argentinean Peso	DOP	Dominican Republic Peso
BSD	Bahamian Dollar	GTQ	Guatemalan Quetzal
BRR	Brazilian Cruzeiro Real	HNL	Honduran Lempira
KYD	Cayman Dollar	MXN	Mexican New Peso
COP	Colombian Peso	NIO	Nicaraguan Córdoba
CRC	Costa Rican Colón	PYG	Paraguayan Guarani
USD	United States Dollar	UYU	Uruguayan Peso

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Guatemala borders the Pacific and Atlantic Oceans, as well as Mexico, Belize, El Salvador and Honduras. It has a population of approximately 14.7 million people. Its form of government is republican, democratic and constitutional, and it is divided into 22 administrative units called departments. The Guatemalan legal system is based on civil law, where the judicial review of legislative acts is possible; it is administered mainly by a court system, and especially by a specific court that safeguards the supremacy of the Constitution. The legislative branch is a unicameral Congress of the Republic with members elected by popular vote for a period of four years. The executive branch is headed by the president who is also elected by popular vote for a period of four years.

Guatemala is the largest and most populous of the Central American countries with a GDP per capita roughly one-half that of Brazil, Argentina and Chile. The agricultural sector accounts for about one-fourth of GDP, two-thirds of exports, and one-half of the labor force. Coffee, sugar and bananas are the main products.

FOREIGN INVESTMENT

The Guatemalan Constitution recognizes the full right of foreigners to invest within the country's jurisdiction, as well as the use, benefit and ownership of property of said investment, and they are subject to the same obligations as Guatemalan investors, save and except the limitations established by the Constitution, which settles land ownership near Guatemalan borders, rivers, lakes and shores.

The government may not directly or indirectly expropriate the investment of a foreign investor nor adopt measures equivalent to the expropriation of such investment, except in duly proven cases of eminent domain, social benefit, or national interest. Guatemalans are also subject to such expropriation. However, both situations rarely occur.

BUSINESS ENTITIES

Business entities in Guatemala can be divided into two main categories: those which completely limit investor liability and those which do not. Because of the obvious benefits offered by limited liability organizations, other company schemes are rarely used. Moreover, some foreign investors have chosen to invest in Guatemala by means of establishing a branch or local office of a foreign

entity. Usually, this happens only when legislation or government officials require it to be done, since this form of doing business in Guatemala does not limit any liability whatsoever related to its local operations for its main office.

Guatemalan business entities that completely limit liability are Corporation (*Sociedad Anónima*) and Limited Liability Partnership (*Sociedad de Responsabilidad Limitada*), which are described below.

CORPORATION (SOCIEDAD ANÓNIMA)

As defined under Guatemalan Law, a corporation is a type of company whose capital stock is divided into and represented by shares. In this type of business entity, the liability of each shareholder is limited to the payment of subscribed shares. This type of business entity is the most common in Guatemala, due primarily to the aforementioned limited liability of its shareholders. It is important to keep in mind that according to the applicable legal regime, bearer shares are no longer permitted in Guatemala. Other important characteristics of this corporation structure are:

- The incorporation procedure is initiated by the agreement upon and signature of the articles of incorporation. Corporate bodies and their shareholders must abide by the articles of incorporation, which establish the corporation's organization, policies, main economic activity, election and decision processes, etc., usually in great detail.
- The governing body of a corporation in Guatemala is the general assembly of shareholders, which is in charge of making the major decisions that relate to corporate policy and electing the corporation's legal representatives and administrators. Decisions are made by the majority of its members.
- In hierarchical order, the administrative body is directly below the general assembly of shareholders. The administration can be comprised of one or more members, as decided by the general assembly. This body is in charge of the day-to-day operations of the corporation, and depending on what the general assembly agrees, each director may be specifically empowered for certain attributions and restricted for others. The administrator or administrators are the legal representatives of the corporation.
- Below the administrative body is the management body, which is elected by the administrative body and responds directly to it. The management body is in charge of carrying out the functions specifically assigned by the administrative body.

LIMITED LIABILITY PARTNERSHIP (*SOCIEDAD DE RESPONSABILIDAD LIMITADA*)

This type of organization is very similar to the corporation structure, its liability limitations and governing bodies. However, the main conceptual difference between them is the role the partners of the corporation play toward the general public. The corporation leans toward the idea that the identity of its shareholders is irrelevant, as long as there is sufficient capital to comply with any liability the corporation might incur. The limited liability partnership, while limiting the liability of its partners to the amount of capital they decide to contribute for the formation of the partnership, tends to give more importance to which individuals or partners make up the partnership. In this sense, contributions may not be incorporated into shares or any other form of physical representations, having to transfer any contribution by means of a public deed.

Some other important differences between the corporation and the limited liability partnership are the following:

- Under the limited liability partnership, there may not be more than 20 partners, while the corporation may have as many shareholders as shares of stock.
- A limited liability partnership is much less regulated in the Guatemalan Code of Commerce, allowing more freedom for its founding partners when deciding some aspects of its articles of incorporation.
- The limited liability partnership may choose a legal name with the complete name of one or more of its partners, or may choose to create an original name taking into account that such name must refer to the main activity of the partnership. Corporation denominations, on the other hand, may be elected freely, with no restrictions whatsoever.

In recent years, some U.S. companies have chosen this type of organization to incorporate their subsidiaries in Guatemala, mostly due to possible tax benefits within their own jurisdiction.

TAXATION

Guatemala's main tax structure that commonly affects business entities is based upon five taxes: 1) Income Tax; 2) Value Added Tax; 3) Single Real Estate Tax; 4) Stamp Tax; and, 5) Solidarity Tax.

INCOME TAX

The taxable event in Guatemalan income tax is any income produced by any natural person, juridical person, entity or patrimony, whether local or foreign, resident or nonresident in the country, obtained through any profitable activity, employment, capital and capital profits.

In this sense, common examples of taxable income are:

- Payment for services rendered within the country or for a company or person operating in Guatemala.
- Income obtained from the export of goods manufactured, transformed or bought in the country.
- Income obtained by corporations or other business entities that act as subsidiaries, purchasing agents or representatives of foreign companies.
- Dividends and interest of profits obtained by individuals or legal entities domiciled in the country.

However, the Income Tax Law establishes some exemptions to this tax, excluding some types of taxable income. Some of these are:

- Income obtained by exempted legal entities or individuals established by law, such as nonprofit organizations.
- Inheritances, legacies and donations *mortis causa* that are taxable by the Inheritances, Legacies and Donations Tax.

CORPORATE INCOME TAX

Business entities in Guatemala may adopt one of two schemes for the payment of income tax, known as Regime of Profits from Lucrative Activities and Simplified Optional Regime for Lucrative Activities.

Regime of Profits from Lucrative Activities

Taxpayers that adopt this Regime of Profits from Lucrative Activities, shall determine their taxable income, deducting from their gross income their exempt income, and the deductible costs and expenses, and must add the costs and expenses to determine exempt income.

In order for the costs and expenses to be deducted, they shall fulfill the following requirements:

- To be useful, necessary, pertinent or essential to produce or generate taxable income or to keep its producing source, and for those who are obliged to have a complete accounting system, they shall be duly entered in the books.
- That the holder of the deduction has complied with the obligation to retain and pay the fix tax in this book whenever it applies.
- In the case of salaries and wages, when the employers are recorded in the list of social security contributions paid to the Guatemalan Institute of Social Security, whenever it applies.
- To have the corresponding documents and support means, which are:
 - ▶ Invoice or invoices of small business owner authorized by the Tax Administration Office, in the case of purchases to taxpayers.
 - ▶ Invoices or payment vouchers duly authorized by the Tax Administration Office for services rendered by taxpayers.
 - ▶ Invoices or documents issued abroad.
 - ▶ Certified copy of public deeds authorized by a notary, or a private contract duly registered into a notary file.
 - ▶ Cashier receipts or debit notes, in the case of the expenses charged by supervised and inspected entities by the Superintendency of Banks.
 - ▶ Payrolls presented to the Guatemalan Institute of Social Security and the receipts issued by it, salary books, payrolls, in the cases of wages, salaries or employment benefits, as it corresponds.
 - ▶ Import customs declarations with the authorized evidence of payment, in the case of imports.
 - ▶ Specific invoices authorized by the Tax Administration.
 - ▶ Others authorized by the Tax Administration.

Simplified Optional Regime for Lucrative Activities

Taxpayers who adopt the Simplified Optional Regime for Lucrative Activities shall determine their taxable income deducting the exempt income from their gross income.

The tax rate for this regimen applicable to the taxable income will be the following:

MONTHLY RANGE OF TAXABLE INCOME	FIXED AMOUNT	TAX RATE
USD0.001 to USD3,841.22	USD0.00	5% on the taxable income
USD3,841.23 to unlimited	USD192.06	7% on the amount over USD3,841.22

In this regime, the payment period is monthly. Taxpayers who subscribe to this regime settle and pay the tax through withholdings made by those who make the payment or accreditation for the acquisition of goods or services. If such taxpayer carries out lucrative activities with individuals who do not have accounting books or that for any reason, they did not retain the corresponding tax, the taxpayer shall apply the tax rate of 7% over the taxable income that was not subject of withholding and shall directly pay the tax.

INCOMES, CAPITAL GAINS AND LOSSES

The Income Tax Law also establishes that taxable events are capital incomes, and the capital gains and losses, in cash or in kind, that come directly or indirectly from patrimonial elements, goods or rights, which ownership correspond to the taxpayer the following:

- Income from fixed assets capital
- Income from movable assets capital
- Capital gains and losses

Capital gains and losses are the ones resultant from the transfer, cession, sale and purchase, exchange or other type of negotiation of goods and rights, made by natural persons, juridical persons, entities or patrimonies whose lines of business is not to trade such goods or rights.

The tax rate applicable to the tax base of the income from fixed and movable capital assets and for capital gains is 10%, and for the distribution of dividends, profits and revenues, regardless of the name or accounting method provided to them, is 5%.

INCOME TAX WITHHOLDINGS

The Income Tax Law also provides that if income is produced in the following situations, then the party which is paying the revenue must perform an Income Tax Withholding to the other party, at tax rates that may differ from scenario to scenario. Some of the most relevant withholdings are:

Nonresident Tax Withholdings

Taxable events for this tax are any taxable income according to the taxable events, by the nonresident taxpayers that act with or without permanent establishment in the national territory.

Taxable events of this tax also are any transfer or crediting into account to its headquarters outside the country, without consideration, made by permanent establishments of nonresident entities in the country.

The following tax rates are applicable to the payments or accreditations of the taxable incomes:

- The 3% tax rate applies to:
 - ▶ Provision of international news to companies in the country, in whichever form of payment and for the use in Guatemala of cinematographic movies, cartoons, novels, musical and auditory recordings and any other similar projection, transmission or broadcasting of images or sounds in the Republic, regardless of the used means.
- The 5% tax rate applies to:
 - ▶ Activities of international transportation of goods and passengers.
 - ▶ Insurance policies, bond premiums, reinsurance, retrocession, and counter-guarantees obtained by nonresidents.
 - ▶ Telephony, data transmission and international communications of any nature and by any means, emerged from the service of communications of any nature between Guatemala and other countries.
 - ▶ Use of electric power provided from abroad.
 - ▶ Dividends, profit distribution, revenues and other benefits, as well as every transfer or crediting into account to its headquarters outside the country, without consideration, made by permanent establishments of nonresident entities.
- The 10% tax rate applies to:
 - ▶ Paid or accredited interests to nonresidents, except for the payment to authorized entities in their country by the corresponding entity.
- The 15% tax rate applies to:
 - ▶ Wages and salaries, allowances, commissions, bonus and other remunerations that do not imply expenses reimbursement.
 - ▶ Payments or accreditation into bank accounts to sportsmen and artists from theater, television and other public shows, or actors.

- ▶ Royalties.
- ▶ Professional fees.
- ▶ Scientific, economic, technical or financial advice.
- The tax rate of 25% applies to:
 - ▶ Other taxable income that has not been specified in the previous categories.

VALUE ADDED TAX

In Guatemala, the value added tax or VAT is generally chargeable on the purchase, sale or payment of the following:

- Goods made in Guatemala
- Services rendered in Guatemala
- Import of goods into Guatemala
- Lease of goods
- Donations (except those made to not-for-profit organizations)

However, the Value Added Tax Law also provides several exemptions, which may affect business entities at any given time. Some of them are:

- Exports
- Services provided by banks and financial institutions
- The issue and transfer of credit notes
- The transfer of goods under trust and the return of trusted goods to the settler, etc.
- Assets acquisition in a merger process
- Capital contributions

The VAT standard rate is 12%. The scheme of this tax is based upon a credit/debit scenario, whereas taxpayers are not obliged to pay the total amount of VAT charged to their clients, since they themselves have been forced to pay VAT in order to acquire goods or services to produce their income. Consequently, taxpayers must only pay the difference resulting from the amount of VAT charged with the amount of VAT paid in all operations that were necessary to produce taxable income under Income Tax Law provisions.

SINGLE REAL ESTATE TAX

The Single Real Estate Tax is established as the taxation scheme where the taxable event is the ownership of real estate within the territory of Guatemala. The tax rate varies from 0.2% to 0.9% annually of the registered value of the real estate and is divided into four quarterly payments.

STAMP TAX

Stamp tax is a documentary tax, that is to say, it levies the value of contracts and other documents at a rate of 3%. The stamp tax does not affect contracts or documents related to transactions levied with VAT, as double taxation is prohibited.

The more common transactions of companies who deal with documents that are levied with the 3% are:

- Documents coming from abroad which support charges of related companies or invoices of third parties for services provided abroad (technical advice, royalties, travel expenses, distribution services, commissions of representatives abroad, etc.)

Exemptions

- All contracts and documents related to acts subject to VAT
- Receipts and payment vouchers for salaries, travel expenses, Christmas bonuses, employment benefits or any other payment for personal services rendered in subordinated relation (employer-employee)
- Checks and deposit certificates
- Capital contributions to corporations; and the subscription, issuance, circulation, amortization, transfer, payment and cancellation of shares from any type of business entity

Calculation Method

The tax is determined by applying the rate to the value of the acts and contracts subject to the tax. The value is that reflected on the document, which cannot be lower than the one registered in public records, registrations, cadastres or in the official listing.

SOLIDARITY TAX

This tax levies permanent or temporary entities, branches, agencies and establishments of national or foreign persons that operate in the country. It also levies joint ownership of property, community of goods, undivided hereditary patrimony and other forms of business organizations that have their own patrimony, make commercial or agricultural activities in the national territory and obtain a gross margin higher than 4% of its gross income.

Exemptions

The following are exemptions of Solidarity Tax:

- Persons subject to this tax that begin their business activities during the first four quarters of operation.

- Commercial and agricultural activities made by natural persons or juridical persons that by virtue of specific law or because they operate within the specific regimens established by the Promotion and Development of Exports Activities and Manufacture Law, Decree Number 29-89 and Free Trade Zones Law, Decree Number 65-89, both from the Congress of the Republic and its amendments, are exempt from the payment of the Income Tax, during the term they benefit from the exemption.
- Natural persons, juridical persons, entities or patrimonies subject to the Solidarity Tax, that paid income tax according to the Simplified Optional Regime for Lucrative Activities of this tax.

INTELLECTUAL (INDUSTRIAL) PROPERTY

Guatemala has an intellectual and industrial property scheme that complies with international organizations and treaties such as Paris Convention for the Protection of Industrial Property, Patent Cooperation Treaty (PCT), Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), among others. In the year 2000 new legislation was passed, based on recommendations of entities such as World Intellectual Property Organization (WIPO), which completely modified the existing intellectual property regulation of the time.

The competent authority in the Republic of Guatemala is the Intellectual Property Registry, entrusted with the registration of all items of Intellectual Property that require said formality.

TRADEMARKS

Trademarks that may be registered are all denominative, figurative, tridimensional, olfactory, auditory or mixed signs that are apt to distinguish products, services or similar goods that may be subject to graphical representation.

Even though there is a lot of commercialization of goods and services in Guatemala, trademark registration is not mandatory. Business entities often choose to register their trademarks because the registration grants preferential rights before third parties.

Trademark registration confers on its owner the exclusive right to use said mark, and to defend it and its distinctiveness from third parties who wish to register or use a similar mark.

Trademarks are granted a registration period of 10 years, after which they can be renewed indefinitely for subsequent 10-year periods.

TRADE NAMES AND EMBLEMS

Trade names in Guatemala are conceived as any denominative or mixed sign that is used to identify and distinguish a company, business entity or commercial establishment.

Emblems, on the other hand, are figurative signs used to distinguish and identify a company, business entity, or commercial establishment.

This type of intellectual property does not require formal registration in order for its owner to benefit from the protection rights, since they are acquired from their first public use. Sometimes, they are registered to aid in any process where its use is contested.

Trade names and emblems are registered for indefinite periods of time.

EXPRESSIONS OR SLOGANS

Expressions or slogans are any phrase, advertisement, combination of words, design, engraving or any other similar means, original and characteristic, that is used with the purpose of attracting the attention of consumers or users towards products, services, companies or commercial establishments.

This type of intellectual property has regulation similar to that of trademarks.

Expressions and slogans are also registered for periods of 10 years, and may be renewed for equal periods.

OBJECTION OR OPPOSITION TO THE INITIAL REGISTRY APPLICATION

(Trademarks, Trade Names, Emblems, Expressions and Slogans)

Trademarks, Trade Names, Emblems, Expressions and Slogans are preemptively protected through objection or opposition to new applications of similar or identical signs used to identify goods or services of similar nature, filed before the Intellectual Property Registry. Intellectual Property owners have a period of two months after the publication of new applications to file their opposition based on the existence of a previous trademark of their property.

The opposition is resolved by the Intellectual Property Registrar, whose decisions can be revised by its hierarchical superior in the central government, the Ministry of Economy, whose decisions, in turn, are subject to judicial review by means of a Contentious Administrative Process.

LABOR LAW

Guatemala's labor is heavily regulated through the Guatemalan Code of Labor. Labor legislation and judicial processes are constitutionally forced to favor the worker in case of doubt, as the principle of *dubio pro operario* is recognized and followed strictly.

Employees are usually hired through an individual labor contract, and it is the employer's obligation to produce a written and signed copy of said contract. If the employer fails to do so, whatever is said by the employee before a Labor Court is considered true until the employer produces evidence to the contrary.

It is because of these reasons that an adequate legal consultancy in labor laws is one of the pivotal aspects to consider when investing in Guatemala.

WORKING WEEK

The Guatemalan working week is calculated based on effective working hours. The ordinary working day in Guatemala (considered from 6:00 am to 6:00 pm) must not exceed eight hours a day or 44 hours a week, which are equivalent to 48 hours when calculating any type of payment. Working night shift (considered from 6:00 pm of one day to 6:00 am of the next day) must not exceed six hours a day or 36 hours a week.

All hours that exceed the ordinary working day limit are considered extraordinary and must be paid with at least 50% more of the value of an ordinary hour.

For some workers, the working hours mentioned above do not apply, as is the case for managers, administrators, etc.; however, their working days must not exceed 12 hours.

MINIMUM WAGE

Monthly Minimum Wage

(+) Incentive Bonus	USD32.01
Monthly Total	USD264.83 (agricultural)
	USD243.41 (manufacture and exportation)

SOCIAL SECURITY

Any company with more than three employees is required to pay social security fees, which are paid by both employees and employers. In the case of the employee's tax, the rate is 4.93% on the salary paid. In the case of employer's, the rate is 12.67% on the salaries paid. It is important to mention that the rates would be different for companies located out of the capital city.

EMPLOYEE BENEFITS

Guatemalan legislation, including the Constitution, regulates a series of employee benefits that cannot be waived. However, said regulation only provides a minimum of benefits; therefore, any employer may exceed said benefits and workers may demand the recognition of such additional benefits.

Some of the basic employee benefits are the following:

- **Vacation.** Every employee has the right to 15 working days of vacation per year.
- **Annual and Christmas Bonuses.** These are two different bonuses, paid in July and December, and consist of the payment of one additional monthly salary.
- **Maternity Leave.** Pregnant employees have the right to maternity leave consisting of 30 days before the estimated date of childbirth and 54 days after the birth.
- **Sickness Allowance.** In case of sickness, if the employee is not protected by social security, the employer must pay as follows.

If labor relation has been:

- ▶ More than two months and less than six months:
50% of the salary during a month
- ▶ More than six months and less than nine months:
50% of the salary during two months
- ▶ Nine months and more:
50% of the salary during three months

If the employee is protected by social security, the employer only needs to pay the fees determined by the Guatemalan Institute of Social Security.

INDEMNIFICATION

Workers in Guatemala whose labor contracts are not terminated due to legitimate reasons attributable to them and their behavior are entitled to receive an indemnification for unjust termination of labor contract. The amount of the indemnification is calculated upon a “time served” basis, whereas one month’s salary is owed for every year the worker has labored for his/her employer, plus additional payment for some of the benefits received throughout the previous six months.

INTERNATIONAL TRADE AGREEMENTS

Guatemala has an evident policy of being open to enter into international trade agreements. In this sense, Guatemala has subscribed and approved bilateral or multilateral treaties with the European Community, and the following countries: Chile, Colombia, United States, Mexico, Dominican Republic, Taiwan and Panama, and in some cases, has significantly changed previous trade barriers.

However, while all international trade agreements have had impact on the economy, the most representative trade agreement of Guatemala has been the Dominican Republic, Central America and the United States Free Trade Agreement or DR-CAFTA. The signature of said treaty has specific provisions that required significant modifications of existing legislation to comply with the different various stages of the treaties.

ENVIRONMENTAL PROVISIONS

Constitutional Environmental Provisions

Right to a Healthy Environment: *“The State, municipalities, and inhabitants of the national territory are required to contribute to a social, economic, and technologic development that prevents environmental pollution and keeps an ecologic equilibrium. The necessary regulations will be made in order to guarantee that the use and exploitation of fauna, flora, soil, and water are made rationally, avoiding its depredation.”* (Article 97). Such article is the most relevant statement regarding environmental policies. It has been used as the cornerstone of the right of citizens to a healthy environment in constitutional procedures called *Amparo*.

Important Environmental Institutions

Ministry of Environment and Natural Resources

By means of Decree 90-2000 issued by the Congress of the Republic, the Ministry of Environment and Natural Resources is created. Such institution became part of the Executive Branch and it is under the direction of the President of the Republic. It is the administrative body specializing in environmental issues as well as natural goods and services of the Public Sector. Likewise, it is charged with protecting the natural systems that develop and strengthen life.

Among its main functions is to formulate, in a participative way, policies related to the conservation, protection and improvement of the environment and natural resources, and to execute them together with other authorities with legal competence in such matters. Likewise, it must respect current national and international laws in the country and incorporate environmental issues in the formulation of economic and social policies of the government, guaranteeing the

inclusion of the environmental variable and striving to achieve a sustainable development.

Public Prosecutor's Office Regarding Crimes Against the Environment and First Instance Courts of Criminal Issues, Drug Trafficking and Crimes Against the Environment

The Public Prosecutor's Office Regarding Crimes Against the Environment is the institution in charge of criminal pursuit; it supervises the investigation of public action crimes. The First Instance Courts of Criminal Issues, Drug Trafficking and Crimes Against the Environment are exclusively in charge of the criminal proceedings related to crimes against the environment.

It is important to point out that the Civil National Police is an institution that supports the Public Prosecutor's Office Regarding Crimes Against the Environment, as it is responsible to control, supervise and keep public order, through the pursuit, capture and arrest of lawbreakers.

Important Environmental Aspects

Protected Forest Areas

These areas consist of forests or other wooded territories with the predominant function, in combination or individually, to protect soil against erosion, to control water flows, to purify the air, to protect from the wind, to bring down the noise, to preserve inhabitants, to protect flora and fauna species, and other biological uses.

Protected Natural Areas

These are areas of the national territory and places where the nation exercises its sovereignty and jurisdiction, in which the original environment has not been significantly altered by human activity or areas that require preservation and restoration.

Evaluation of Environmental Impact

The environmental impact is any alteration of the environmental conditions or creation of a new group of environmental conditions, adverse or beneficial, provoked by human action or natural forces. The study of environmental impact is an instrument of politics, environmental administration, and decision-making formed by a group of procedures capable to guarantee, from the beginning of the planning, the making of a systematic examination of the environmental impacts of a project or activity and its options, as well as the necessary mitigation or environmental protection measures. The results shall be presented to the decision makers for their consideration.

Common Environmental Requests

National Institute of Forests (Spanish acronym, INAB)

- The use of forest concessions of exploitation licenses of forest products, outside protected areas.
- Forest concessions in territories of the State.
- Forest inventories or management plans, that shall be made by a suitable professional registered in such entity.

National Board of Protected Areas (Spanish acronym, CONAP)

- The public or private companies that establish facilities or develop commercial, industrial, touristic, fishing, forest, agricultural, experimental or transportation activities within the perimeter of protected areas shall enter into a contract by mutual agreement with CONAP, in which the conditions and operations rules shall be established and determined by an environmental impact study presented by the interested party to CONAP. Then, CONAP will send it to the Ministry of Environment and Natural Resources for its evaluation, as long as the activity is compatible with the foreseen uses in the master plan of the corresponding conservation unit.
- To have the authorization of CONAP for the exploitation of protected wildlife products.
- CONAP is responsible for the issuance of exploitation, hunting, fishing, sports, transportation, possession, commercial, handling, exportation, and commercialization of wild flora and fauna products.

Ministry of Environment and National Resources (Spanish acronym, MARN)

- Every project, work, industry or activity that because of its characteristics, may deteriorate renewable natural resources or the environment, or may introduce harmful or notorious modifications to the landscape or natural resources of the natural patrimony, must have, prior to its development, an environmental impact evaluation study. Such study shall be made by technicians specialized in such matters and shall be approved by the National Commission of Environment.
- Together with the Guatemalan National Commission of Electric Power, to elaborate studies and rulings regarding electric power generation and transportation projects.

Ministry of Energy and Mines (Spanish acronym, MEM)

- For the issue of geothermic licenses and concessions, and the distribution and transportation of energy.

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