

DOING BUSINESS IN NICARAGUA



AMERICA EUROPE ASIA AFRICA OCEANIA

www.uccsglobal.org

- **COST AND NUMBER OF DAYS FOR OPENING A COMPANY-** USD80 - 16 Days
- **COST AND NUMBER OF DAYS FOR CLOSING A COMPANY-** 6% shareholder's equity - 60 Days
- **COST AND NUMBER OF DAYS FOR REGISTERING PROPERTY-**
1% to 7% about the value of propiedad, 60 days
- **COUNTRY RISK LEVEL CLASIFICATION-** B-
- **ANNUAL GDP PER CAPITA-** USD2,030
- **TOTAL COUNTRY GDP-** USD13,118
- **GDP GROWTH 2016-** -3.8%
- **COUNTRY LEVEL OF SECURITY OF INVESTMENT-**
- **SPECIAL ZONES IN THE COUNTRY-**
- **RECOMMENDATION FOR INVESTMENT-ABC-** Tourism, Real Estate, and food procesing
- **(BUSINESS CLIMATE)** The Nicaraguan government has achieved significant achievements in the programs of modernization of public institutions, strengthening the legal framework for investments, streamlining administrative procedures (registrations, permits, licenses, etc.) and facilitating the entry of capital to the different Economy sectors
 - ❖ Nicaragua has a favorable legal framework for investment:
 - ❖ Equitable treatment for local and foreign investors.
 - ❖ Free transfer of foreign capital.
 - ❖ Free Currency Convertibility.
 - ❖ Protection of Property Rights, Trademarks and Patents.
 - ❖ It has a foreign investment promotion law Law 744

DOING BUSINESS IN NICARAGUA



AMERICA EUROPE ASIA AFRICA OCEANIA

www.uccsglobal.org

- **TAX RATE-PERSONS-** 15% to 30%
- **TAX RATE-COMPANIES-** 10% to 30% about the value of net income
- **NON RESIDENTS TAX-** 1.5%, 3%, 20%
- **LOCAL RENT OR GLOBAL RENT-** 27%
- **DOUBLE IMPOSITION TREATIES WITH (MAIN 3 COUNTRIES)** It has no double tax treaties
- **# YEARS FOR LOSSES COMPENSATION-** 3 YEARS
- **EXEMPTIONS:**
 - EXEMPTIONS IRS: Income of civil entities, social, religious, cultural, sports, political consular organism and salaries to consular org, cooperative societies, federations and confederations
 - EXEMPTIONS VAT – PRODUCTS: Books, Medications, Medical and surgical equipment and instruments, Agricultural goods produced in the country, Live animals.
 - EXEMPTIONS VAT – SERVICES: Physicians and dentists in human health, premiums paid on agricultural insurance contracts, Religious events promoted by churches, associations and religious denominations, Internal air, land, lake, river and sea transportation; financial services and services inherent to financial activity, Supply of drinking water through a public system, Supply of electrical energy used for irrigation in agricultural activities
- **TOTAL SOCIAL SECURITY-HOUSING-PENSION RATE-** EMPLOYEE 7% - COMPANY 22.5%
- **TAX ON PROPERTY-** 1% of 80% of the cadastral value
- **TAX ON INTEREST-** 15%
- **TAX ON DIVIDENDS-** 15%
- **VAT RATE-** 15%