

# LEGAL PRESENTATION

BUILDING A SMART & SUSTAINABLE FUTURE



**ALTIA**<sup>TM</sup>  
SMART CITY

# 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.

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- **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

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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

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## **Permanent contracts:**

1. Minimum Wage (specific for free zones)
2. Severance Payment
3. 13<sup>th</sup> month bonus (December)
4. 14<sup>th</sup> 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 Process



# Thank you.



ALTIA™  
SMART CITY

For more information: (+504) 2580-2015 / [info@altiabusinespark.com](mailto:info@altiabusinespark.com) / [altiasmartcity.com](http://altiasmartcity.com)

