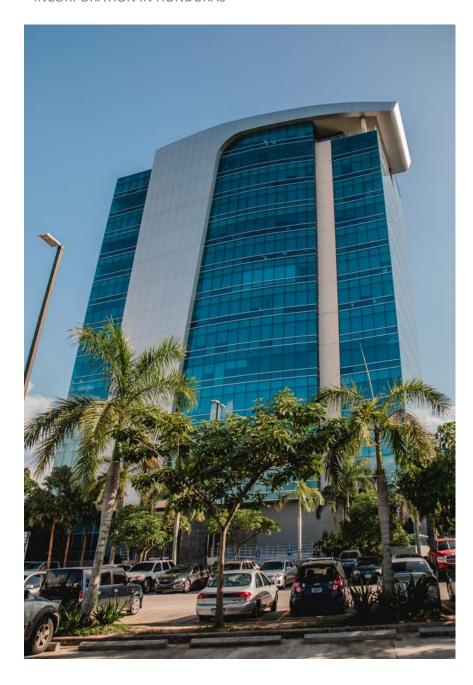


Incorporation in Honduras







1. Limited Liability Company:

- Minimum capital: L.5,000 equivalent to USD\$
 208.00
- Must appear before a Public Notary
- General Manager
- Transfer of shares through public deed.

2. Public Limited Liability Company:

- Minimum Capital: L.25,000 equivalent to USD\$ 1,041.00
- Must appear before a Public Notary.
- Board of Directors and a General Manager.
- Shares can be transferred by endorsements.

3. Single Owned Company:

- Owned by a sole member.
- No minimum Capital required.
- Does not require a public deed.
- Board of Directors or General Manager.



Estimated time for the incorporation:

3 Days



Foreign Company Incorporation



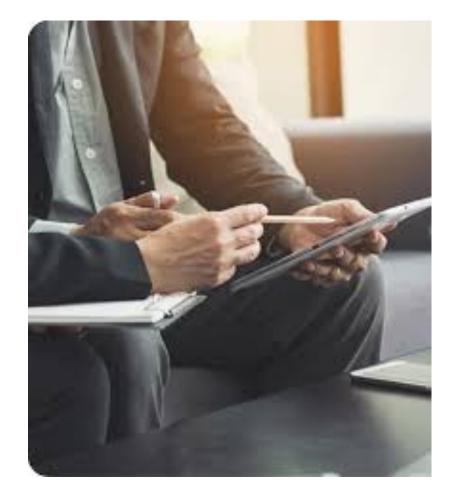


Full blown entity from their mother firm:

- Foreign companies may be incorporated in Honduras through a Certification extended by it's Board of Directors authorizing it's incorporation in Honduras.
- Apostille of the Certification and Register Certificate from their origin country will be required.
- POA in order to sign the public deed.

Honduran new entity:

Foreign Investors may incorporate a new entity in Honduras.



Free Zone Regime





The Free Zone Law was created to promote and encourage national and international investors to incorporate their companies in Honduras.

- Altia Business Park is a free zone operator.
- Altia's tenants may start their process to register their companies as free zone users.





Taxing In Honduras

The Honduran tax system is based on the principle of territorial income.

Direct /Indirect Taxing	Withholding Taxing
Income Tax (ISR)	Professional Fees and Services (12.5%)
Minimum Income Tax	Non-residents (10% and 25% depending on the contracted service.
Tax on Net Assets	Dividends or Profit Sharing (10% retention).
Solidarity Contribution	Withholding to employees (15% - 25%)
Sales Taxes (VAT)	
Municipal Taxes	



Tax incentives that Honduras offers to free zone users:

Exemption on:

- 100% Income taxes, Net Assets and Solidarity.
 Contribution.
- 100% Exemption on Sales Tax (VAT).
- 100% Exemption of municipal taxes.
- 100% Customs for import-export.
- Access to different markets on preferential terms (trade agreements).





Free Zone Users Obligations

- 1. Present semi-annual reports containing:
 - a) Total investments
 - b) Jobs generated and amounts paid as salary to the employees.
 - c) Import and export reports.
- **2.** Present an annual renovation of the tax exemptions.
- **3.** Acquire a Customs Code for their import-export process.
- **4**. Comply with local accounting and tax obligations.



Labor Rights In Honduras

Permanent contracts:

- 1. Minimum Wage (specific for free zones)
- 2. Severance Payment
- 3. 13th month bonus (December)
- 4. 14th Month Bonus (June).
- 5. Vacation periods.
- 6. Social Security Register

Hour Rate Contract:

- All legal benefits are paid monthly (20%).
- Social Security Register.



Free Zone Incorporation Proceess

3 Business Days

Legal incorporation of the company in Honduras

Registration Tax Number Sign a lease agreement with a Free Zone Registration process

Sign a lease agreement with a Free Zone Registration process

Customs Code for the Import-Export process.

3 weeks

2 weeks

Thank you.









