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Doing Business 2025 | LATAM



Welcome to the Future of Business in Latin America

Comprising vibrant markets, evolving societies, and vast natural resources, Latin America has emerged as one of the most strategic regions in the world for companies seeking sustainable growth and global impact.

In this context, RSM LATAM presents the 2025 edition of the Doing Business report—an objective and in–depth guide for investors, entrepreneurs, and executives looking to understand the local conditions for operating in the region's key countries.

More than just technical information, this material offers a reliable overview of the opportunities, challenges, and unique characteristics of each territory—always from the perspective of those who live and breathe business in the region.

Why Invest in Latin America?

Latin America is home to over 667 million people, with rapid urban growth, significant digital advances, and a constantly expanding middle class. Countries such as Mexico, Colombia, Brazil, Chile, and Peru have positioned themselves as regional hubs for innovation, industry, services, and technology.

Despite the economic, social, and regulatory diversity among countries, there is a clear convergence in three key areas:

- Increasing institutional stability and openness to foreign investment
- Modernization of tax, labor, and business structures
- Commitment to ESG (Environmental, Social, and Governance) agendas

Investing in Latin America today is more than seizing a good moment—it's about actively participating in the redefinition of the region's role in the global landscape.

About This Report

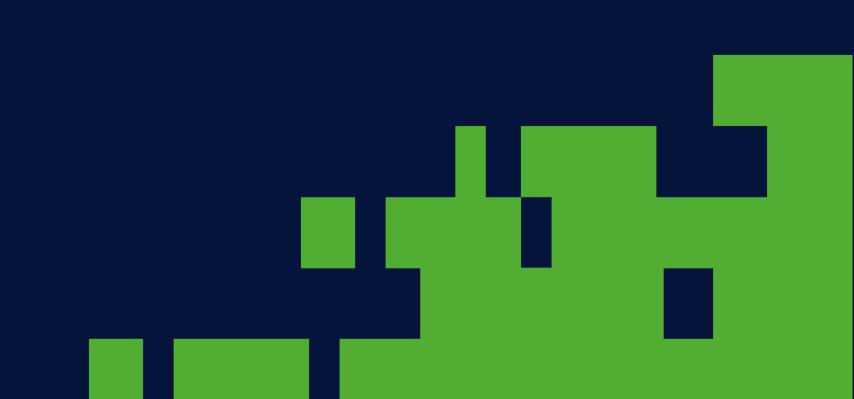
This guide was developed in collaboration with RSM offices across Latin America, reflecting the network's commitment to delivering technical knowledge combined with local insight. Each chapter includes:

- Updated regulatory and tax frameworks
- Available legal entity structures and tax regimes
- Investment opportunities by sector and region
- Competitive advantages, incentives, and risk factors

We believe that doing business in Latin America requires more than just numbers and rules — it demands understanding, adaptability, and strategic vision.

This report is an invitation to look beyond the statistics — and to discover, in each country, a fertile ground for sustainable growth.









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Introduction

Why Invest in Latin America?

Latin America stands out as a region of significant economic and strategic potential on the global stage. Structural and cyclical factors make it an attractive destination for capital allocation and business development across various sectors:

- **Resilient Economic Growth:** Despite forecasts of a slowdown—with growth projections of 2.5% for 2025 according to the World Bank—the region shows dynamism in key areas such as technology, renewable energy, and agribusiness.
- Favorable Demographics: A young and growing population drives demand for goods and services, while also providing a broad and diverse labor force.
- Abundance of Natural Resources: The availability of resources such as minerals, oil, and fertile agricultural land positions the region as a key global supplier.
- Trade Integration and Regional Agreements: Initiatives such as Mercosur and the Pacific Alliance strengthen internal and external trade relations, boosting economic competitiveness.

These factors, combined with a rapidly evolving global landscape, point to a scenario full of significant opportunities.

The Strategic Role of the Guide

Mapping the economic, fiscal, and sectoral dynamics of Latin America is essential to understanding the factors that influence strategic decisions in the region. This material consolidates updated data and in-depth analyses to support a clear understanding of the business environment, exploring economic, legal, and tax aspects, as well as growth trends in specific sectors.

The guide also provides a broad overview of regional differences, highlighting both the factors that drive economic activity and the challenges related to regulatory complexity and infrastructure.

Overview of Opportunities and Challenges

Latin America presents a balance between emerging opportunities and structural challenges. This landscape is shaped by the region's unique characteristics, which include:

Opportunities:

- innovation and sustainability in regional growth.
- and Brazil.

Challenges:

- countries.
- pose a barrier to integrated regional operations.
- growth.

This context illustrates a region rich in potential but one that demands careful planning and adaptability to its particularities. With a clear understanding of both opportunities and challenges, it is possible to chart a course for business development and consolidation in Latin America.

• Sectoral Dynamism: Sectors such as technology, renewable energy, and infrastructure have gained significant attention, reflecting the strategic role of

 Capital Flows: The rise in investment directed toward Latin America in 2024 demonstrates strong global interest, particularly in countries such as Colombia

• **Technological Adoption**: The expansion of fintechs and digital platforms is transforming local economies, integrating new business models into the region.

• Macroeconomic Volatility: Factors such as exchange rate fluctuations and commodity dependency continue to impact economic stability in some

• **Regulatory Complexity:** Differences in tax and legal systems among countries

• Infrastructure Challenges: Despite recent progress, improvements in transportation and logistics are still needed to support medium- and long-term

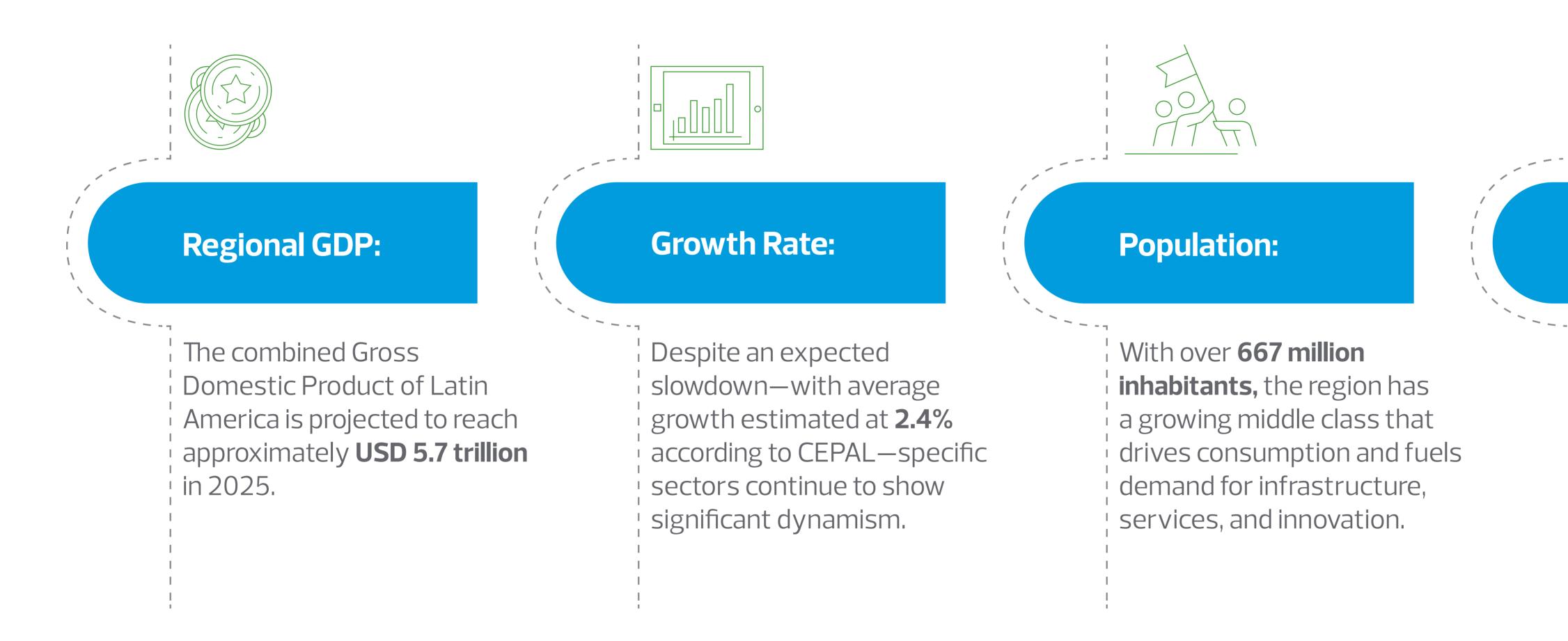
Outlook





Latin America in Numbers

importance:



Latin America is one of the most diverse regions in the world, with economies of varying sizes, characteristics, and stages of development. The data defining the region in 2025 highlight its strategic



Foreign Direct Investment (FDI):

In the first half of 2025, the region recorded **USD 1.3** billion in FDI, with notable activity in the technology, renewable energy, and agribusiness sectors.

Key Economic Trends



Digitalization and Technological Innovation

Technology plays a central role in the region's economic transformation. Areas such as fintech, artificial intelligence, and e-commerce are among the main recipients of capital.

Digitalization extends beyond the private sector: governments across the region are implementing initiatives to modernize public services, including the digitalization of tax and administrative processes.



Energy Transition and Sustainability

Latin America is at the forefront of the transition to clean energy, with significant investments in solar and wind power.

Brazil is a leader in wind energy, while Chile stands out in solar energy—both serving as examples of economies that integrate innovation with sustainability.



Trade and Economic Integration

Regional blocs such as Mercosur and the Pacific Alliance continue to drive regional trade.

Additionally, trade agreements with external markets strengthen Latin America's strategic position as a bridge between emerging and developed economies.



A High–Potential Market **Under Restructuring**

Argentina is a federal republic composed of 23 provinces and the Autonomous City of Buenos Aires, which serves as the capital and the country's main political and economic center. The official language is Spanish, and the local currency is the Argentine peso. The country has access to the sea, borders five other nations, and participates in economic blocs such as MERCOSUR.

Argentina's economy is diverse, with notable strengths in the agricultural, industrial, and service sectors. The country has vast natural resources, a skilled workforce, and a significant domestic market. Despite recurring macroeconomic challenges, the business environment is constantly evolving, offering opportunities in strategic sectors such as energy, infrastructure, technology, and agribusiness.



1. Legal Framework for the Protection of Foreign Investor

1.1 Legal Certainty

- Law No. 21,382 establishes the legal framework for foreign investment in the country.
- Foreign investors are allowed to invest in any sector of the national economy and are granted the same rights as local investors.
- There is no residency requirement for foreign directors or shareholders.
- There are no regulations requiring the invested capital to remain in the country for a minimum period, and the legislation allows for the free repatriation of profits.

1.2 Restructuring and Guarantees

- The legislation ensures equal tax and corporate treatment for foreign investors.
- · There are legal mechanisms in place for corporate restructuring, mergers, and acquisitions in a secure and recognized manner.

2. Company Formation 2.1 Common Legal Structures

Type

Sociedad Anónima (S.A.)

Sociedad de Responsabilidad Limitada (S.R.L.)

Sociedad Anónima Unipersonal Allows for a single shareholder. (S.A.U.)

Sucursal

2.2 Timeline and Procedures

- province in which the company will be registered.

2.3 Specific Considerations

- single shareholder (in the case of an S.A.U.).
- structure and the amount of capital.
- practices.

Features

Capital is divided into shares; requires at least two shareholders.

No shares, only quotas; suitable for smaller business structures.

An extension of the foreign company, requiring local registration.

The formalization process depends on the type of legal structure and the

 In Buenos Aires, company formation may take between 2 to 4 weeks and must be registered with the Inspección General de Justicia (IGJ).

It is permitted to have only one director and to establish companies with a

The requirement to submit financial statements depends on the legal

 Accounting standards vary by province, but there is widespread adoption of International Financial Reporting Standards (IFRS) in corporate



3. Tax System and Incentives **3.1 Fiscal Structure and Scope**

Argentina's tax system is multi-tiered and highly decentralized, comprising federal, provincial, and municipal taxes. The tax legislation is extensive, and tax planning requires careful consideration of multiple layers of obligations and tax rates, which may vary significantly depending on the sector and the company's location.

3.2 National Taxes

Tax

Corporate Income Tax (Impuesto a las Ganancias)

Value Added Tax (VAT – IVA)

Personal Assets Tax

Tax on Bank Credits and Debits

Export Duties

Import Duties

Gross Income Tax (Ingresos Brutos)

Stamp Tax

Safety and Hygiene Tax

Excise Taxes(Impuestos Internos)



Rules regarding tax offsets, deductions, and monetary adjustments change frequently — local advisory is essential to avoid unexpected liabilities.



Description	Rate
Levied on corporate income.	25% until 2024. M annual income.
Levied on the consumption of goods and services.	21% standard, 10.
Levied on net worth.	
Levied on current account transactions.	0.6% on credits an transaction).
Levied on exports (agriculture and mining).	Varies by product
Levied on imports.	Variable rates.
Provincial tax on sales.	General rates rang
Provincial tax applied to the economic value of contracts or similar documents.	Average general r
Municipal tax levied on revenues.	Average general r
Applicable to specific activities (e.g., tobacco, alcohol, luxury goods).	Vary from 8% to 6

May increase to 35% depending on

.5% or 27% in specific cases.

0.50%

and 0.6% on debits (1.2% per

t and current policy.

nge from 3% to 5%.

rate of 1%.

rate of 1%.

60%.

3.3 Provincial Taxes

Tax

Gross Income Tax

Stamp Tax

Each province defines its own rules, rates, and reporting regimes. Some provinces apply automatic withholdings through the banking system.

3.4 Municipal Taxes

Municipalities charge fees related to security, hygiene, inspections, and public services. There is no national standard, and amounts can vary significantly. These fees are usually fixed or proportional to the area used and the type of activity.



Tax on gross revenue. activity). Applies to contracts, financial transactions, 0.5% to 1.5%	Description	Rate
	Tax on gross revenue.	3% to 5% (depe activity).
	Applies to contracts, financial transactions, and deeds.	0.5% to 1.5%.





Doing Business LATAM

Argentina

ending on the province and

3.5. Special Regimes and Incentives

Sector-Specific Regimes:

0	

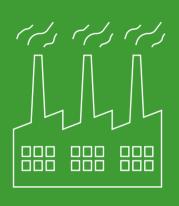
Knowledge Economy:

Benefits for companies in technology, software, BPO, R&D, and creative industries (including reductions in Corporate Income Tax and social security contributions).



Energy and Mining:

Promotional regimes offering export incentives and specific deductions.



Industrial Parks:

Local benefits, tax exemptions, and logistical support.



Regional Regimes:

Specific tax incentives for economic zones in the northern and southern regions of the country.

Exemptions from Gross Income Tax and payroll taxes in certain provinces.

Double Taxation Agreements:

Argentina has treaties in place with several countries (including Brazil, Spain, Italy, Germany, and Mexico), which may reduce withholding taxes on dividends, royalties, and service payments.

4. Obligations and Compliance

- · Companies are subject to monthly filings for VAT and Gross Income Tax (Ingresos Brutos).
- December or March.
- and the submission of financial statements, when applicable.

· Corporate Income Tax (Impuesto a las Ganancias) must be filed annually, based on a fiscal year ending in either

Accounting obligations include electronic recordkeeping



5. Transfer Pricing and **Special Rules**

Argentine legislation follows principles aligned with the Organisation for Economic Co–operation and Development (OECD).

Companies involved in international transactions are required to submit an annual Transfer Pricing Study.

Regulations cover the following areas:

- Permanent Establishment;
- Thin Capitalization;
- · Ultimate Beneficial Owner;
- · Anti-avoidance clauses.

Argentina also requires registration of international tax planning strategies, making specialized advisory essential.





6. Strategic Sectors and Investment **Opportunities**

Despite macroeconomic challenges, Argentina remains one of the most promising countries in Latin America in sectors related to primary production, technology, energy, and global services. The country combines abundant natural resources, a skilled workforce, and resilient industrial structures, offering a wide range of opportunities for investors with a medium- to long-term vision.



Agribusiness and Food

Argentina is one of the world's leading exporters of soybeans, corn, wheat, beef, and wine.

Opportunities include:

- Sustainable value chains;
- Food industrialization (processed, organic, functional) products);
- Exports to China, Europe, and the Middle East;
- Integration with precision agriculture technologies.



Energy, Oil & Gas

The province of Neuquén is home to Vaca Muerta, one of the world's largest reserves of unconventional oil and gas.

The energy sector is strategic and attracts investment in:

- Exploration and transport infrastructure;
- Energy transition efforts, with natural gas as a bridging source;
- Opportunities in renewable energy (solar, wind, biomass).



Mining and Lithium

Argentina is part of the Lithium Triangle (along with Chile and Bolivia), which holds over 50% of the world's lithium reserves.

Mining activity is expanding, particularly in:

 Projects with high global demand for batteries and green energy;



Technology and Global Services

Argentina has a strong tech ecosystem in cities like Buenos Aires, Córdoba, and Rosario.

Key highlights:

• Lithium, copper, silver, and gold;

• Specific incentives for R&D, exports, and reinvestment.

Startups and scale-ups (fintech, edtech, agtech);

Shared services centers and outsourcing;

 Competitive technical talent and incentives under the Knowledge Economy Law.



Infrastructure and Logistics

Major opportunities in::

- Railways, highways, and bi-oceanic corridors;
- Ports and logistics focused on agricultural exports;
- Public-private partnerships for regional development.



Corporate and Residential Real Estate

The real estate market is gaining value, with opportunities in:

- Logistics warehouses and industrial parks;
- Mid-range residential developments in mediumsized cities;
- Projects integrated with sustainability and urban mobility.

7. ESG and Sustainability

Argentina has made progress on its ESG agenda, with a focus on:



Mandatory environmental licensing for critical sectors;



Incentives for clean energy projects, especially solar and wind;



Participation in international climate agreements.

Corporate governance and transparency regulations are increasing, with growing requirements for publicly listed companies and government contractors.



8. RSM Argentina as a Trusted Partner

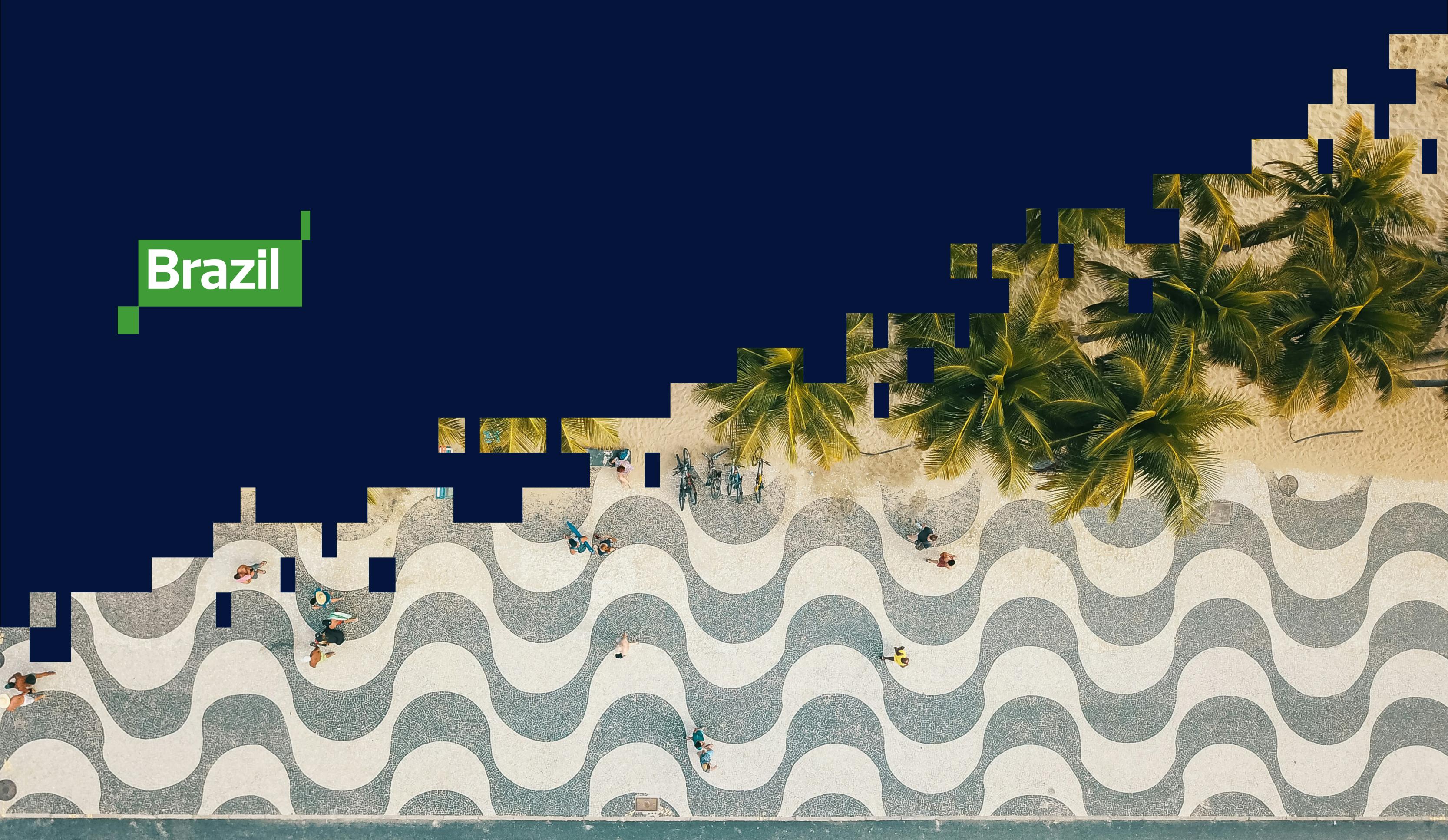
RSM Argentina provides deep technical and strategic expertise in tax, corporate, and accounting advisory for both local groups and international investors. Our services include:

- Market entry structuring in Argentina
- Local and international tax planning
- Regulatory risk management and audits
- · Optimization of corporate structures and reorganizations









A regional power with structural reforms and multi-sector opportunities

Brazil is a federative republic composed of 26 states and the Federal District. The official language is Portuguese, and the local currency is the real (BRL). It is the largest economy in Latin America, featuring a robust domestic market, abundant natural resources, a well-established financial system, and a significant role in international trade. Brazil is a member of MERCOSUR, the World Trade Organization (WTO), and the Organisation for Economic Co-operation and Development (OECD) – currently in the process of accession.

With over 215 million inhabitants, a Gross Domestic Product (GDP) exceeding **USD 2 trillion**, and a strategic position in global trade, Brazil has historically been the leading destination for investment in Latin America. At the same time, the country faces structural challenges that create space for innovation, efficiency, and wellpositioned business opportunities.

In recent years, Brazil has made significant progress on key fronts such as **tax reform**, **digitalization of public** services, corporate simplification, and energy transition - signaling an increasingly competitive and reliable business environment.





1. Legal Certainty and **Investment Freedom**

Brazil guarantees **freedom for the inflow and outflow** of foreign capital in nearly all sectors, with few exceptions (such as areas related to national security). Profit repatriation is protected by law, and there is no requirement for a local partner in foreign-owned companies.

The country maintains over 30 double taxation agreements — notably with Portugal, Japan, Argentina, Spain, and Switzerland — and is **formally progressing** toward OECD accession.

Foreign investments must be registered with the Central Bank of Brazil (through the RDE-IED system), ensuring traceability and legal security.



2. Company Formation Types

The company incorporation process has been significantly simplified in recent years, especially with the digitalization of the Commercial Registry services and the use of the Gov.br Portal.

Main legal entity types:

Туре

Limited Liability Company (LTDA)

Corporation (S.A.)

Individual Entrepreneur / MEI

Branch of a Foreign Company

The average time to incorporate a company ranges from 2 to 5 business days, depending on the state and business activity.

Features

The most common type, allows for a sole partner (SLU);

Ideal for large businesses and capital raising;

Simplified formats for microentrepreneurs;

Requires authorization from the Ministry of Development.

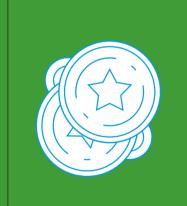
3. Tax System: Complex, but **Undergoing Transformation**

Brazil is known for its complex and fragmented tax system, with federal, state, and municipal taxes that vary by sector and region. However, the Tax Reform approved in 2023 (Constitutional Amendment Proposal 45/2019) represents a historic turning point.

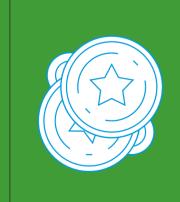
Main tax regimes:



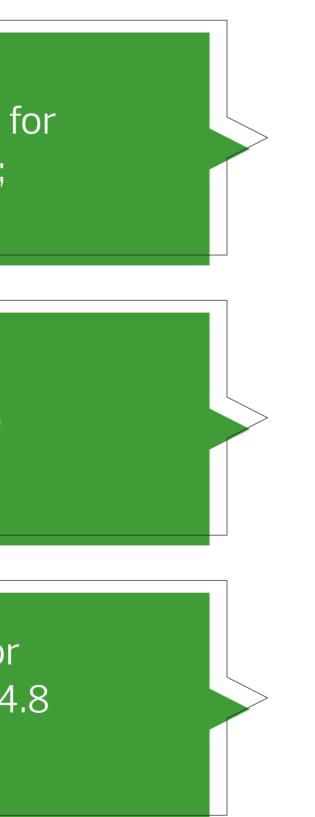
Actual Profit (Lucro Real) – mandatory for large companies or regulated activities;



Presumed Profit (Lucro Presumido) – for companies with annual revenues up to BRL 78 million;



Simples Nacional – simplified regime for micro and small businesses (up to BRL 4.8 million per year).



Key Current Taxes		
Tax	Level	Notes
IRPJ – Corporate Income Tax	Federal	15% base rate + 10% surtax
CSLL – Social Contribution on Net Profit	Federal	9% rate
PIS and COFINS	Federal	Levied on gross revenue (3.65% or 9.25%)
ICMS — Tax on Circulation of Goods and Services	State	Average rate of 18%
ISS — Service Tax	Municipal	Ranges from 2% to 5%
IPI — Excise Tax on Manufactured Products	Federal	Varies according to the TIPI table

Tax Reform (being implemented through 2033):

- · Creation of a dual VAT system: CBS (federal) and IBS (state/ municipal);
- · Elimination of tax cascading, with full input tax credit across the supply chain;
- Introduction of a Selective Tax on products harmful to health or the environment.

4. Incentives and **Special** Regimes

Brazil offers a wide range of tax incentive policies — many of which are regionally or sector-specific:



Free Trade Zones (e.g., Manaus), with exemptions from IPI and ICMS:



SUDENE / SUDAM: incentives for companies operating in the North, Northeast, and Central–West regions;



Lei do Bem: focused on technological innovation and R&D;



Rota 2030: incentive program for the automotive sector with sustainability targets;



Lei de Informática: targeting hardware and automation companies.



Companies that establish operations in priority areas or develop innovative solutions may benefit from **Corporate Income Tax (IRPJ)** reductions, presumed tax credits, and federal and state tax exemptions, provided they meet certain conditions related to job creation, workforce training, and local development.

5. Labor Legislation and **Employment Costs**

The **2017 Labor Reform** introduced greater flexibility in labor relations, allowing:

- legislation;
- Intermittent and part-time contracts;
- Regulation of remote work.

Main employment costs:

Charge	Ave
INSS (Social Security Contribution)	
FGTS — Severance Indemnity Fund	
Vacation, 13th salary, bonuses	U
Average total labor cost	~65

Recent initiatives include incentives for hiring young workers, women, and support for regional first-employment programs.

Individual and collective agreements to take precedence over

rage Rate

20% (employer)

8%

p to 40% additional

5% over base salary

6. Strategic Sectors and Opportunities

Brazil offers concrete opportunities for foreign companies in highly dynamic sectors:

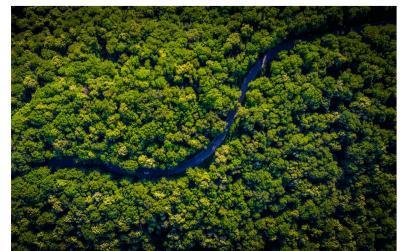












Agribusiness:

the world's largest exporter of soybeans, beef, coffee, and oranges;

Clean Energy:

a leader in hydropower, solar, wind, and second-generation ethanol;

Infrastructure and **Concessions:**

opportunities in highways, railways, ports, and sanitation;

Fintechs and Technology:

the largest ecosystem in Latin America, supported by regulatory frameworks;

Private Healthcare and Education:

growing demand for high-quality services and digital scalability;

Green Industry and Bioeconomy:

strong focus in the Legal Amazon region, including carbon credits and circular economy initiatives.

7. ESG, Sustainability and Compliance

The ESG agenda in Brazil has gained momentum through institutional support, private sector initiatives, and international pressure.



National Decarbonization **Plan** (under development);





Incentives from **BNDES** and green funds for companies adopting sustainable practices

RenovaBio as a public policy for biofuels;



Mandatory anti-corruption compliance in public procurement processes;



Increasing adoption of integrated reporting and materiality assessments.

8. RSM Brazil as a Strategic Partner

With national presence, international vision, and a multidisciplinary team, **RSM Brazil** is a trusted advisor to the middle market, delivering end-to-end solutions for companies seeking sustainable growth and international expansion.

RSM Brazil solutions:

- Tax and corporate planning
- Audit, ESG, and regulatory advisory
- Business structuring and accounting/financial BPO
- Corporate governance and internal controls
- M&A, valuation, and succession planning

Doing business in Brazil requires technical expertise, local insight, and focus on what truly matters. **RSM is the bridge between the** country's potential and the results your company seeks.









Legal Security, Innovation Environment, and Expanding Opportunities

With a privileged location between two oceans, a solid economy undergoing transformation, and a stable legal framework, Colombia is emerging as one of the most attractive destinations in Latin America for strategic investors. Whether due to its dynamic domestic consumption, strong export capacity, or commitments to sustainability and governance, the country blends regional ambition with regulatory pragmatism — and that makes a difference.

With economic policies focused on stability, a favorable regulatory environment, and investment incentive programs, the country holds a strategic position both in the Andean region and in broader continental integration. Colombia's economy features sectoral diversity, a skilled workforce, and meaningful trade agreements that enhance its business potential.



1. Political and **Economic** Environment

With a GDP exceeding USD 300 billion and a population of over 52 million people, Colombia ranks among the four largest economies in Latin America. The country has implemented structural reforms in recent years and has increased its international presence through trade treaties and bilateral agreements.

At the same time, Colombia's accession to the Organisation for Economic Co-operation and Development (OECD) strengthens its institutional credibility and reinforces its commitment to transparency, compliance, and sound market practices.



2. Investment Freedom and **Structural Protection**

Colombia allows 100% foreign ownership in nearly all economic sectors, with no requirement for local partners and no restrictions on profit repatriation. Law 2080/2000 — the Foreign Investment Statute - guarantees equal treatment and legal security.

The country also:



Chile, and Peru);





treaties.

By registering the investment with the Central Bank of Colombia (Banco de la República), foreign investors gain constitutional protection and tax transparency.

• Is a member of the **Pacific Alliance** (alongside Mexico,

Has over **15 double taxation agreements**, including with Brazil, Spain, Canada, and the United Kingdom;

· Is a signatory of multilateral **international arbitration**

Company Incorporation: Fast, Modern, and Inclusive

Colombia was a pioneer in Latin America in establishing the **Simplified Joint Stock Company (SAS)**, which even allows for a single shareholder and offers broad contractual flexibility. Today, it is the most widely used legal structure by foreign companies and startups.

Other available structures include:

Corporation (Sociedad Anónima – S.A.)

Suited for large enterprises with dispersed shareholding;

Limited Liability Company (Sociedad Limitada – LTDA)

Ideal for family-owned or smaller businesses;

Branch of a Foreign Company

Allows direct operation in the country with local autonomy.

Company formation can be completed electronically, with an average timeline of 7 to 15 business days, including registrations with the **DIAN (National Tax and Customs Directorate)** and the **Chamber of Commerce**.



4. Tax System: **Balance and Recent Restructuring**

Colombia has undergone significant tax reforms in recent years. The most recent reform increased revenue collection from sectors with higher payment capacity and restructured incentives to boost competitiveness.

Tax

Corporate Income Tax (CIT)

Value Added Tax (VAT)

Wealth Tax

Withholding Tax

For small and medium-sized enterprises, the **Simple Taxation Regime (RST)** offers simplified procedures and reduced tax rates.

Base / Rate

35% (general rate), up to 40% for banks

19% (with exemptions and reduced rates for specific sectors)

Applicable to high-net-worth individuals (above COP 3 billion)

20% standard rate for non-residents, subject to variation based on double taxation treaties

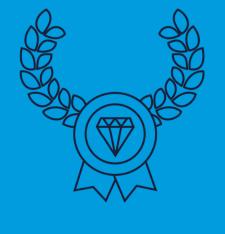
5. Free Trade Zones and Sectoral Incentives

Colombia's fiscal policy combines equal treatment with targeted sectoral stimulation:



Free Trade Zones offer:

- Reduced Corporate Income Tax (CIT) rate of 20%;
- Exemption from VAT and customs duties;
- Flexibility to operate with a focus on exports and re-exports.



Sector-specific incentives include:

- Creative economy (via Economía Naranja);
- Infrastructure and logistics (through publicprivate partnerships);
- Tourism, technology, and sustainable agriculture.

Companies operating in global value chains find relevant logistical and fiscal advantages especially in the Caribbean and Andean regions.

6. Labor Legislation and **Social** Contributions

Colombian labor legislation promotes formal employment and stability in labor relations. The maximum workweek is 47 hours, with flexibility allowed through collective agreements.

Mandatory social contributions:

Rate	Responsible Party
16%	12% employer / 4% employee
12,5%	8.5% employer / 4% employee
~9%	Employer
	16%

There are specific tax benefits for hiring women, young professionals, and talent in innovation-related roles.

7. Investment **Opportunities**

Colombia is at a strategic moment for investors seeking to combine growth, sustainability, and access to international markets. Key opportunity sectors include:



8. ESG, Sustainability and Green Taxonomy

Colombia has taken solid steps toward a more sustainable form of capitalism. Key milestones include:



- focus;



Companies committed to good governance and sustainability practices are highly valued — and often gain easier access to green financing.

Carbon neutrality goal by 2050;

• National Development Plan with a strong ESG

 Creation of an official green taxonomy, aligned with EU standards;

 Promotion of circular economy and social impact in public procurement

9. RSM Colombia as a **Trusted Partner**

With local expertise and global alignment, **RSM Colombia** offers comprehensive strategic support for investors seeking to operate with confidence and intelligence in the country.

Our services include:

- Legal structuring and company formation;
- Local and international tax planning;
- Advisory on Free Trade Zones and incentive programs;
- Regulatory risk management and compliance;
- · ESG support, digital transformation, and integrated reporting.

Doing business in Colombia requires vision, preparation, and the right partner. RSM is ready to build with you — from the first step to the achievement of your goals.







A Natural Logistics Hub with **Tax** Incentives, Legal Stability, and Strong **Export Appeal**

With a privileged location in Central America and strong ties to North American markets, Guatemala has been gaining attention for its regulatory advancements and pro-business incentives. The country combines macroeconomic stability, strategic trade agreements, and expanding productive sectors such as agriculture, textiles, and services.



1. Country **Overview**

Strategically located in Central America, **Guatemala is the** region's largest economy in terms of population, with over 18 million inhabitants and a GDP of approximately USD 95 billion (2023, IMF estimate). Its economy is export- and services-oriented, with key sectors including agribusiness, light manufacturing, and technology.

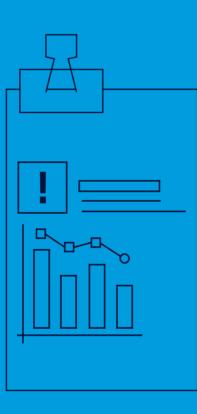
In 2023, according to the World Bank, Guatemala ranked as the third most attractive destination for foreign direct investment (FDI) in Central America and placed 76th in the **Doing Business ranking for ease of doing business.**



2. Legal Framework for **Foreign** Investment

The Foreign Investment Law (Decree 9–98) guarantees equal treatment for domestic and international investors. There is no requirement for local partners, nor restrictions on property ownership or profit repatriation.

Guatemala is a signatory to:



- Bilateral Investment Treaties (BITs);
- Colombia, Spain, and others);
- **European Union.**

Foreign companies have the right to pursue international arbitration in case of disputes.

Double Taxation Agreements (e.g., with Mexico,

Trade blocs and agreements such as the WTO, SIECA, **DR-CAFTA**, and the **Association Agreement with the**

3. Company Formation

Starting a business in Guatemala is a relatively straightforward process. The country allows the incorporation of companies by both individuals and legal entities — including foreign investors.

Main types of companies:

Legal Structure

Corporation (S.A.)

Limited Liability Company (LTDA)

Sole Proprietorship (Empresario Individual)

Branch of a Foreign Company (Sucursal de Sociedad Extranjera)

Key Characteristics

Capital divided into shares. Minimum of 2 shareholders. Recommended for larger businesses.

Up to 20 partners. Lower bureaucratic requirements.

Registers an individual as a business entity. Ideal for small ventures.

Branch of an international company. Requires legalized and apostilled documentation.

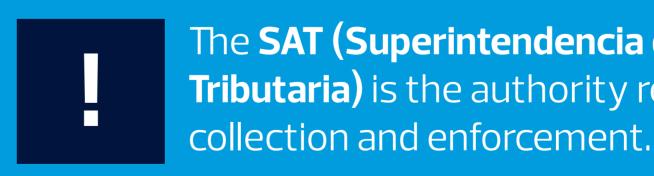
Average incorporation time: 15 to 25 business days, including registration with the **SAT** (Superintendencia de Administración Tributaria) and obtaining a **NIT** (Tax Identification Number).

4. Tax System

income generated within the country is subject to taxation.

Summary of Main Taxes:

Tax	Base Rate	Notes
Income Tax (ISR)	25% (on net profit) or 7% (on gross revenue)	Taxpayers may choose the more favorable regime.
Value Added Tax (VAT — IVA)	12%	Applied to the sale of goods and services.
Profit Distribution Tax	5%	Levied on dividends paid.
Solidarity Tax (ISO)	1% on gross revenue or total assets	Mandatory for companies exceeding a certain revenue threshold.
Withholding Tax for Non– Residents	15% to 31%	Varies depending on the service and applicable international treaties.

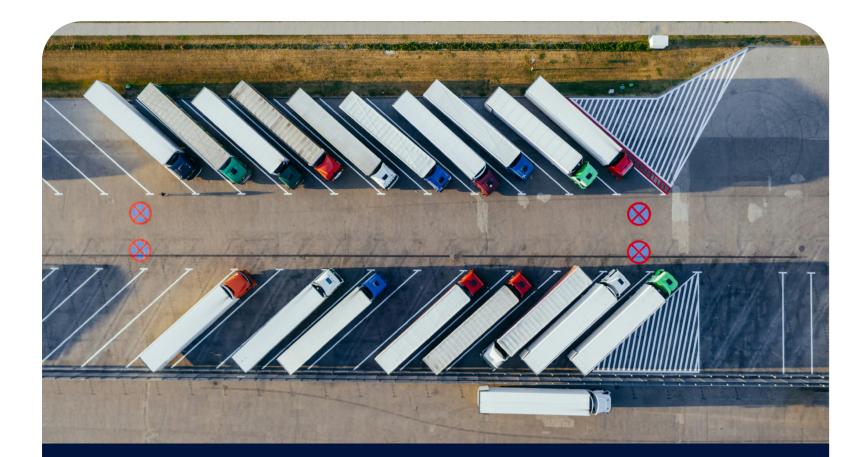


Guatemala applies the **territorial income principle**, meaning only

The SAT (Superintendencia de Administración **Tributaria)** is the authority responsible for tax

5. Tax Incentives and **Special Zones**

Guatemala offers several promotional regimes designed to attract investment:



ZDEEP (Zonas de **Desarrollo Económico** Especial):

 tax exemptions for companies in manufacturing, logistics, technology, and export services.



These mechanisms create a **highly competitive** environment for exporters and companies looking to regionalize their production.



Maquila Law (Decree 29–89):

 encourages export-oriented industrialization with tax and customs benefits.



(e.g., Puerto Quetzal, Santo Tomás de Castilla) – integrated infrastructure and streamlined regimes for foreign trade.

Private Free Zones and Logistics Ports:

6. Labor Relations and **Social Contributions**

The Guatemalan labor environment is governed by the **Labor Code,** which establishes:



15 business days of vacation after 12 months of work; \sim

Mandatory bonuses (aguinaldo and bono 14); \sim



Social contributions:

 \sim

Charge	Rate	Respons
IGSS (Social Security)	~12,67%	Shared bet employee
INTECAP and IRTRA	Small fixed percentages	Fund traini programs f

sible Party

etween employer and

ing and recreation for workers

7. Key Sectors for Investment

Guatemala's economy presents strong opportunities in sectors with **high global demand**:



textiles







centers

Energy and infrastructure

 open to public-private partnership (PPP) projects;

Technology and fintech

- especially in financial services for the unbanked population.

Light manufacturing and

- supported by the Maquila Law;

Agro-exports

- including coffee, fruits, vegetables, and sugar with a strong international presence;

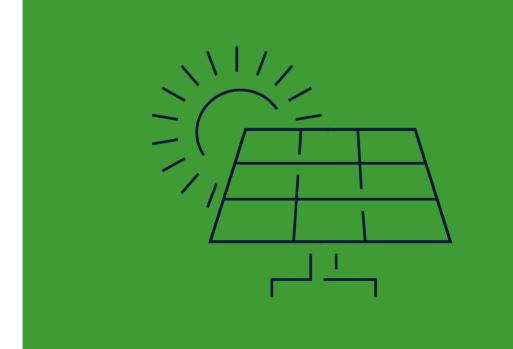
BPO services and call

- leveraging a bilingual workforce;

8. Sustainability, ESG, and **Digital Transformation**

While ESG adoption in Guatemala is still developing, exportoriented companies — particularly those targeting the U.S. and European markets — are increasingly aligning with global environmental and social standards.

There is growing support for projects in:



- Solar energy and biomass;
- Regenerative agriculture;
- Digitalization of supply chains and traceability.

Organizations certified by Rainforest Alliance, Fair Trade, and similar entities are well-regarded and more competitive in international markets



9. RSM Guatemala as a Strategic Partner

RSM Guatemala is well-positioned to guide both local and international companies through the legal, accounting, and operational aspects essential to success in the country.

Our services include:

- Company formation and legal structuring;
- Tax planning and special regimes advisory;
- · Payroll management, compliance, and internal audits;
- Export support and fiscal incentives;
- ESG consulting and regulatory risk management.

With local expertise and access to the global **RSM network**, we provide the ideal structure to turn Guatemalan opportunities into sustainable and solid growth.









One of the World's Most Open and **Strategic Markets**

Mexico is currently the **second-largest economy in Latin America**, behind only Brazil, and one of the most open in the world in terms of trade. With preferential access to 46 countries through **13 international agreements** – including the United States–Mexico–Canada Agreement (USMCA) — the country serves as a natural bridge between North America, Latin America, and the Asia-Pacific region.

In addition to its strategic geographic position, Mexico offers:

- Macroeconomic and political stability;
- A robust and growing domestic market;
- Competitive operating costs;
- A young, skilled labor force;
- Installed capacity for advanced manufacturing and global exports.

These attributes make Mexico a standout destination in rankings such as the **World Investment Report** (by the UN Conference on Trade and Development – UNCTAD), as well as in analyses from the World Bank and the Global Infrastructure Hub.



1. Legal Framework for **Foreign Investor Protection**

Legal Certainty

- Mexico imposes no restrictions on the inflow or repatriation of foreign capital;
- The legal system guarantees unrestricted access to the judiciary and allows for international arbitration;
- The legal framework is based on civil law, ensuring protection of private property, contract enforcement, and operational freedom;
- The Constitution and the Foreign Investment Law establish the principle of non-discrimination, except in certain regulated sectors (such as energy and national security).



2. Company Formation

2.1 Legal Structures

Туре

Sociedad Anónima de Capital Variable (S.A. de C.V.)

Sociedad de Responsabilidad Limitada de Capital Variable (S. de R.L. de C.V.)

Branch (Sucursal)

Note: The S. de R.L. de C.V. can be treated as a pass-through entity for U.S. tax purposes (via check-the-box election).

2.2 Procedures and Timeline

Company formation typically takes **2 to 4 weeks**, including public registration, obtaining the **Federal Taxpayer Registry (RFC)**, and enrolling in the relevant tax and labor registries.

2.3 Special Considerations

- A minimum of two shareholders is required.
- · The director does not need to be a Mexican tax resident.
- Accounting must comply with Mexican Financial Reporting Standards (NIF), although International Financial Reporting Standards (IFRS) may be used for multinational groups.

Key Characteristics

Most common among large companies; requires at least two shareholders.

More flexible; suitable for smaller or family-owned businesses.

Allows direct operations but requires additional registration.

3. Tax System and Incentives

3.1 Fiscal Structure

Mexico taxes the worldwide income of legal entities domiciled in the country.

Tributo	Alícuota
Corporate Income Tax (Impuesto Sobre la Renta — ISR)	30%
Personal Income Tax (ISR — Individuals)	Up to 35%
ISR – Non-residents	25% to 35%
Value Added Tax (VAT – IVA)	16%
Special Tax on Production and Services (IEPS)	Specific rates deper on the product
State Payroll Tax	~2%

nding

3.2 Incentive Regimes

domiciled in the country.

IMMEX – Export Manufacturing Program

- and re-export.
- · Widely used in the automotive, electronics, and textile sectors.

Northern Border Zone

- Reduced VAT (8%) and Corporate Income Tax (20%).
- employment.

Additional Incentives

- logistics, and clean energy.

Mexico applies the **worldwide income principle** to legal entities

• Exemption from VAT and tariffs on imported goods for transformation

· Available to companies established in border regions that generate local

• Tax credits for R&D, technology development, and employee training.

State and municipal programs targeting sectors such as agribusiness,

4. Tax Compliance and Reporting Obligations

Obligation	Frequency
VAT and Corporate Income Tax (ISR) Returns	Monthly
Accounting Information via SAT (Tax Administration Service)	Monthly
Annual ISR Return	Annually
Transfer Pricing Study	Annually



RSM Mexico offers comprehensive solutions for automated compliance, electronic filings, and real-time management of tax obligations.



Deadline

By the 17th of each month
Through electronic platform
March

By May



5. Transfer Pricing and **Tax** Governance

Mexico fully adheres to the guidelines of the **Organisation** for Economic Co-operation and Development (OECD).

- (CbCR) are mandatory for multinational groups.
- supported by comprehensive documentation.

· Local File, Master File, and Country-by-Country Report

• The **Transfer Pricing Study** must be submitted annually,

6. Strategic Sectors and **Competitive Advantages**









Advanced Manufacturing

- including automobiles, aerospace, and electronics, forming the backbone of the IMMEX program.

Agroindustry and Fresh Exports

- strong performance in fruits, vegetables, and meat exports.

Energy and Infrastructure

- investments in renewable energy, natural gas, and logistics.

Technology and Innovation

- thriving ecosystems in **Mexico City**, Guadalajara, and Monterrey.

7. Sustainability and ESG



- licenses.

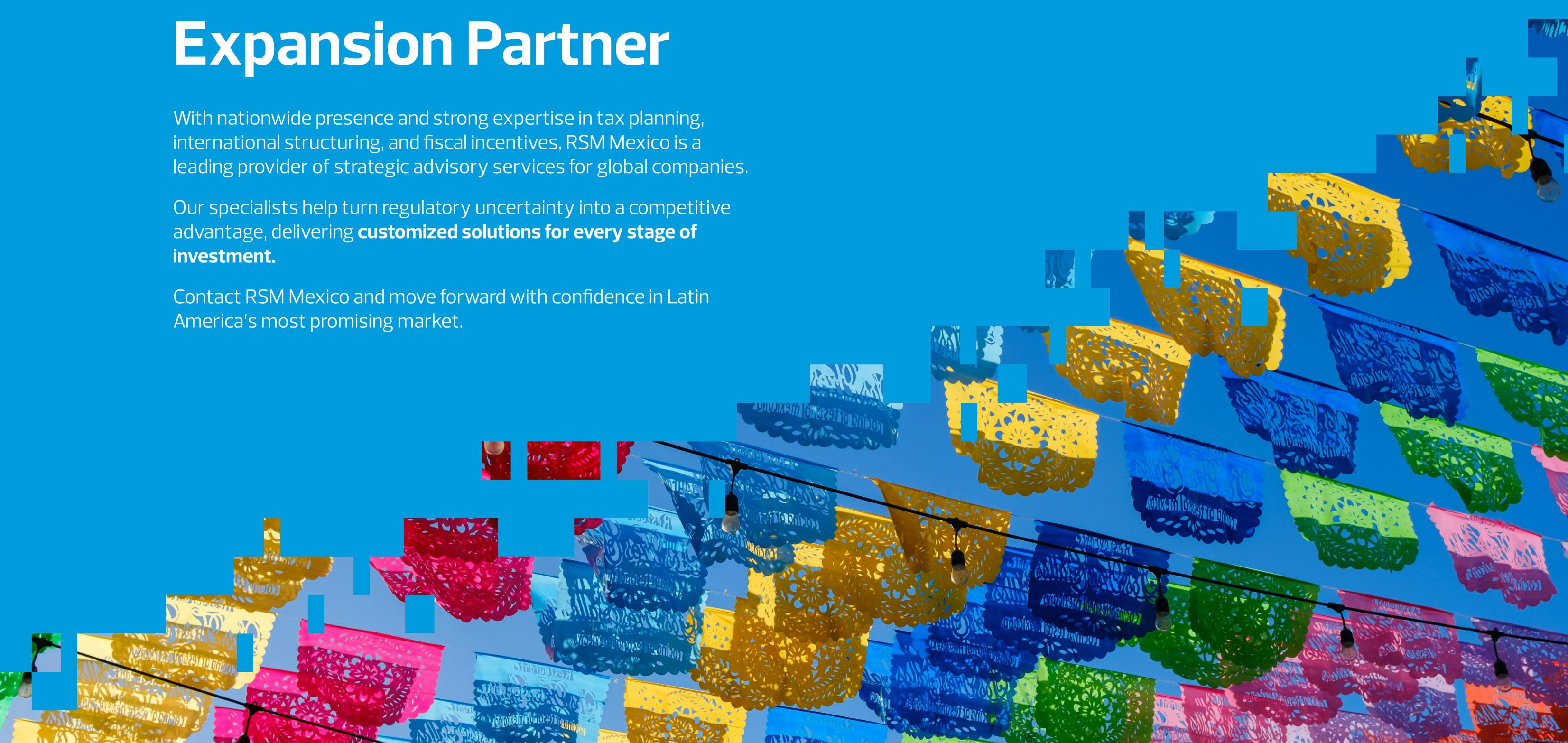


 Companies in regulated sectors must obtain mandatory environmental

· Publicly listed companies follow **GRI**, **SASB**, and are increasingly adopting IFRS S1 and S2 standards.

· Public policies promote **clean energy**, circular economy, and the development of a national carbon credit market.

8. RSM Mexico as Your









An International Business Hub with **Attractive Tax Incentives and Strategic Location**

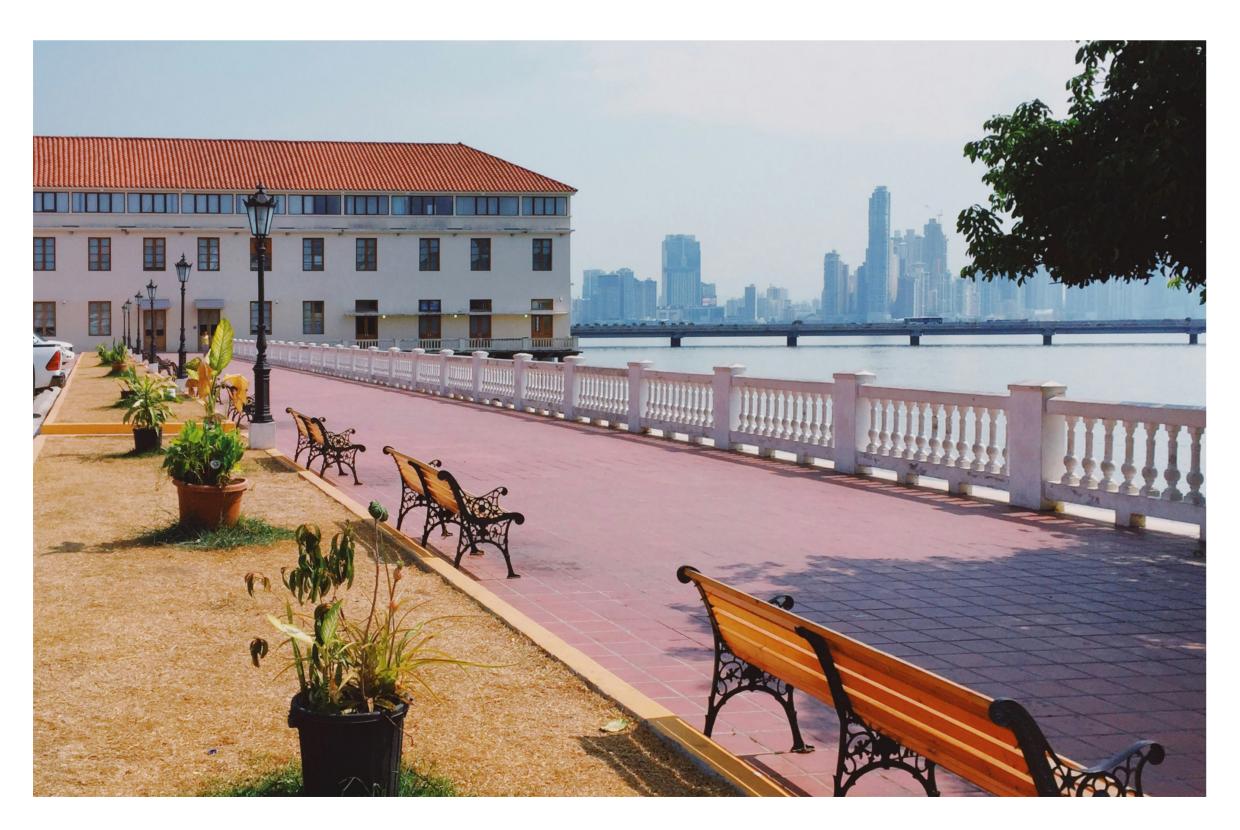
With a **dollarized economy, political stability**, and a favorable legal environment, Panama stands out for its tax attractiveness and modern infrastructure tailored to foreign trade and service industries.

Of course, its world-class logistics infrastructure — led by the **Panama Canal** — is a key highlight, along with o**ver 60 international banking institutions** and numerous **special economic zones** offering highly advantageous tax regimes.



1. Legal Framework and **Investment Environment**

- Dollarized economy and stable monetary policy
- Transparent and secure legal system for foreign capital
- Free repatriation of profits and capital
- Over 20 double taxation agreements and free trade agreements (FTAs) in force
- Investment-grade rating from international credit agencies



2. Company Formation

Entity Type

Corporation (S.A.)

Limited Liability Company (LTDA)

Sucursal de Sociedad Extranjera



Company incorporation in Panama is **quick and efficient**, with full local support available from **RSM Panama**.

Key Characteristics

Traditional structure. Allows foreign shareholders. Bearer shares permitted.

Up to 20 partners. Simplified management structure.

Legal representation of an international company in Panama.

3. Tax System

Panama's tax system is based on the territoriality principle, meaning only income sourced within Panama is subject to taxation. Below is the most complete and accurate list of applicable taxes, according to official sources:

3.1 Direct Taxes:

Corporate Income Tax (ISR): 25% on net profits

Personal Income Tax: Progressive rates, up to 25%

Dividend Tax:

- 10% on dividends paid from taxable profits
- · 20% on dividends from bearer shares
- 5% on dividends from tax-exempt income

Complementary Tax: 2% on undistributed net profits

Notice of Operation Tax (Impuesto de Aviso **de Operaciones):** 2% on declared capital, capped at USD 60,000 for standard companies (exceptions apply in special zones)

3.2 Indirect Taxes

ITBMS (Impuesto de Transferencia de Bienes Muebles y Servicios):

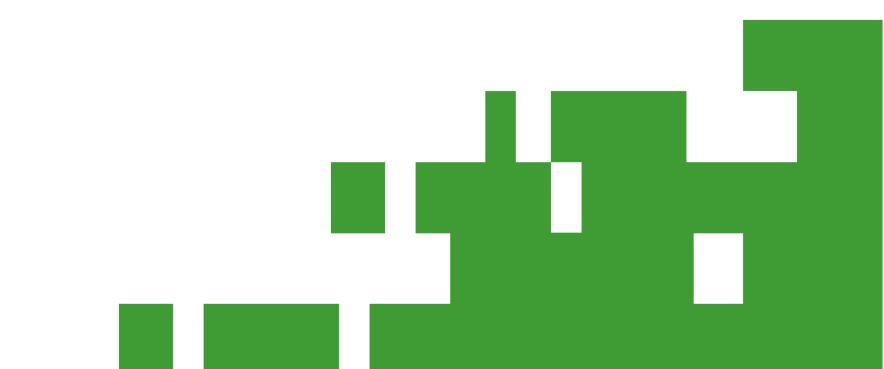
- Equivalent to VAT (Standard rate): 7%;
- Alcoholic beverages: 10%;
- Tobacco: 15%;

Import Tax: Varies according to product category

3.3 Special or Sector–Specific Taxes:

- Insurance Premium Tax: 3%
- Excise Taxes: Apply to alcohol, tobacco, and fuel
- Withholding Tax for Non–Residents: 12.5%, or as established by treaty





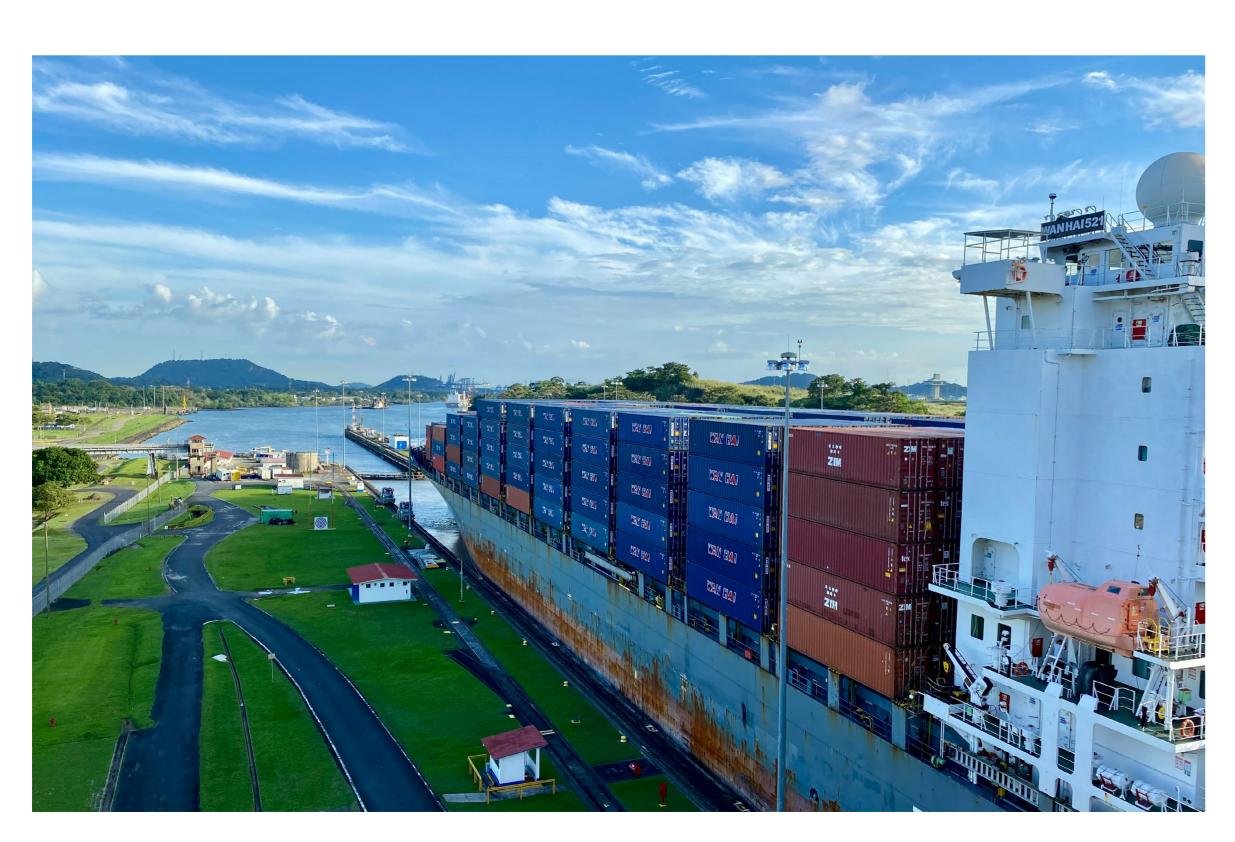
4. Special Regimes and Incentives

Multinational Headquarters Regime (SEM)

Created to attract major corporations to the country, the SEM regime allows companies to provide regional services such as back office operations, treasury management, and executive functions from Panama.

Tax benefits include:

- 5% income tax on qualified earnings
- Up to 2% tax credit for taxes paid abroad
- **Exemptions from:** ITBMS, dividend tax, complementary tax, and taxes on outbound remittances
- Legal stability guaranteed
- Mandatory compliance with substance requirements and transfer pricing reports



Free Zones

Colón Free Zone

Focused on international trade (import, export, and re-export).

Benefits include:

- Income tax exemption on export revenues
- · 25% corporate income tax on domestic sales
- 5% dividend tax and 2% complementary tax
- Exemption from: ITBMS, municipal taxes, and reduction of operation tax until 2028 (as per Law 412/2022)

Panama Pacifico Special Economic Area

A modern zone focused on technology, logistics, and services.

Benefits include:

- Income tax exemption for international operations and transactions with other free zones
- Operation tax cap of USD 50,000
- Exemption from ITBMS and import duties
- Exemption from dividend tax and withholding tax on foreign remittances
- Mandatory compliance with anti-money laundering laws, economic substance rules, and transfer pricing regulations

Industrial Development Certificate (CFI)

machinery, and related assets.

 Requires registration with the Official Industry Registry under the Ministry of Commerce and Industries

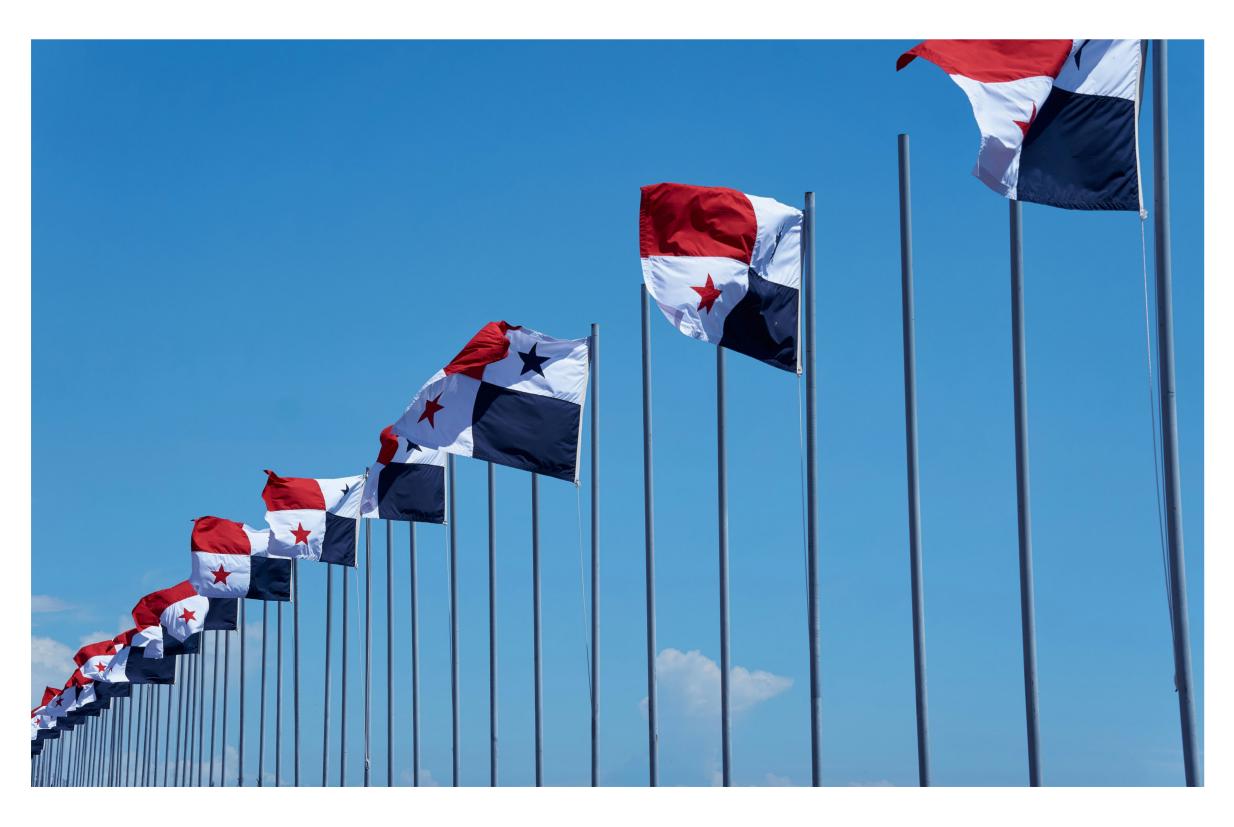
Grants **tax credits** to companies that invest in industrial infrastructure,

5. International Agreements

Panama has Free Trade Agreements (FTAs) with:

Canada, China, Taiwan, Chile, Mexico, Israel, South Korea, Singapore, Peru, and Central American countries.

With the **United States**, Panama has a **Trade** Promotion Agreement (TPA) that provides strong investor protection guarantees.



6. ESG and **Digital** Transformation



Incentives for **technological innovation**, especially in the banking and logistics sectors



Government initiatives to attract sustainable and digital companies



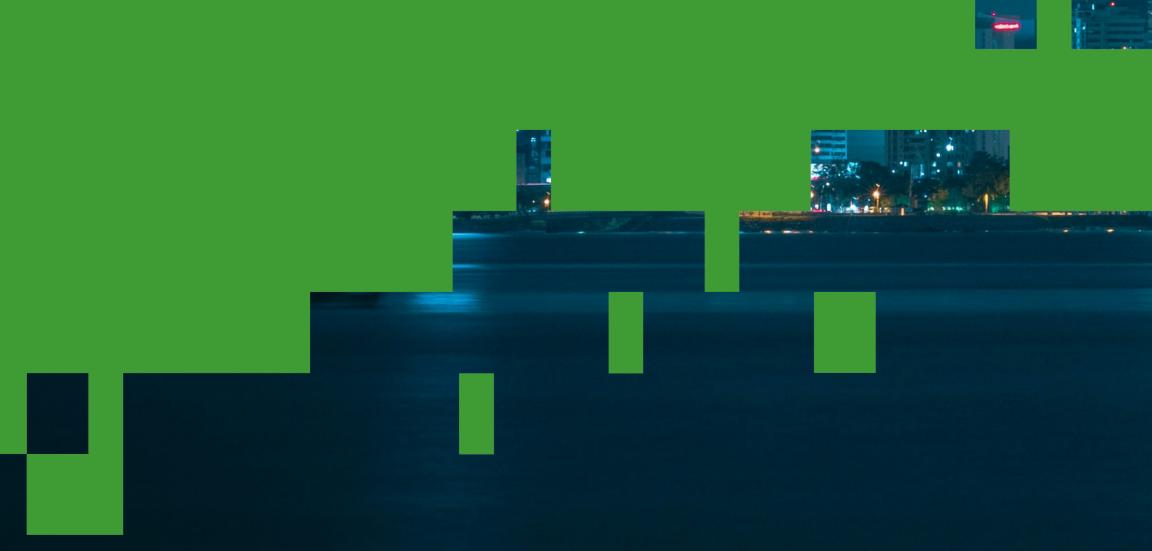
"Ciudad del Saber" (City of Knowledge) as a hub for technology, research, and startups

7. RSM Panama as a Strategic Partner

With extensive experience in international business, RSM Panama supports clients in:

- Company formation and registration under the SEM regime
- Tax planning and utilization of fiscal incentives
- Comprehensive support for operations within free zones
- · Compliance with substance requirements, transfer pricing, and regulatory standards
- · Strategic consulting for logistics, technology, and financial companies

With RSM Panama, your company gains access to the financial and logistical heart of the Americas.









A Streamlined, Competitive, and Open Environment for **Foreign Investors**

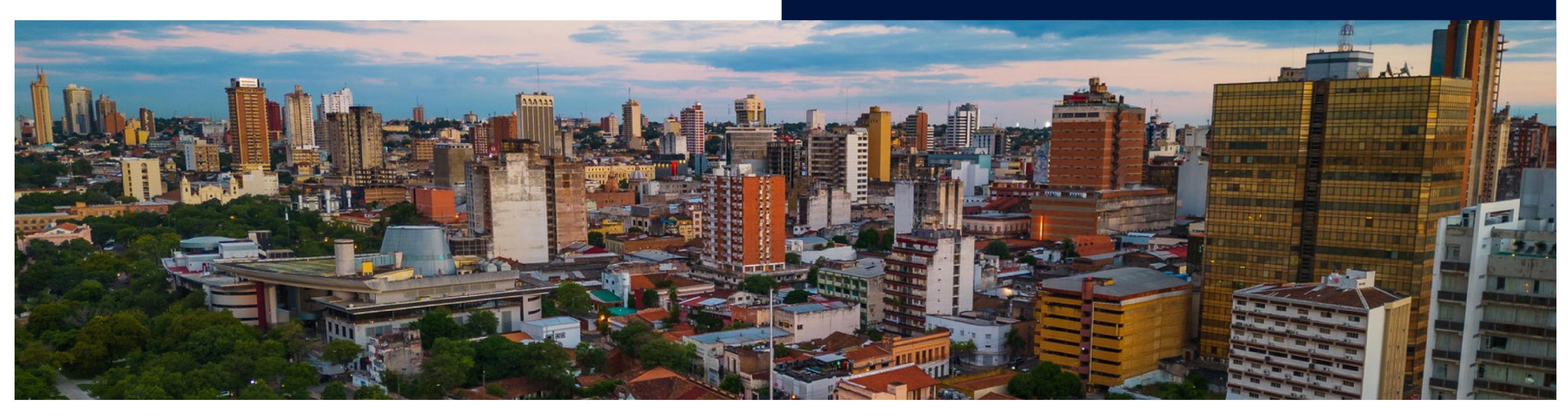
Paraguay has emerged as a standout in Latin America for its macroeconomic stability, investor-friendly legislation, and low tax burden. Its strategic geographic location, combined with a free trade policy and special incentive regimes, makes the country one of the most attractive destinations for companies seeking operational efficiency, access to regional markets, and legal certainty.





1. Macroeconomic Environment

- Currency: Guaraní (PYG)
- Population: **7.5 million inhabitants**
- 2023 GDP (estimated): **USD 45 billion**
- 2023 GDP growth: 4.5% (Central Bank of Paraguay)
- Controlled inflation: 3.7% (official target between 2% **and 6%**)
- Investment grade rating: stable (Fitch, Moody's, S&P)



2. Legal Framework for **Foreign Investor Protection**

- foreign investors under Law No. 117/91.
- sectors related to **national defense and security**.
- guaranteed by law.
- protection agreements with several countries.

The country guarantees **equal treatment** for local and

There are **no restrictions on foreign capital**, except in

Free repatriation of profits, dividends, and capital is

Paraguay maintains double taxation and investment

3. Company Formation

Legal Structure

Corporation (S.A.)

Public Issuer Corporation (Sociedad Anónima Emisora Pública)

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

Simplified Joint Stock Company (Empresa por Acciones Simplificadas -EAS)

Branch (Sucursal)

Key Characteristics

Capital dividido en acciones. Ideal para grandes emprendimientos.

Publicly traded S.A., regulated by the National Securities Commission.

Simplified structure with up to 30 partners; no minimum capital required.

Can be formed by one or more individuals. Fully digital process via the Suace platform.

Extension of a foreign company. Does not have separate legal personality.

Average incorporation time: 72 hours for EAS; 3 to 5 weeks for other structures.

57 Doing Business LATAM

4. Tax System

Paraguay has one of the **lowest tax burdens in Latin America**, with a simple structure that encourages compliance.

Main taxes:

Tributo	Tasa	Observaciones
IRACIS – Corporate Income Tax for Commercial, Industrial, and Service Activities	10%	Applied on annual net income
VAT — Value–Added Tax	10% (standard) / 5% (reduced)	Applied on goods and services
IDU – Tax on Profit Distribution	8%	Applied on distributed dividends
IRP – Personal Income Tax	8% to 10%	Progressive rate
Withholding Tax for Non– Residents	15%	May be reduced under double taxation treaties



The tax system is undergoing digital modernization (electronic invoicing, online

5. Special Regimes and Incentives

Law 60/90

Tax exemptions on fixed capital investments;



Requires project approval from the Ministry of Industry and Commerce.

Maquila Regime



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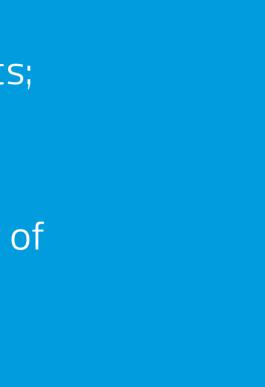
Single tax of 1% on value added;

Exemption from traditional taxes (Corporate Income Tax, VAT, import duties);



Applicable to export-oriented industrial companies.

RSM Paraguay provides comprehensive RSM advice on accessing the regime.



6. Labor Legislation and Social Contributions

- Working hours: up to 8 hours per day and 48 hours per week
- Minimum monthly wage: PYG 2,680,000 (approx. USD 360 in 2023)
- Vacation: 12 to 30 days, depending on years of service
- Mandatory year-end bonus: equivalent to one monthly salary per year

Social Contributions:

Contribution	Rate
Pension (IPS)	16
Public Healthcare	Includ
Social Security Fund	Appli specifi



7. Investment **Opportunities**

Paraguay has become a key destination for:





- focused on proteins, soy, corn, and processed foods



Textile and garment sector

– exports with advantages under the maquila regime



Energy

– hydroelectric surplus with low costs (Itaipú and Yacyretá)





Logistics infrastructure and ports

strategic river transport

ICT services and call centers

young and qualified workforce

8. ESG, Sustainability and digital transformation



- (SDGs)



 Incentives for companies implementing carbon neutrality, clean energy, and circular economy practices

 Possibility to integrate environmental goals into projects under Maquila and Law 60/90 regimes

 Growing alignment with the Sustainable Development Goals

9. RSM Paraguay as a Strategic Partner

RSM Paraguay offers full support for the entry, expansion, and consolidation of foreign companies in the country, with a focus on:

- Corporate and tax structuring
- Enrollment in special incentive regimes
- · Fiscal and regulatory compliance
- Local risk and opportunity management

Discover how to operate securely, competitively, and sustainably. **RSM Paraguay is ready to support your journey.**







A Country with Macroeconomic Stability, Solid Legal Frameworks, and Strong International Business Appeal

Peru has experienced consistent economic growth over the past decade, driven by foreign investment-friendly policies, fiscal stability, and large infrastructure projects. The country offers legal security, a diverse range of productive sectors, and attractive opportunities in mining, energy, agribusiness, and technology.



1. Legal Stability and **Investment Climate**

In recent years, Peru has established itself as one of the most open countries to foreign investment in Latin America. With a solid economy, stable democratic institutions, and an extensive network of international treaties, the country offers a reliable and competitive environment for businesses of all sizes.

Foreign investment is treated equally to domestic capital. International companies are entitled to:

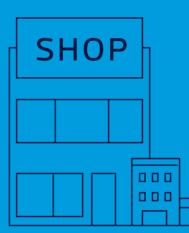
- Free remittance of profits and repatriation of capital
- Legal protection against expropriation
- Access to international arbitration through ICSID (International Centre for Settlement of Investment **Disputes)**, among other mechanisms outlined in bilateral and multilateral agreements

Peru is also an active member of strategic blocs such as the OECD, WTO, Andean Community, and the **Pacific Alliance**, reinforcing its economic integration and commitment to legal transparency.

2. Company Formation

Starting a business in Peru is a relatively straightforward and wellstructured process. The country offers various legal entity types that cater to businesses ranging from microenterprises to large multinational corporations.

The most common structures include:



- businesses or small partnerships.
- Peru.

The incorporation process includes registration with SUNARP (National Superintendency of Public Registries) and obtaining a RUC (Single Taxpayer Registry), issued by SUNAT (National Superintendency of Tax Administration).

Average incorporation time: 7 to 20 business days, depending on the complexity of the structure.

• Corporation (Sociedad Anónima – S.A.): Can be public (S.A.A., listed on the stock exchange) or private (S.A.C.); ideal for medium to large-scale businesses.

Limited Liability Commercial Company (S.R.L.): A simpler format, well-suited for family-owned

• Branch of a Foreign Company (Sucursal): For international companies seeking to operate directly in

3. National Tax Regime

Peru adopts a worldwide income taxation system, with clear rules applicable to both domestic companies and foreign investors. The SUNAT (National Superintendency of Tax Administration) is the authority responsible for enforcement and collection of federal taxes.

Key obligations include:

Corporate Income Tax (CIT):

29.5% on adjusted net profit

Dividend Tax:

5% on distributed profits

General Sales Tax (IGV):

Equivalent to VAT, 18% on goods and services

Impuesto Temporal a los Activos Netos (ITAN):

0,4% sobre activos superiores a S/1 millón, valor que puede ser acreditado contra el IRPJ.

Temporary Net Asset Tax (ITAN):

0.4% on assets exceeding S/1 million — creditable against CIT

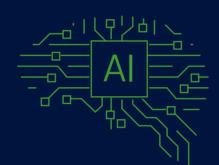
Social Security Contributions (Essalud):

9%, paid by the employer

In addition, Peru has **double taxation treaties** with over 10 countries and mechanisms that facilitate **tax credit** compensation.

4. Tax and Sector-Specific Incentives

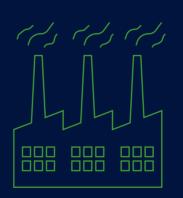
The Peruvian government provides a wide range of tax benefits for strategic sectors, aiming to attract foreign capital and promote decentralized development.Estos incentivos son decisivos para empresas que buscan seguridad jurídica y retorno sobre inversiones intensivas en capital.



30309): Companies investing in innovation projects may deduct up to 175% of eligible R&D expenses, provided the project is registered with CONCYTEC (National Council for Science and Technology).



- Reduced CIT rate of 15%
- Lower Essalud contributions
- Labor rules adapted to seasonal work



Energy and Mining: Companies in this sector may enter into tax stability agreements with the government, ensuring fiscal predictability for up to 15 years — particularly beneficial for long-term, capital-intensive projects.

These incentives are crucial for companies seeking legal certainty and solid returns on capital investment.

Research, Development, and Technological Innovation (Law

Agribusiness (Law 31110): A key sector for the Peruvian

5. Special Regimes and **Special Economic Zones (SEZs)**

Peru offers free trade zones and industrial development areas with highly favorable tax conditions.



Export incentives, reduced tax burden, and import facilitation measures.

These regions also feature **strategic logistics infrastructure**, designed to connect efficiently with **Pacific markets and regional** multimodal corridors.

llo, Piura, and Loreto Zones



6. Accounting, Tax, and Labor Obligations

Tax compliance in Peru is highly regulated. Companies are required to keep updated records and submit monthly filings for Corporate Income Tax (CIT), VAT (IGV), social contributions, and annual obligations such as the Sworn Income Declaration (DJ).

Labor relations follow local labor laws, with:

- 8-hour workdays;
- Mandatory bonuses in July and December;
- 30 days of paid vacation;
- on the sector.

Mandatory Contributions:

Charge	Rate	Responsibility
Essalud (Social Health Insurance)	9%	Employer
Private Pension System	~13%	Employee (withheld from payroll)
CTS (Compensation for Time of Service)	8.33%	Employer

Profit-sharing requirements ranging from 5% to 10%, depending

7. Sustainability and **Digital** Transformation

Peru has a growing environmental and technological agenda. The National Green Growth Plan outlines clear goals to reduce emissions and promote sectors such as renewable energy, biotechnology, sustainable infrastructure, and process digitalization.

Companies with a significant environmental impact must obtain prior licensing and submit mandatory technical studies. The government also offers incentive programs for digital transformation and the development of sustainable value chains.



8. RSM Peru as aStrategic Partner

With deep regulatory knowledge, nationwide coverage, and strong integration with the international RSM network, RSM Peru is fully prepared to support investors at every stage — from market entry to operational and strategic business management.

Our services include:

Corporate structuring and tax planning;

Advisory on tax incentives and special regimes;

Accounting, payroll, and compliance management;

Support for environmental licensing and ESG alignment;

Consulting on digital transformation and innovation.

Investing in Peru with RSM means turning opportunities into tangible results — with security, expertise, and long-term vision.









A strategic gateway to the **US** market with unique tax benefits

Puerto Rico, an unincorporated territory of the United States, holds a unique position among Latin American markets. With its currency, banking system, and legal structure fully aligned with those of the U.S., it offers international investors a highly regulated yet familiar environment — particularly appealing to those already accustomed to the North American model.

The local economy is primarily oriented toward **corporate and tax-driven sectors**, with strong emphasis on **pharmaceuticals, manufacturing, biotechnology**, and, more recently, **technology and financial services.**



1. Legal Framework

Puerto Rico follows the **U.S. legal model**, meaning that businesses operating on the island are subject to many of the **same federal laws** that apply within the mainland United States. The territory offers **strong protections** for foreign investment, along with legal certainty and regulatory predictability.

2. Types of Companies

Entrepreneurs can choose from various legal structures, with the most common being:

Corporation (Corp o Inc):

Equivalent to a joint-stock company (Sociedad Anónima); ideal for largescale operations or capital raising.

Limited Liability Company (LLC):

A flexible structure that combines the legal protection of a corporation with the simplified taxation of small businesses.

Sole Proprietorship y Partnerships:

Also available, though less common in medium to large-scale corporate operations due to limited liability protection.

3. Tax System

Puerto Rico's tax system consists of local and federal (U.S.) taxes. In some cases, companies registered in Puerto Rico may benefit from significant tax incentives, such as those provided under Acts 60 and 20/22, designed to attract foreign capital and investor-residents.

Below are the main local taxes:

Tax

Income Tax

Municipal License Tax

Sales and Use Tax (SUT)

Property Tax

Description

Applies to corporate and individual income. Rates vary depending on the size and type of business.

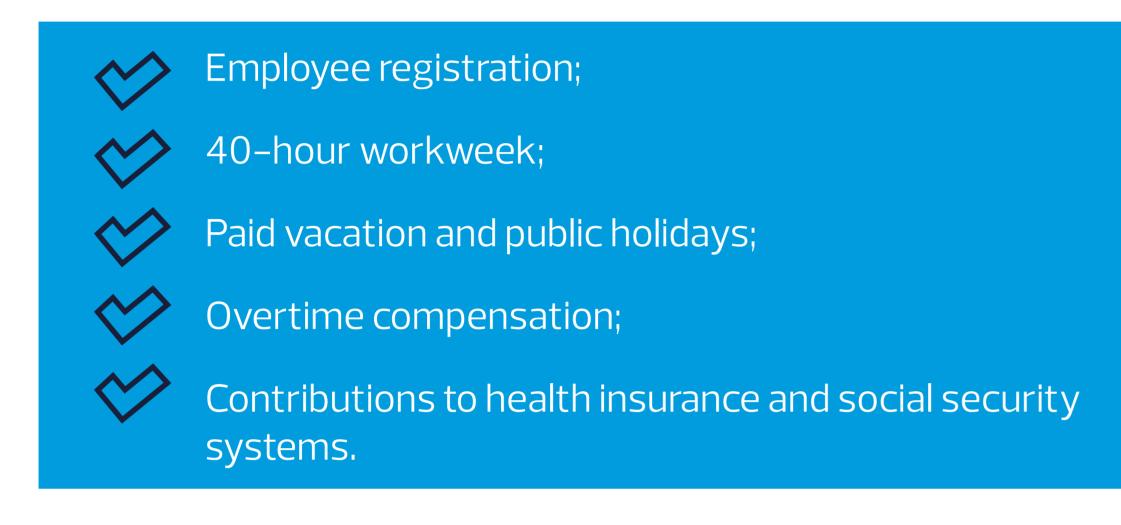
A gross receipts tax levied by municipalities.

Equivalent to VAT; total rate is **11.5%**.

Levied on real estate and tangible personal property used for business purposes.

4. Labor Legislation

Local labor law in Puerto Rico combines elements of U.S. labor regulations with territory-specific requirements. Employers must comply with obligations such as:



5. Key Sectors for Investment

Puerto Rico is a strategic hub for:

- Pharmaceutical and biotechnology industries;
- High-precision manufacturing;
- Financial services and insurance;
- Logistics and international trade.

Additionally, the territory is expanding incentives for companies involved in: technology, research and development, high-end tourism.

6. Tax Incentives

Incentive programs such as the Incentives Code Act 60 (and former Acts 20 and 22) offer benefits including:

- · Reduction or exemption of corporate income tax;
- Exemption from dividend taxes;
- Tax benefits for service exporters;
- · Special regimes to attract investor-residents.

These incentives apply to companies and individuals requirements.



that establish themselves in Puerto Rico and meet local

7. RSM Puerto Rico as a strategic partner

Puerto Rico brings together the best of both worlds: easy access to the U.S. market combined with a geographic and cultural position aligned with Latin America. With aggressive tax incentives, a solid legal framework, and clearly defined strategic sectors, the territory has emerged as a smart entry point for global companies seeking to scale operations in the region with security and competitiveness.

The presence of RSM Puerto Rico, with its expertise in corporate and tax matters, ensures comprehensive support for investors looking to turn opportunity into reality.







A stable, secure business environment with significant tax benefits

Uruguay is widely recognized as one of the most stable countries in Latin America, both economically and institutionally. The country offers legal security, a transparent tax regime, incentives for innovation, and strong protection for foreign capital. It is also one of the few nations in the region to hold investment-grade ratings from major international agencies.





1. Legal Framework and **Investment Environment**

- Equal treatment for local and foreign investors
- Free repatriation of profits and capital
- Legal protection for foreign capital and double taxation agreements with over 30 countries

2. Company Formation

Legal Structure

Sociedad Anónima (S.A.)

Sociedad de Responsabilidad Limitada (S.R.L.)

Sociedad por Acciones Simplificadas (S.A.S.)

Branch of a Foreign Company

Key Characteristics

Traditional corporate structure. Can be public or private. Capital divided into shares.

Simple structure, commonly used by small and medium-sized enterprises. Requires 2 to 50 partners.

Created in 2019. Allows for a sole shareholder. Fully digital incorporation. Ideal for startups and foreign investors.

Local representation of a foreign entity. Requires legal proof of headquarters abroad.



Average incorporation time: 10 to 30 business days, with fully digital procedures available for S.A.S.

3. Tax System

Uruguay follows the **territoriality principle,** meaning only income sourced within the country is subject to taxation. The national tax authority is the Dirección General Impositiva (DGI).

Main Taxes:

- **IRAE (Corporate Income Tax):** 25% on net taxable income.
- from 10% to 36%.
- paid to foreign individuals/entities.
- **Net Worth Tax:** 1.5% to 2.8% on a company's net assets.
- **VAT (Value Added Tax):** 22% standard / 10% reduced for essential goods. Exports are exempt.

IRPF (Personal Income Tax): Progressive rates ranging

IRNR (Non–Resident Income Tax): 7% to 12% on income

4. Special Regimes and **Tax** Incentives

Law 16.906 – Investment Promotion Law

Grants tax benefits to companies making investments that positively impact national socioeconomic indicators.

Key incentives:

- **IRAE:** Exemption of at least 30% of the invested amount.
- Net Worth Tax: Exemption on movable goods and civil works (8 years in Montevideo, 10 years in the interior).
- VAT: Refund on local purchases and exemption on imports of goods not locally manufactured.

Resolution 51/1997 – Trading Operations

Allows for reduced taxation on intermediary trading operations conducted from Uruguay:

- **Deemed net income:** 3% of gross margin (sales purchases);
- **Effective tax:** 0.75% on gross profit $(25\% \times 3\%)$.
- Goods/services must not physically transit through Uruguay.

Large-Scale Economic Projects

Encourages real estate and urban development projects with a minimum value of **20 million Indexed Units** (UI) (~USD 2.2 million).

- **IRAE exemption:** From 5% to 40% of the invested amount;
- Valid for up to 10 years from the first taxable profit.

Software Industry – Law 19.637

Grants up to 100% exemption on IRAE, based on:

- Type of activity (production, development, R&D);
- Level of innovation and use of registered intellectual property;

Export of services.

Free Trade Zones (Zonas Francas)

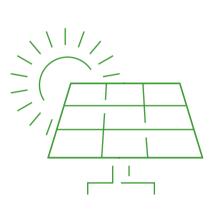
- Full exemption from all national taxes, including those requiring explicit legal exemption.
- **Permitted activities:** Industry, foreign trade, logistics and financial services, and technological development.
- Companies must operate physically within the zone and comply with Dirección Nacional de Zonas Francas regulations.



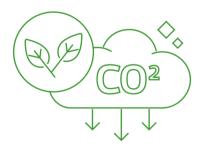
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5. ESG and Sustainability

Projects with significant environmental or social impact are prioritized for classification as promoted investments. Key areas of focus include:



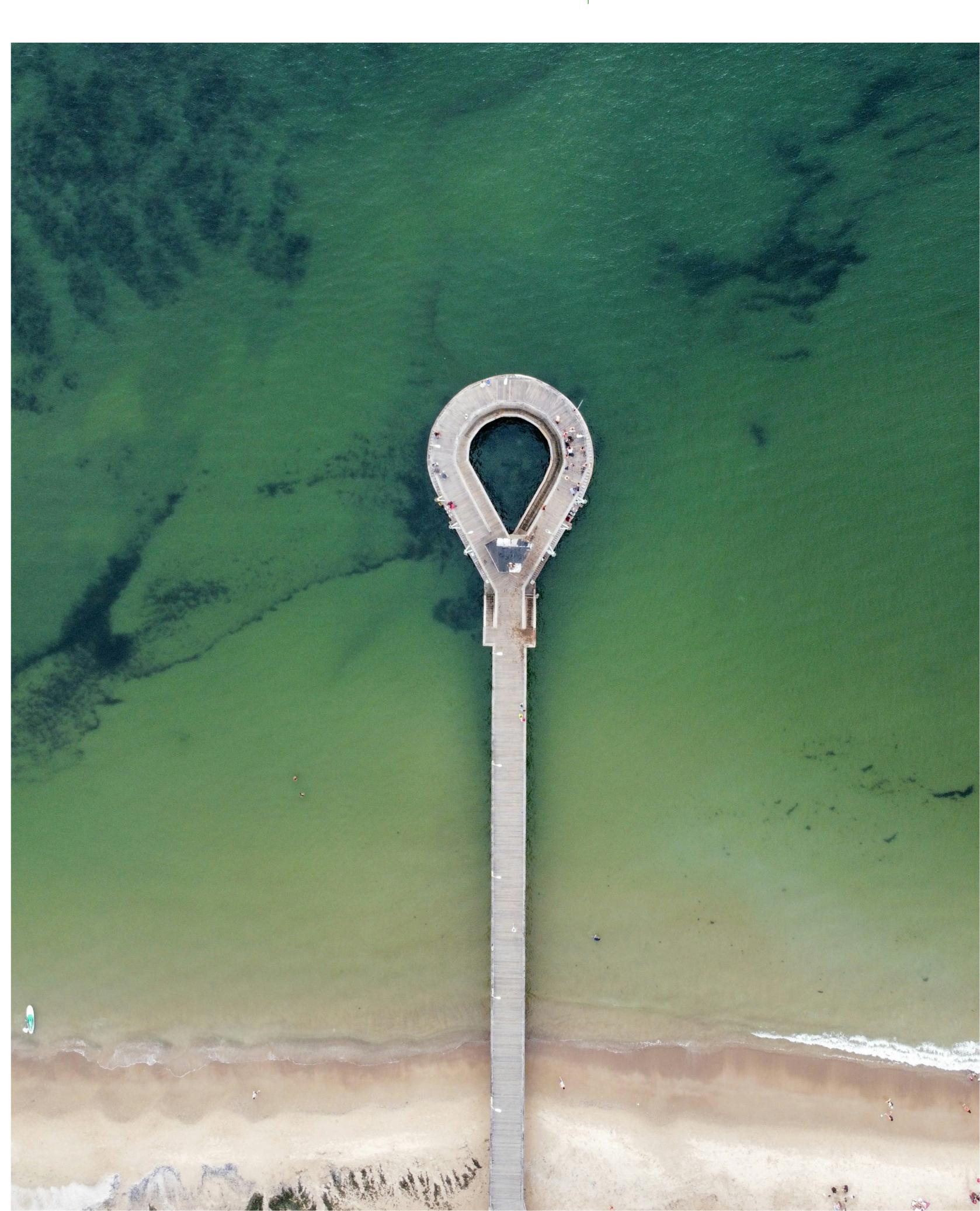






Emission reduction initiatives;

Corporate social responsibility practices



6. RSM Uruguay as a Strategic Partner

RSM Uruguay provides comprehensive support for companies seeking to operate or invest in the country:

- Company incorporation and regulatory compliance;
- Tax and fiscal planning;
- Advisory on tax incentives and special regimes;
- Support for international operations and digital accounting;
- · Strong presence in the technology, agribusiness, logistics, and real estate sectors.

Invest with clarity and confidence in Uruguay — with RSM by your side.



Final Considerations

Doing business in Latin America requires more than interest. It demands understanding, planning, and presence.

In this diverse region — with varying levels of economic maturity, institutional stability, regulatory frameworks, and tax incentives — each country presents a unique equation of risk and opportunity. It is precisely in this context that the advantages emerge for those who arrive well-advised.

This material was designed to support strategic decision-making based on validated, up-to-date, and practical local knowledge. More than a compilation of technical information, it serves as a starting point to navigate – safely and confidently – through transforming markets.

From consolidated financial centers like Panama and Puerto Rico to emerging innovation ecosystems in Uruguay, Colombia, and Peru; from Mexico's industrial strength to Brazil's agricultural powerhouse; from simplified environments like Guatemala and Paraguay to Argentina's structural reforms – Latin America is ready for new cycles of growth, partnerships, and innovation.

Relying on RSM in this journey means choosing a

while delivering with simplicity, proximity, and excellence.

Our presence in Latin America's key markets allows us to offer integrated solutions in audit, consulting, tax, legal, and BPO (Business Process Outsourcing), connecting global vision with local execution.

We are ready to support our clients at every stage of their investment – from initial exploration to sustainable and efficient business expansion.

We believe that with the right information, the right connections, and the right decisions, doing business in Latin America is not only feasible, but can be remarkably advantageous.

RSM LATAM. One network. One vision. Many pathways.

partner that understands the region's complexity,



Start your expansion with local guidance

To deepen your analysis, clarify regulatory questions, or begin your business journey in any of the countries featured in this material, reach out directly to the local RSM teams across Latin America:

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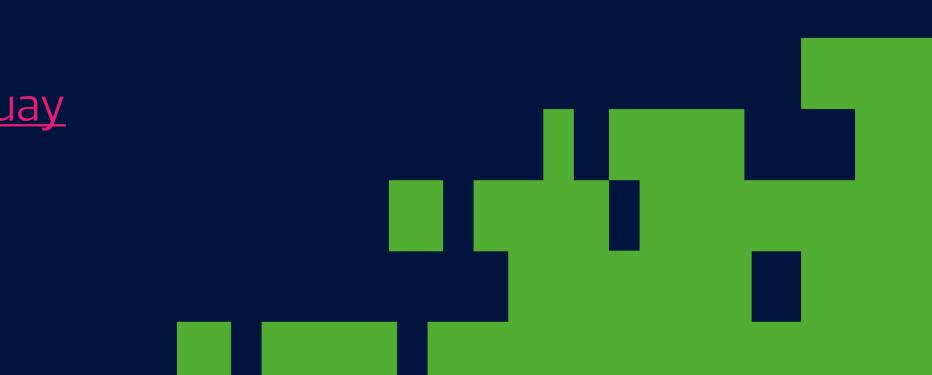
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