Doing Business in Key Markets of the Americas

September 16, 2016
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DOING BUSINESS IN ARGENTINA

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Overview

- PRESIDENT MACRI ELECTED IN 2016
- ARGENTINA BEGINS A NEW CYCLE
  - POLITICAL
  - SOCIAL
  - ECONOMIC
MAIN MEASURES OF NEW GOVERNMENT

- Exit from default- Payment to holdouts- Closure of trials for Argentine sovereign debt and agreement of restructuring public debt.
- End of prohibition to send foreign currency and dividends abroad.
- Unification and liberation of the exchange rate to a system of dirty floatation. From 1 USD = $ ARG 8 to 1 USD = 15.20 $ ARG.
- Normalization of «INDEC» official economic and statistics indicators authority stats.
- Appointment of judges in the National Supreme Court of Justice in order to complete the Court.
- Financial market deregulation.
MAIN MEASURES OF NEW GOVERNMENT

- IMPORT/EXPORT barriers completely opened.
- New draft of anti-bribery law sent to Congress.
- Launching of the inflation control policies program.
- Tax reform Including a capital repatriation tax amnesty (according to the OECD policies).
- Increase of public services fares by eliminating distorting subsidies.
- Public access to Information Act.
POLITICAL MOMENTUM TO WELCOME FOREIGN INVESTMENTS

- Argentina is the new “Cinderella” of the Emergent Markets.
- Confidence of the International Markets to the new Government.
- International context of low (relative) rates as, even if the FED raised the rate by comparison, the local rates that Argentina will pay for the new debt emission are still extremely desirable for the international market.
- Confidence backup expressed by the US Government and principal European countries to the new political and economic cycle.
- Competitive exchange rate AR$/USD.
- After 20 years of disinvestment and political, economic and institutional crisis, the country is eager for public (infrastructure and public undertaking) and private investments.
CHALLENGES FOR NEW GOVERNMENT

- To control 35% annual rate of inflation.
- To overcome recession.
- To avoid «stagflation» (inflation + recession).
- To lower 50% labor risk.
- To establish a new rule of law to restore confidence of international markets.
- To obtain investment grade.
- To enhance markets competence and transparency.
- To facilitate the process for the creation of new companies.
START UP APPROACH FOR A FOREIGN COMPANY

- **Occasional business**
  - No formalities except TAXPAYER NUMBER (CUIT).
  - Usually used for financial operations but not for establishing a business in Argentina.

- **Permanent business**
  - Branch - Section 118 of Corporate Law.
  - Section 123 of Corporate Law (in order to acquire equity or set up a LLC and/or a Corporation).
LOCAL COMPANY

- SRL (Limited Liability Company)
- SA (Corporation)
- SUCURSAL (Branch of a Foreign Company)
LCC - SRL

- Easier to incorporate.
- Less paperwork to maintain.
- Simpler book keeping.
- Better for tax compensation with an American LLC’s.
- 50 shareholders max.
- Simpler decision making process.
- Liability up to the capital subscribed.
- Equity purchasing could be limited to certain conditions.
CORPORATION – S.A.

- More Complex Government.
- Need to publicize balances.
- Better for tax compensation with American Corp.
- No limit for shareholders.
- Liability up to the capital subscribed.
- Annual Shareholders’ meeting mandatory.
- 3 Month Board of Directors’ meeting mandatory.
- Easier to purchase or sell equity.
SUCURSAL - BRANCH

- Must be registered in the Public Registry in the correspondent area where they operate.
- Need to publicize annual balances.
- At least one legal representative with residence and taxpayer number in Argentina.
- Full Liability of the parent company.
TAXES
(Equal Treatment for Local and Foreign Companies)

- Income tax 35%
- VAT 21%
- Checking account tax 0.12%
- Gross income tax or gross receipts tax (from 1% to 7.5% depending on the activity)
- Tax on dividends (10%)
- Labor tax approximately 45% of gross salary
THANK YOU!!
GRACIAS!!

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DOING BUSINESS IN BRAZIL

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BRAZIL AT A GLANCE

- Federative Republic
- Population: 207.8 million
- GDP: $1.775 trillion (ranks 9th in the world)
- Inflation: 9.0%
- Language: Portuguese
POLITICAL AND ECONOMIC SCENARIO

- Brazil was booming in 2009/2010…
- BRICs dominant in EM scenario. Brazil as the only member that was a strong democracy, without internal or external conflicts.
- GDP Growth at an annualized rate of 5%
- Income inequality reduced. Rise of a new consuming ”middle-class”
- Country relatively unaffected by 2008 crisis
then something went wrong...

September 2013

April 2016

Brazil's fall

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POLITICAL AND ECONOMIC SCENARIO

- Political and Economic problems feeding on each other led to severe crisis
  - Government forced to take unpopular austerity measures
  - Popularity of president down to 13%
  - Corruption scandals
  - Weak legislative support
  - Congress and administration in deadlock
  - End of Commodities Supercycle
  - Chinese slowdown
  - Oil prices plunged
  - Credit rating downgraded
  - Extravagant public spending
  - Reduced consumption
POLITICAL AND ECONOMIC SCENARIO

- President impeached!
- New administration takes office
  - Right-of-center
  - Business friendly
  - More capable of obtaining legislative support to approve reforms (challenge)
  - Unpopular
  - Return to growth expected for 2017
CURRENT SCENARIO: OPPORTUNITY TO FOREIGN INVESTMENTS

- Brazil remains a solid democracy with a very large market
  - Fourth largest car market in 2010 (ahead of Germany)
  - 115 million “middle-class” Brazilian consumers
  - Need for infrastructure projects
  - Abundance of natural resources

- Factors that indicate a good entry point:
  - Local assets can be found at an attractive price
  - Average wages reduced
  - Opportunities for acquisition of distressed assets
  - Business confidence surging after conclusion of impeachment
  - Efficiency a key to success
High-Level Highlights

- Incorporating a subsidiary: Limitada or S.A.
- Flow of capitals is controlled by the Central Bank, but foreign investment is generally welcome and there are no significant barriers to transfer funds into/from the country.
- Acquisitions need careful planning and due-diligence.
- Tax incentives may be available (federal, state and municipal levels).
- Tax system is complex and requires extra compliance effort.
HIGH-LEVEL HIGHLIGHTS (CONTINUED)

- Employment laws are very strict, inflexible and protective of employees.
- Strong consumer protection, environmental, antitrust and anti-bribery legislation.
- Protection of patents and trademarks.
- Rule of law generally prevails, but judiciary is slow and inefficient.
- Arbitration a good option, albeit more expensive.
- Sophisticated and well regulated banking system.
Exporting to Brazil

- Relatively protectionist.
  - Import duties.
  - Local content requirements for certain industries (e.g. Automotive, Oil & Gas).
- Importation procedure is bureaucratic. Customers may want to buy goods cleared from customs, in this case a local partner is required for the exporter.
- Sales agents are protected by specific local legislation.
- Distribution is straightforward, although automotive industry is subject to specific legislation (Lei Ferrari).
Obrigado!!

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DOING BUSINESS IN CHILE

Juan Enrique Allard
Reasons to invest in Chile

SOLID

- Chile is the best evaluated economy in Latin America and, indeed, one of the best evaluated emerging economies worldwide. Its hallmark stability, transparency and competitiveness and excellent business prospects position it not only as the best destination for foreign investment in Latin America but also as one of the most outstanding in the world.
Reasons to invest in Chile

RELIABLE

- Chile is a safe place in which to do business as borne out by risk ratings agencies which have increased or maintained their high ratings for the country, highlighting its low level of public debt, the health of its financial system and its solid institutions.

- In its World Investment Report 2015, UNCTAD ranked Chile as the world’s 11th largest recipient of foreign direct investment (FDI), with an inflow that reached US $20,457 Million.
Reasons to invest in Chile

COMPETITIVE

- Chile has a consolidated position as Latin America’s most competitive economy. This is mainly due to its sustained economic growth and openness to trade which have set it apart internationally as a free and dynamic market. Its performance is reflected in the rankings of institutions that annually measure competitiveness around the world.


- Competitiveness (35th in the world – Global Competitiveness Index 2015, World Economic Forum).


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Reasons to invest in Chile

INTEGRATED

- Trade agreements with over 60 countries expand Chile’s domestic market of 17 million inhabitants to one of over 4,300 million potential consumers around the world (63% of the world population).
Government’s Reforms

- New Foreign Investment Statute
- During the last period the Government instigated several reforms: Labor Law, Tax Law, Water Law, Constitution, among others. This has caused a bit of uncertainty for foreign investors, but at the same time great business opportunities (low costs).
Key Sectors

- Chile offers attractive investment openings in sectors that include mining, services, the food industry, infrastructure, tourism and energy.

- As an example, in the recent highly competitive energy public bidding process there were more than 84 proponents participating (almost all foreign companies) with all kinds of technologies, conventional and NCRE. We counseled a company related to Spanish energy company Gas Natural Fenosa, who was awarded three different energy blocks.
Doing Business in Chile

- For an individual or legal entity wishing to undertake an economic activity in Chile, the first step is to obtain a Tax Identification Number (RUT) from the Servicio de Impuestos Internos (Internal Revenue Service).
- The next step after obtaining a RUT is to define the type of company to be created.

<table>
<thead>
<tr>
<th>Individual Limited Liability Company</th>
<th>Limited Liability Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporation (S.A.)</td>
<td>Stock Company (SpA)</td>
</tr>
</tbody>
</table>

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Easy and Inexpensive Process

- Public Deed
- Registration before the Commerce Registry
- Publication on the Official Gazette
TAX CONSIDERATIONS

- Income Tax: 24%
- VAT: 19%
- Withholding Tax:
  - 35% on dividends
  - Interests:
    - 4% (financial institution)
    - 10% - 15% (depending on the tax treaty)
    - 35% standard rate
- Labor Tax: 0-40% (0-35% 2017)
DOING BUSINESS IN COLOMBIA

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Overview

Procedures for investing in Colombia consist of a series of conditions that must be met in order to guarantee proper operation within the country:
1. Steps to establish your company in Colombia.
2. Applicable Taxes.
3. Registration of the Foreign Investment and Colombian.
5. Prohibitions to invest.
6. Distribution Alternatives.
7. Purchase of property.
8. Free Trade Zones.
1. Steps to establish your company in Colombia

Types of Companies

Branch of a Foreign Company
Types of Companies

The most common company types used by foreign investors are:

- Limited Liability Companies
- Corporations
- Simplified Stock Companies

It is also possible to incorporate a Branch of the Foreign Company, although it is not commonly used.

The incorporation process will take two weeks, including the tax invoicing authorization. The company will be ready to make its first sale.
To decide whether Branch or Colombian Company, is important to bear in mind:

<table>
<thead>
<tr>
<th></th>
<th>Branch</th>
<th>Columbian Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability of the Headquarters vs. Liability of the Shareholders/Quota-holders</td>
<td>The parent company is liable for the obligations undertaken through the branch.</td>
<td>Liability of the Shareholders/Quota-holders is limited to their contribution to the share capital of the company.</td>
</tr>
<tr>
<td>Establishment of the Incorporation</td>
<td>Granting a public deed and notarizing the public resolution. The Columbian branch is part of the foreign company and not an independent entity (it is the same entity).</td>
<td>The incorporation may be made in a Simplified Stock Company through a private document. For the other two, it is necessary to grant a public deed.</td>
</tr>
<tr>
<td>Corporate bodies</td>
<td>The branch must have at lease one legal representatives who may have alternates.</td>
<td>Simplified Stock and Limited Liability Companies are not required to have a Board of Directors.</td>
</tr>
<tr>
<td>Corporate purpose</td>
<td>The headquarters must clearly establish the corporate purpose of the branch.</td>
<td>The Company’s corporate purpose may be described as “to perform all legal activities”.</td>
</tr>
<tr>
<td>Statutory Auditor</td>
<td>All branches shall have a statutory auditor.</td>
<td>Simplified Stock and Limited Liability Companies may not have Statutory Auditor.</td>
</tr>
</tbody>
</table>
2. Taxes in Colombia

Taxes in Colombia can be of National or Regional level.

Colombia's Tax System applies in the same way to national and foreign companies.
### 2. Taxes in Colombia

Brief description of the most important taxes:

<table>
<thead>
<tr>
<th>Taxes</th>
<th>Definition</th>
<th>Tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income and capital gains tax</td>
<td>Income tax is a national tax levied on profits and gains derived from day-to-day operations (ordinary income). The capital gains tax applies over the extraordinary income.</td>
<td>Income tax: 25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital gains: 10%</td>
</tr>
<tr>
<td>Income Tax for Equality (CREE)</td>
<td>CREE is a National tax designed as a contribution of companies to the benefit of employees, employment generation and social investments. The CREE applies over profits and gains obtained by companies which are likely to enrich them. This tax replaced certain wage-based social contributions.</td>
<td>9%</td>
</tr>
<tr>
<td>Sales tax (VAT)</td>
<td>VAT is an indirect national tax on services provided and on sales and imports of physical goods.</td>
<td>Three tariffs: 0%, 5% or 16%</td>
</tr>
</tbody>
</table>

Source: Procolombia’s How to Invest? 2016 Guide
### 2. Taxes in Colombia

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumption tax</strong></td>
<td>Indirect tax levied on vehicles, telecommunications, food and beverages.</td>
<td>4%, 8% and 16%</td>
</tr>
<tr>
<td><strong>Tax on financial transactions</strong></td>
<td>The tax is accrued on every transaction aimed at withdrawing resources from checking, deposit or savings accounts, and cashier checks.</td>
<td>0.4% of the value of the operation.</td>
</tr>
<tr>
<td><strong>Industry and Commerce Tax</strong></td>
<td>The industry and commerce tax is a local tax that is imposed on revenue generated from industrial, commercial or service activities carried out in the corresponding municipality.</td>
<td>Between 0.2% and 1.4% of the incomes of the company.</td>
</tr>
<tr>
<td><strong>Property tax</strong></td>
<td>This tax is levied annually on the ownership, usufruct or possession of real estate property. It is collected by the municipality where the property is located.</td>
<td>Between 0.3% and 3.3%.</td>
</tr>
</tbody>
</table>

Source: Procolombia’s How to Invest? 2016 Guide
3. Colombian Exchange Market

In Colombia there are two foreign exchange markets:

1. A free exchange market: Not obliged to inform their operations before the Central Bank*.

2. A controlled exchange market controlled by the Central Bank.

   i) Imports and exports of goods.
   ii) International indebteding.
   iii) International investments
   iv) Financial investments in bonds and assets.
   v) Guarantees and endorsements
   vi) Operations involving with derivative-based operations.

*Except when they bring into or take away from Colombia more than US$10,000.
4. Registration of the Foreign Investment and Colombian Exchange Market

Investments must be registered with the Central Bank

There is no need of a previous registration or authorization.
Investor’s Rights and Benefits:

- To remit abroad, 100% of the net profits by the investment.
- To reinvest 100% of the profits or to withhold them.
- To capitalize any debt with remittance rights.
- To repatriate 100% of the investment.
5. Prohibitions to invest

Under Colombian law currently, there are no prohibitions to invest in any sector of the economy, except for:

- National defense and security.
- Private Security and Vigilance Companies.
- Management, processing and disposal of toxic, hazardous or radioactive waste not produced in Colombia.
- Concessionaries of open television services, where the foreign investment may not exceed 40% of the concessionary’s share capital.

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6. Distribution Alternatives

**Purchase for resale**
- No specific regulation the parties may agree on applicable law
- Applicable regulation will be the one of the principal agreement (i.e. supply)
- The buyer assumes the risk of loss

**DISTRIBUTION SCHEMES IN COLOMBIA**

**Agency Agreements**
- Regulated Colombian Law Code Commerce
- Agent’s benefits:
  - Commercial Severance
  - Indemnification

**TLC with USA requires the elimination**
7. Purchase of property

Investment in real state has the exchange rights of a foreign investment.

Costs:

- **Notary rights**: Approx. 0.3% of the price, paid by the seller and buyer.
- **Withholding to seller**: 1% of the first US$177,000 and 2.5% of the excess price.
- **Registry tax and rights**: Paid by buyer 1.5% of the price.
- **Property tax**: 0.3% - 3.3% of the price.

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8. Free Trade Zones

Benefits:

- Single 15% income tax rate.
- No customs taxes (VAT and CUSTOMS DUTIES) are triggered when raw materials are introduced to the Free Trade Zone from abroad.
- VAT exemption for raw materials, inputs and finished goods sold from the national customs territory to the Free Trade Zones.
- Exports made from Free Trade Zones to foreign countries, may apply the benefits of international trade agreements signed by Colombia.
- Possibility of performing partial processing outside of the Free Trade Zone for up to 9 months.
- Possibility of selling to the national territory the goods or services without restrictions or quotas, paying the applicable custom duties on the imported goods.
THANK YOU!!
GRACIAS!!

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DOING BUSINESS IN MEXICO

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MEXICO BUSINESS ORGANIZATIONS

- SA and SAPI = U.S. Corporation
- SRL = Limited Liability Company
  - No minimum capital stock required.
  - A local legal representative is required for tax purposes.
  - Incorporation takes 4 weeks.
  - Companies with foreign investment or foreign entities established in Mexico must register before the National Registry of Foreign Investments.
MANAGEMENT OF MEXICAN CORPORATIONS

- Management:
  - Sole Administrator
  - Board of Directors

- Powers of Attorney:
  - Lawsuits and Collections
  - General Management
Visas required of persons who wish to do business in Mexico:

- Regular visa: Permanency less than 180 days.
- Temporary Resident Card: Permanency for up to 4 years, with the intent to return to their home country.
- Permanent Resident Card: Permanent residency.
Key elements of Mexican labor law:
- Profit Sharing: 10% / annual profit.
- Social Security: 17% / of wages.
- Pension Fund: 2% / of wages
- Housing Fund: 5% / of wages
- Paid Vacation by seniority 6 days for first year and increases annually with a cap.
- Overtime, double salary, Sundays and holidays triple.
- Christmas Bonus 2 weeks of salary.
- Termination without cause = indemnification of 3 months’ salary + 20 days per year + 12 days per year after 15 years of service (capped to 100 dollars/year)
OUTSOURCING

- Outsourcing.- According to the Mexican Federal Labor Law:
  - Outsourcing Agreements must meet the following to avoid joint and several or subsidiary responsibility for the beneficiary:
    i. Contractor’s own employees,
    ii. Employees under contractor’s authority.
    iii. Non exclusive contracts.
    iv. Contractor’s solvency.
    v. Services shall not comprise all activities performed by beneficiary,
    vi. Services shall be different than the ones provided by beneficiary’s employees.
    vii. Specialized services.
    viii. Company must continuously verify contractor’s fulfilment of its obligations.
IMMEX AND VAT CERTIFICATION

- IMMEX – Program for temporary imports of goods for transformation, manufacture or repair of goods for export.

- Benefits – Free from the General Import and Export Tax, and any applicable Countervailing Duties.

- IMMEX companies may obtain a certification to avoid any VAT payment on importation of goods to be exported.
SECURING SALES IN MEXICO

- Customary collaterals
  - Mortgage
  - Pledge
  - Guaranty trust
  - Promissory note
  - Letter of credit

- General formalities
  - Formalization before notary public.
  - Registering of the collateral at the Public Registrar Office.
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Investing in Peru (Key Issues)

- Foreign Investment Treatment & Guarantees
- Corporate Structure Local & International
- Tax Planning Local & International
- Labor Planning and Immigration
- Government Permits
- Environmental Issues
- Customs Regulation
- Banking & Financial
- RELEVANT CONSIDERATIONS
Foreign Investments (Constitutional and Legal Protection)

**Treatment**
- Equal Treatment to Peruvian Investors (Exceptions)
- Investment Protection Treaties (FTAs, Bilateral)
- Protection to Free Will on Contract
- Protection of Property
- Investment Stability Agreements (USD 5MM)
- Foreign Arbitration (ICSID, ICC, PCC, etc.) and Applicable Law

**Guarantees**
- Free Movement of Capital (Financial Entities and Asset Laundry)
- Free Competition (Administrative Protection)
- Free Trade (Expo and Impo)
- Free will on Contract Terms and to Contract

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Corporate Vehicles

Subsidiaries
- Sociedad Anónima (S.A.)
  - Corporation
  - Share Company
  - Board (Obligatory)
- Sociedad Anónima Cerrada (S.A.C.)
  - Corporation
  - Share Company
  - Board (Voluntary)
- Others
  - Non Share Companies
  - No Boards
  - Check in the Box

Branches
- Compare with Subsidiaries:
  1) Set up Process: Equal Company (time and requirements).
  2) Civil Responsibility: Unlimited
  3) Tax: Only Peruvian Source and Deemed Dividends.
  4) Public Bids: Apply Experience of Parent Company.

Permanent Establishments
- Characteristics:
  1) Set up Process: Not Applicable, is a Foreign Company.
  2) Tax: Only Peruvian Source; 30% Withholding
  3) Responsibility: Unlimited
  4) Public Bids: Apply Experience of Parent Company.

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Tax Issues (Menu of General Rules)

- Anti-Avoidance General Rule (Substance over form principle)
- Transfer Price Rules (OECD)
- Fiscal Transparency Tax (Since 2013)
- Tax Heavens Jurisdictions (Expenses and Loans)
- Indirect Transfer of Shares (Capital Gains)
- Thin Capitalization (Related Parties Transactions)
- Double Taxation Treaties (Few)
- Tax Information Exchange Agreements (Increasing)
Tax Issues

### Income Tax (IR)

- **Residents:** World Wide System
- **Non-Residents:** Peruvian Source

#### Corporate Income Tax:
- Profits 28%
- Dividends Distribution 6.8%
- Technical Assistance Services 15%
- Low Rate Loan Interests 4.99%

#### Individual Income Tax
- Resident Capital Gains is 5% vs Non- Resident Capital Gains which is 30% (shares, real state structures)

### Value Added Tax (IGV)

**Taxable Transactions:**
- Sales of movable goods in the country.
- Services rendered or used in the country.
- Construction contracts.
- The first sale of real property made by the builders.
- Imports

**Taxpayers:** National or foreign business and companies

**Rates:** 18%
Labor & Immigration Issues

Labor Matters
- Main Regulation is based on Constitutional Court decisions.
- Labor stability (no free employment rule).
- Temporary work term is the exception.
- Minimum rights granted by law.
- Written contracts are not customary.

Immigration Matters
- Tourist, Business and Resident visas (Business Temporary Permits – “BTPs”).
- Banking system is requiring Resident visas to make operations.
- Agreements with Government and public documents requires Business or Resident visa, or BTPs.
Government Permits

Industries Subject to Permits
- Banks, Insurance, Pension Systems, Investment Funds
- Investments or Ownerships within 50Kms of the Peruvian Border Line; Cabotage, TV

Municipalities Permits
- Open and Office (INDECI).
- Construction (real state and infrastructure).

Others
- Environmental Permits (all natural resources, construction and manufacturing activities).
- Community or Social Licenses (affects natural resources activities)
- Import and Export of certain goods

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Relevant Considerations

a) Sophisticated Investors.
b) Local partnership for big and Government-related investments (mining, oil, gas, infrastructure).
c) Due diligence and due research of the legal and business environment.
d) Labor matters (dismissal and costs).
e) Judicial environment (Arbitration is the solution).
f) Environment and Agreements with communities in natural resources investments.
g) Region and Municipality permits.
h) Tax anti-avoidance rules.
i) Asset laundering regulations.
j) Banking regulations (immigration and laundering).
THANK YOU!!
GRACIAS!!

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LEGAL CONSIDERATIONS FOR U.S. COMPANIES DOING BUSINESS THROUGHOUT THE AMERICAS

Richard A. Walawender
Key Issues of Concern

- UN Convention on International Sale of Goods
- Corrupt Practices
- Export Controls
- Tax and Transfer Pricing
- IP Infringement
- Arbitration vs. Litigation
- Local differences
Key Issues of Concern: CISG

- Will apply unless expressly excluded
- Some key differences with UCC
  - “Battle of the forms” outcomes
  - Buyer setoff rights under CISG
  - CISG rejects “perfect tender” of delivery rule
  - Under CISG buyer cannot demand substitute goods unless the non-conformity constitutes a “fundamental breach”
- Importance of knowing what to put in contracts
Key Issues of Concern: Corruption

- Anti-bribery provisions criminalize:
  - offering, promising, paying, authorizing or giving
  - anything of value
  - directly or through an intermediary
  - to a foreign government official
  - for the corrupt purpose of influencing the official or to gain any improper advantage
  - to obtain or retain business

- “Grease Payments” and defenses
- UK Bribery Act and Local Laws
- Policy, Forms and Practice
Key Issues of Concern: Export Controls

- **Scope of Concerns**
  - ITAR (U.S. International Traffic in Arms Regulations)
  - EAR (U.S. Export Administration Regulations)
  - OFAC (U.S. Office of Foreign Assets Control)

- **What is an “export”?**
  - An actual shipment or transmission of items out of the U.S., or release of technology or software to a foreign national in the U.S.
  - Release or Deemed Export: (a) Visual inspection by foreign nationals of U.S.-origin equipment and facilities; (b) oral exchanges of information in the U.S. or abroad; or (c) application to situations abroad of personal knowledge or technical experience acquired in the U.S.
Key Issues of Concern: Tax/Transfer Pricing

- Apply to transactions for goods or services with foreign affiliates
- Concern of both US and foreign country tax authorities
- Tax effects important in structuring (VAT, income, etc.)
- Several approved methods to determine arm’s-length transfer price
- Advance Pricing Agreements
Key Issues of Concern: Arbitration/Litigation

- Reasons for arbitration
  - Avoid local courts
  - Enforcement of arbitral awards

- Arbitration systems
  - Ad hoc arbitration (UNICITRAL)
  - Arbitral institutions (AAA, ICC, Inter-American Commercial Arbitration Commission, Commercial Arbitration Center for the Americas)

- Drafting arbitration clauses

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Key Issues of Concern: Local Differences

- Taxes
- Real property acquisitions
- Secured transactions, security interests
- Labor and employment
- Insolvency/bankruptcy
- Foreign exchange controls
- Distribution/sales agency agreements
THANK YOU!!

Richard A. Walawender
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1. Describe the most common investment options considered by foreign investors wishing to do business in your jurisdiction.

2. Describe restrictions for investments by foreign investment in your jurisdiction as well as for foreign capital flows.

3. Describe some of the legal and other issues that an entity organized under a foreign jurisdiction should consider when evaluating an acquisition of privately held businesses in negotiated transactions based in your jurisdiction.

4. Describe general aspects of the taxation in your jurisdiction that may be relevant to foreign investors wishing to invest in your country.

5. Describe general aspects of dispute resolutions in your jurisdiction that may be relevant to foreign investors wishing to invest in your country.

6. What is that a foreign investor should avoid when doing business in your jurisdiction?
DOING BUSINESS IN KEY MARKETS OF THE AMERICAS

THANK YOU!!

GRACIAS!!

OBRIGADO!!