

SPECIAL PUBLIC ECONOMIC DEVELOPMENT ZONES (DECREE 30-2008)

Legal Concept of Special Public Economic Development Zones Decree 30-2008

A geographically-defined area within the national territory that is an extra-customs area where industrial goods and services are developed or commercial activities are undertaken under special tariffs, a temporary customs and foreign trade regime, authorized by ZOLIC (Free Trade Zone).

- It can be established anywhere in the national territory.
- The minimum authorization period is 12 years, as of the date of the resolution. Extensions may be requested.
- It can be installed in ZOLIC facilities or third-party property that is leased or granted in usufruct to ZOLIC. An area of at least 10,000 square meters. If the area is smaller, 400 direct and permanent jobs must be guaranteed. There can be exceptions that consider the investment to be made and employment generation.
- A minimum of two users must be installed (an administrator and a productive user). If there is a single user, the economic impact and employment generation must be justified.

Type of Operations

- Importing from the National Customs Territory (TAN in Spanish) or from abroad
- Transfers to any other tax warehouse
- Transfers from and to other regimes, ports, borders, and airports in the country.
- Providing services or products to other users or ZDEEP.
- Exporting to the National Customs Territory (TAN) or abroad.

Users of a ZDEEP

- Industry, trade, and services
- Activities: Production, manufacturing, transformation, assembly, commercialization, distribution, warehousing, conservation, fragmentation, packing, repacking, crating, manipulation, classification, any other operation on its own goods or imported and exported goods.

Contact

- Authorized by: The ZOLIC Board of Directors
- Guatemala office: Blvd. Los Próceres, 24-69 zona 10 Edif. Empresarial Zona Pradera, Torre 4, Nivel 10, Oficina 1002. Telephone +502 2279-0950.
- Headquarters in Izabal: Km. 293.5 Ruta al Atlántico Norte, Santo Tomás de Castilla. Puerto Barrios, Izabal. Guatemala Telephone No.: +502 7961-5400
- Consult the law and its set of regulations: <https://zolicguate.com/zdeep/>



PROCESS TO ESTABLISH A ZDEEP

Submitting the file:

- **Strategic Project** including the economic, social, and productive impact that will be generated by the ZDEEP and its contribution to the development of the region and to employment generation.
- **Professionals' technical** opinion and the Environmental Plan to be implemented.
- **Application form:** This applies if the property is owned by third parties (see details in the Regulations for Authorization, Qualification and Operation)

Once the file is completed:

- **Physical inspection** by ZOLIC, within a maximum period of 30 working days
- **Technical opinion** issued within a maximum period of 20 working days.
- **Board of Directors resolution** within a period of 30 working days. After this, the ZDEEP is authorized and SAT is notified so that it assigns personnel to start operations.





INCENTIVES

- **ISR¹** exemption for a period of 10 years, also applicable to dividends and profits.
- **Temporary suspension of VAT², import duties and other import charges** on goods entering the ZDEEP.
- **VAT exemption on taxed events and acts** undertaken within the ZDEEP when they are exported.
- **Fiscal-Stamp Exemption** on the documents pertaining to acts or contracts on goods and business in the Zone.
- **Goods do not cause abandonment.**
- The State or Municipal Governments **may grant non-fiscal incentives** to certain users.



Other benefits: ³

- The possibility of selling products processed within the free zone in the internal market.
- On-site Customs Office.
- Software for logistics and customs processes.
- Infrastructure adapted to international operations.
- Immediate access to Puerto Santo Tomás de Castilla and Puerto Barrios.
- AEO⁴ Certification
- Logistical complementarity in operations
- Opportunity to establish sectoral clusters.
- Decentralization of productive economic activities and local development.
- Extensive National Telephone Network and Internet bandwidth options.
- National and Regional Electric Network Connection
- Abundant labor, possibility of instruction and training
- Consultancy and accompaniment for the installation process.



USER REQUIREMENTS

Requirements for a legal entity or natural person ⁵

1. Application containing the legal requirements and information on the economic impact, employment generation and the activities that are expected to be undertaken. Term of the lease (minimum 1 year) and a statement establishing that they wish to enjoy tax benefits.
2. Fill out the form included in the website or provided by ZOLIC (download: <https://zolicguate.com/wp-content/uploads/2019/09/FORMULARIO-PARA-ZDEEP-MERCADEO.pdf>).
3. A certified copy of the Trade License.
4. A certified copy of the owner's Personal Identification Document –DPI in Spanish– or passport.
5. Latest audited Financial Statements.
6. Copy of the Tax Identification Number –NIT in Spanish– of the company and an updated certificate of registration in the Unified Tax Registry –RTU in Spanish–.
7. A sworn statement in a notarial certificate, in which they indicate that they are not included in the prohibitions or limitations to make use of the rights contained in the ZOLIC Law.

Legal entities must also submit the following:

8. A certified copy of the company's Public Deed of Incorporation
9. The Notarial Certificate of the Appointment of the Legal Representative.
10. A certified copy of the corporation and trade licenses
11. A certification by the Board of Directors authorizing the contracting to be performed and authorizing the Legal Representative to sign a lease with ZOLIC.

Other requirements:

1. Technical, Economic, Financial and Environmental Feasibility Study
2. A list of products or raw materials to be stored.
3. Safety data sheets of the products to be stored.
4. Others <https://zolicguate.com/requisitos-para-ser-usuarios/>



ZDEEP APPROVED AS OF 2020:

Privileged access to international markets

- Estados Unidos de América
- Todos países de centroamérica
- Unión Europea
- México
- Chile
- Colombia
- Panamá
- República Dominicana
- Taiwán

Territorial, insular and maritime differendum pending resolution

Puerta del Istmo

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Atlantic Ocean 567 KM
Honduras 457 km
El Salvador 375 Km
Puerto Quetzal 254 km
México 3km
Guatemala City 279 km

Michatoya Pacífico

Km. 72 ruta al Pacífico, Escuintla

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Atlantic Ocean 360 KM
Honduras 250 km
El Salvador 112 Km
Puerto Quetzal 30 km
México 200 km
Guatemala city 84 km

¹ Income Tax
² Value Added Tax
³ Each ZDEEP may grant additional benefits, for example, commercial areas, training centers, special facilities for energy efficiency or logistics operation facilities.
⁴ Authorized Economic Operator
⁵ ZDEEP administrators can also be its users. These requirements apply to new companies or investments. Projects with 29-89 or 65-89 benefits must secure a previous resolution from SAT.