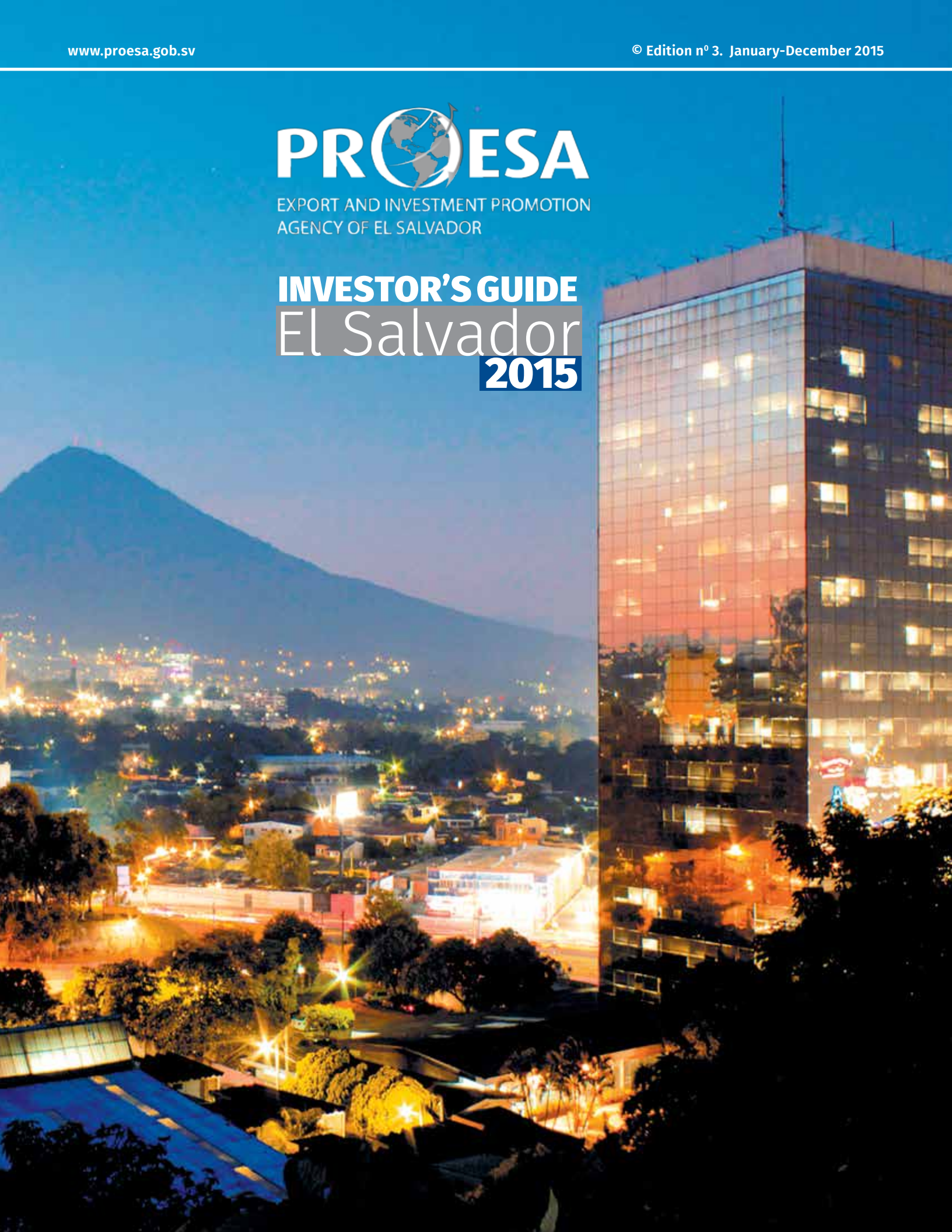


PROESA

EXPORT AND INVESTMENT PROMOTION
AGENCY OF EL SALVADOR

INVESTOR'S GUIDE
El Salvador
2015



El Salvador, Central America





Investor's Guide 2015
Government of El Salvador, Central America

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Content

Foreword	8
Why El Salvador?	10
Services Provided to Investors	12
I. El Salvador at a Glance	14
1. A Stable Free Market Economy	14
2. Monetary Stability: The advantages of a dollarized economy	15
3. Attractive Investment Climate	16
II. El Salvador: Export Platform to Major Markets	17
1. Preferential Access to International Markets	10
2. Strategic Location	10
3. Availability of Industrial Land	11
4. Modern Infrastructure	12
III. Legal Framework and Incentives	25
1. Investment Law	25
2. Free Zones Law	25
3. International Services Law	26
4. Tourism Law	27
5. Renewable Energy Incentives Law	27
6. Construction Projects Procedure Streamlining Law	28
7. Public Private Partnerships Law	28
8. Law of Legal Stability for Investments	28
IV. Human Capital	30
1. Labor Climate	26
2. Higher Education	26
3. Technical Education	28
4. On-the-Job Training	28
V. Investment Opportunities	33
1. Aeronautics	33
2. Agroindustry	35
3. Energy	37
4. Light Manufacturing	39
5. Offshore Business Services	41
6. Specialized Textiles and Apparel	43
7. Tourism	45
VI. Setting Up and Operating a Business in El Salvador	47
1. Operational Costs	47
2. Taxes	51
3. Establishing a Company	52
4. Requirements to Enter El Salvador	53

View El Salvador's country video



Foreword

Dear Investor

Welcome to the 2015 edition of El Salvador Investor's Guide. In this document you will find valuable information about investment opportunities to help you choose our country as your next investment destination.

El Salvador stands out for the quality of its labor force, its competitive infrastructure and the stability provided by its dollarized economy.

The country's legal framework offers investors attractive tax incentives and guarantees the protection of their investments.

Additionally, the preferential access offered by its trade agreements, competitive costs and proximity to large markets make it an ideal investment location for local and foreign companies.

As a result, many international companies have established operations in the country and achieved high return rates on their investments.

The Government of El Salvador maintains its commitment to attracting investment and developing long-term relationships with investors.

With the support of solid international partnerships, we are working with determination to improve our human capital, infrastructure and investment climate.

PROESA offers various services to support you during the process of evaluation, establishment and operation of your business. We can meet your specific information requests and provide you with tailor-made agendas so that your visits to El Salvador are effective.

Our goal is to generate economic growth and create jobs by promoting foreign and local investment. Let us be your strategic partner to help you take advantage of all the opportunities El Salvador has to offer.

Let us be your strategic partner to help you take advantage of all the opportunities El Salvador has to offer.



Sigfrido Reyes
President of PROESA

Why El Salvador?

1 > Productive Labor Force

Investors certify that Salvadoran labor force is world-famous for its industriousness, efficiency and work ethic. Approximately 60% of the labor force is 39 years or younger, making it a predominantly young and highly productive country.

2 > Competitive Costs

El Salvador is the most cost-competitive country to set up and operate a business. Over the last years, the Financial Times' investment journal fDi Intelligence has classified El Salvador as the most cost effective country in Central America.

3 > Monetary Stability

El Salvador dollarized its economy in 2001, therefore offers greater certainty to investors as a result of the elimination of foreign exchange risk and lower transaction and financial costs as compared to non-dollarized countries.

4 > Competitive Infrastructure

The World Economic Forum places El Salvador's infrastructure among the most competitive in Latin America and the best in the Central American region. Modern port, airport and road infrastructure enable efficient logistical operations, while solid and advanced telecommunications and electricity markets guarantees access to high quality and cost-competitive services.

5 > Attractive Tax Incentives

The country's legal framework provides full exemption from income tax, municipal taxes, taxes on transfers of real-estate property as well as customs duties and taxes on the import of machinery, equipment, raw materials and other articles used in the production of goods and services.

6 > Preferential Access to International Markets

Multiple trade agreements provide preferential access to more than 1.2 billion consumers in 43 countries around the world. El Salvador has trade agreements with Central America, Chile, Colombia, Cuba, Dominican Republic, European Union, Mexico, Panama, Taiwan, Trinidad and Tobago, United States and Venezuela. Likewise, El Salvador is in negotiations to sign trade agreements with Belize, Canada, Ecuador and Peru.

7 > Strategic Location

El Salvador's geographic location enables a short access time to major cities in North and South America. The country is on the same time zone as U.S. Central Standard Time (CST). It offers a natural two oceans logistics corridor, proximity to the Transpacific maritime route and to the Panama Canal.

Services Provided to Investors



PROESA is El Salvador's Export and Investment Promotion Agency. It is an autonomous government institution responsible for export promotion, investments and public-private partnerships. PROESA's goal is to generate economic growth and create jobs by attracting foreign direct investment and aiding the expansion of Salvadoran firms abroad.

<p style="text-align: center;">Business opportunities</p> <ul style="list-style-type: none"> ❑ Information on investment opportunities, incentives and advantages of investing in FDI growth sectors. ❑ Statistics and customized industry information. 	<p style="text-align: center;">Strategic information</p> <ul style="list-style-type: none"> ❑ Information on set-up and operational costs, regulations, availability of human capital, business climate and any other information required in the country evaluation process. ❑ Personalized attention to specific enquiries. 	<p style="text-align: center;">Advisory and technical assistance</p> <ul style="list-style-type: none"> ❑ Organization, logistics and coordination of tailored agendas for visits to El Salvador. ❑ Specialized support before, during and after the investment. ❑ Assistance to potential investors in the generation of local business contacts. ❑ Comprehensive support in procedures required to establish or expand business operations in the country.
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Business Center, Torre Futura and World Trade Center.
 Located in one of the most important hotel areas of the capital of El Salvador.



EL SALVADOR AT A GLANCE

El Salvador, located in the heart of the Americas between North and South America, is an export-oriented free-market economy. The country extends from a coastal plain to a volcanic upland in the interior.

El Salvador has evolved over the last two decades. Today, it offers its business partners:

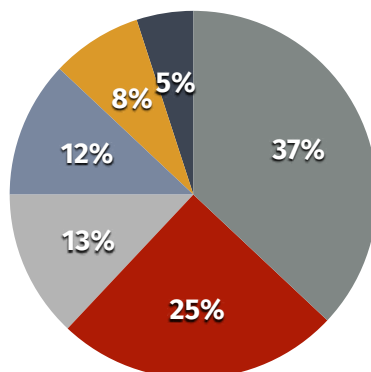
- ❑ A free economy, among the freest in Latin America
- ❑ Proven macroeconomic stability, with the U.S. dollar as legal tender
- ❑ Openness to global trade and investment
- ❑ Democracy and political stability

1. A STABLE FREE MARKET ECONOMY

Over the last 25 years, El Salvador has implemented reforms to modernize and open its economy to global trade and investment; these include the signing of free trade agreements with major markets, regional economic and trade integration, and the adoption of the U.S. dollar as legal tender.

FDI stock by sector, 2013 USD 8.2 billion

- Financial and insurance activities
- Manufacturing
- Electricity supply
- Information and Communications
- Trade
- Others



Source: Central Reserve Bank of El Salvador (BCR)

EL SALVADOR

- ❑ 6.3 million Population
- ❑ 2.8 million Labor force
- ❑ USD 24 billion GDP
- ❑ USD 3,850 GDP per capita

GDP BY SECTOR (%):	
AGRICULTURE	10.4
INDUSTRY	26.1
SERVICES	63.5

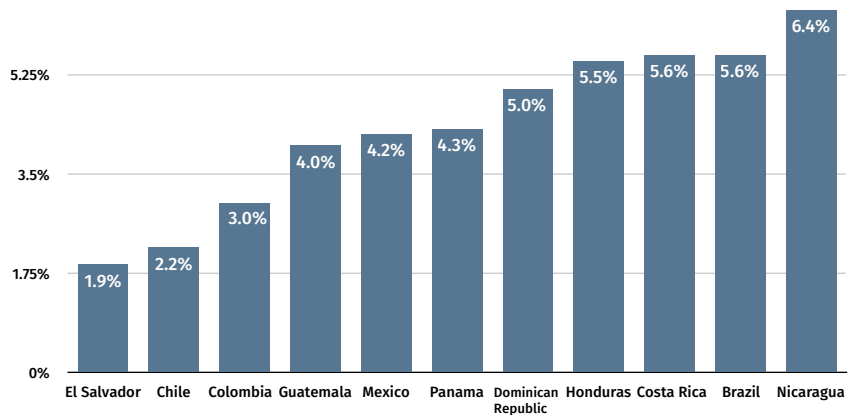
2. MONETARY STABILITY: THE ADVANTAGES OF A DOLLARIZED ECONOMY

The results are conclusive. According to the Index of Economic Freedom published by the Wall Street Journal and the Heritage Foundation in 2014, El Salvador's economy is among the freest in Latin America. It is ranked 7th in the region and 59th worldwide of a total of 186 countries. This index highlights El Salvador's strength in maintaining free market policies that promote trade and investment.

One of the most important policies implemented to open the country's economy to world trade and investment is the adoption of the U.S. dollar as legal tender in 2001.

As a result, El Salvador has achieved single-digit inflation rates for over a decade, remaining below the average of the rest of the Latin American countries. Likewise, the elimination of foreign exchange risk has lowered real interest rates and provided greater certainty for investors. Companies that have invested in El Salvador benefit from lower financial and transaction costs.

Average inflation rate of selected countries (%), 2009-2013



Source: IMF

INDEX OF ECONOMIC FREEDOM (2014) EL SALVADOR

7th in Latin America

Ranked 59th Worldwide

Source: The Heritage Foundation



El Salvador del Mundo Plaza



3. ATTRACTIVE INVESTMENT CLIMATE

As of December 2013, the country has attracted USD 8.2 billion of cumulative FDI inflows, equivalent to 34% of the gross domestic product.

El Salvador enjoys wide-spread international support with solid international partnerships. It is the only country in the Western Hemisphere, and one of four nations in the world, to be selected by the United States Government to work jointly under a new initiative called Partnership for Growth, which seeks to reduce barriers to economic growth.

El Salvador enjoys wide-spread international support with solid international partnerships.

Likewise, it is the only country in Central America that has received funds on two occasions from the Millennium Challenge Corporation. This represents an important recognition, as only those countries that meet strict requirements of good governability, investment in human resources and economic freedom qualify.

This second compact will generate USD 365 million in investment and will contribute to the development of the country's coastal region.

Numerous multinational companies have chosen El Salvador as an investment destination:



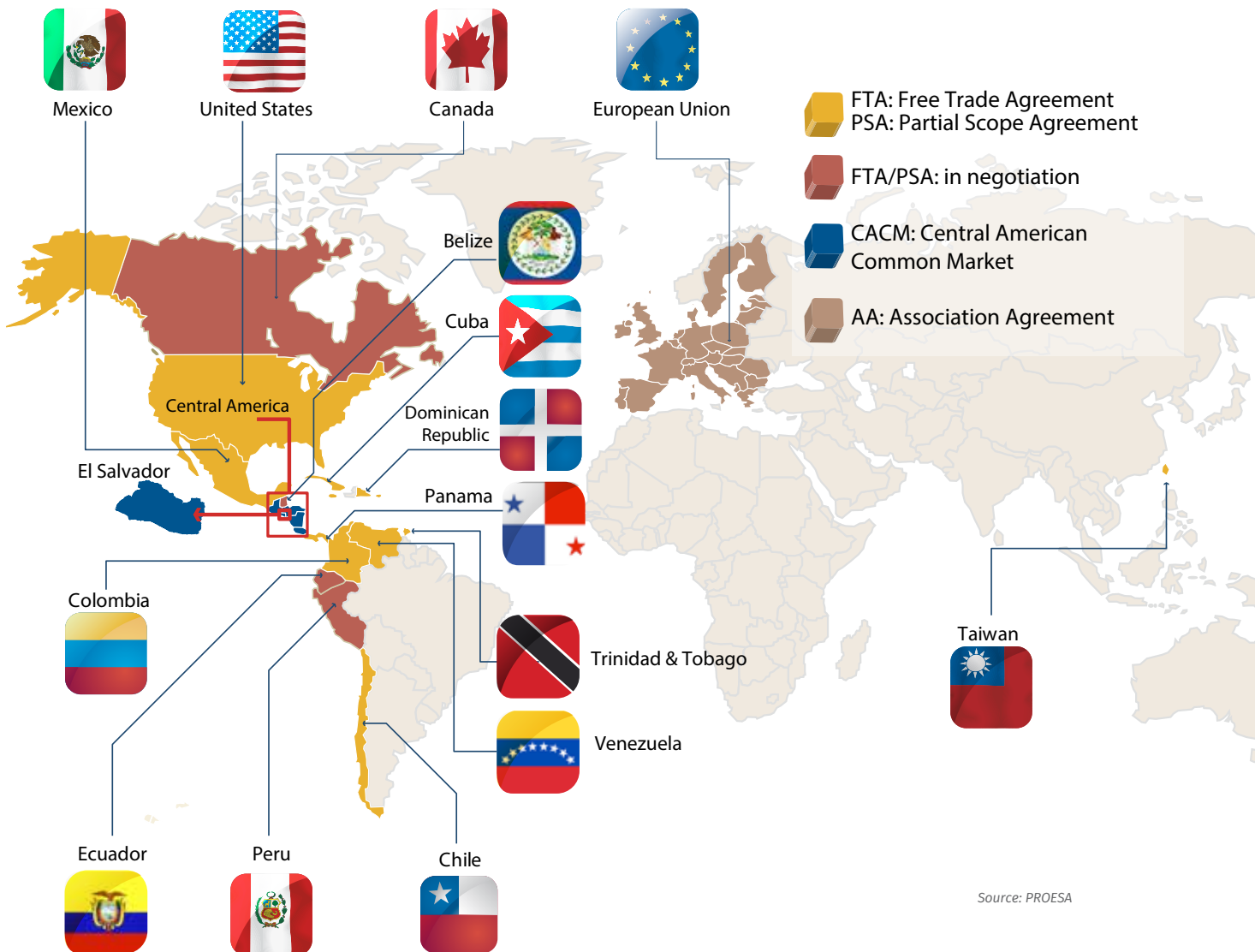
El Salvador: Export Platform to Major Markets

1. PREFERENTIAL ACCESS TO INTERNATIONAL MARKETS

El Salvador has trade agreements with 43 countries in the Americas, Europe and Asia. Together they represent a potential market of 1.2 billion consumers.

These agreements provide flexible rules of origin and major reductions in import tariffs.

El Salvador has been a leader in negotiating trade agreements with strategic partners:



Source: PROESA

2. STRATEGIC LOCATION

It takes a short flight (2-5 hours) from El Salvador International Airport to reach major cities in North and South America. El Salvador International Airport serves as the regional hub of Avianca airlines. Cargo transportation is also favored by the country's proximity to main maritime trade routes.

The country's modern ports and airport infrastructure allows manufacturing companies to carry out their logistical operations efficiently.

Likewise, in the context of international services, El Salvador is on U.S. Central Standard Time (CST, GMT -6). This makes El Salvador's location ideal for offshore business services.





Services Provided in Free Zones and Service Parks
1. Customs office
2. Assistance in personnel recruitment
3. Perimeter security
4. Fire-protection systems
5. Residual water treatment
6. Telecommunications infrastructure
7. Exterior lighting
8. Cafeteria
9. Training center
10. Medical clinic, among others

Source: PROESA



17

free zones



5

also operate as service parks



1st

In quality of infrastructure in Central America and



57th

worldwide

out of **144** countries

3. AVAILABILITY OF INDUSTRIAL LAND

El Salvador has free zones and service parks designed for companies engaged in the production and export of goods or services. These industrial parks provide companies with the services necessary to operate efficiently, and offer attractive tax incentives to investors (for more information, see Section III of this guide, Legal Framework and Incentives).

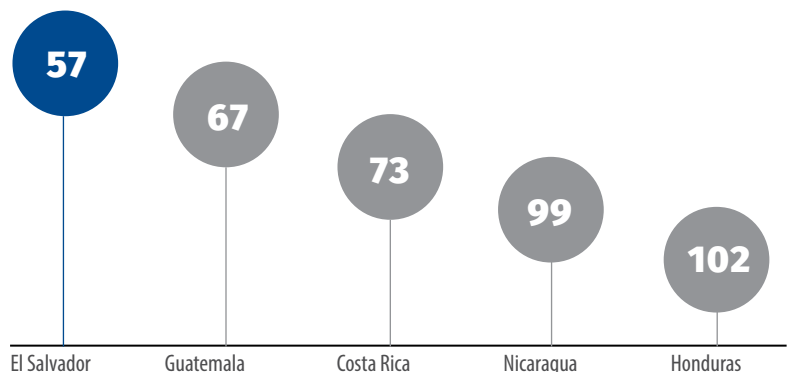
These industrial parks stand out for their strategic location and easy access to competitive infrastructure: they are near the capital and other major cities, and close to world-class highways, airports and ports.

4. MODERN INFRASTRUCTURE

The World Economic Forum's (WEF) Global Competitiveness Report 2014-2015 places El Salvador among the nations with best infrastructure in the world and the best in the Central American region. El Salvador stands out for the quality of its highways, ports and airport.

Infrastructure Ranking

Global Competitiveness Report 2014-2015



Source: World Economic Forum. Ranking out of 144 countries.

The high-connectivity offered by the country's infrastructure is complemented by modern and advanced telecommunications and electricity markets. Multiple suppliers offer high-quality services at competitive prices.

a. Highway Network

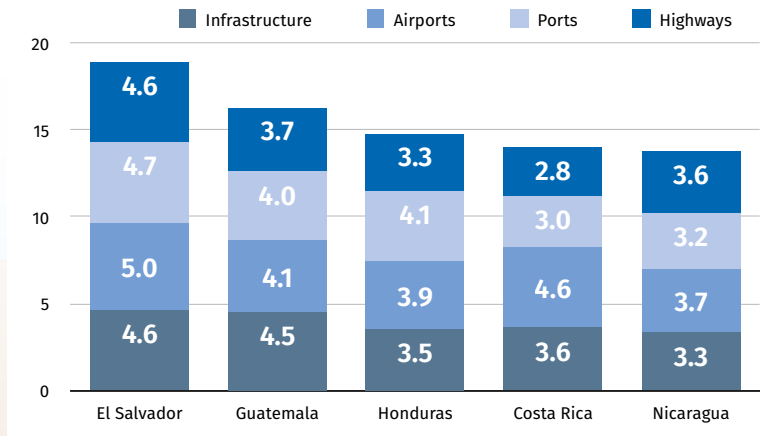
The country enjoys a modern and efficient road network that connects its main cities and offers a rapid and easy access to the rest of the region. Due to this, the WEF has ranked El Salvador as the country with the best road infrastructure in Central America.

El Salvador's main highways:

- ✓ Panamerican Highway
- ✓ Litoral (Coastal) Highway
- ✓ Longitudinal del Norte (North Longitudinal) Highway

The high connectivity and quality of El Salvador's road infrastructure facilitates the transport of goods between production centers and ports.

Quality of Infrastructure Score*



Source: World Economic Forum, Global Competitiveness Report 2014-2015
*Scores are on a scale of 1 – 7, 7 as the most desirable outcome.





El Salvador International Airport Monsignor Óscar Arnulfo Romero y Galdámez. It is the country's main airport and is considered among the most important in Central America.

b. Airports

El Salvador International Airport (AIES) stands out as an important regional hub and top class maintenance center for commercial aircrafts. According to the WEF, El Salvador has the best airport infrastructure in the Central American region.

El Salvador International Airport

El Salvador International Airport is one of the largest and most modern in the region. It operates as Avianca's hub for Central America. Other airlines from

Classified
Category 1
by the FAA
(Federal Aviation Association).

El Salvador International Airport

2.3
million passengers
24,800
tonnes of cargo moved on
average per year.

South America, North America and Europe also operate in this airport:

- ❑ Classified as Category 1 by the Federal Aviation Association (FAA).
- ❑ Its strategic location allows year-round operations in optimal conditions. Additionally, its near sea level altitude facilitates the safe take-off and landing of aircraft at 100% capacity.
- ❑ Direct access to 32 routes of origin and destination as well as excellent air traffic connections.

International Airlines Operating in El Salvador

**Some of them offer cargo services*

Destinations with Direct Flights:

Source: CEPA

Port La Unión



c. Ports

El Salvador has a versatile port infrastructure able to respond to the needs of freight services in an effective manner. According to the World Economic Forum, El Salvador has the best port infrastructure in the Central American region.

Main ports:

- ❑ **Port Acajutla:** Located in the western region of the country
- ❑ **Port La Unión:** Is the largest port in El Salvador and is expected to become one of the most important and modern port infrastructures in Central America. It is located in the eastern region of the country and is designed to receive Post Panamax vessels.



Port Acajutla

Shipping Companies Operating in El Salvador

d. Electricity

The Salvadoran electricity market is the most open in the region. Its legal framework promotes a competitive market and private participation in the generation, distribution and sale of electricity. Besides that, El Salvador has an institutional structure suitable for the development, regulation and operation of the electricity market.

El Salvador is a leader in the use of geothermal energy and is positioned among the top 10 most productive geothermal energy locations in the world.

The country's legal framework allows companies to generate their own energy and sell their surplus in the electricity market.

El Salvador has one of the most competitive electricity rates in the region. For more information, see Section VI of this guide, "Setting Up and Operating a Business in El Salvador".

Electricity distribution

Electricity distribution in El Salvador is performed by solid companies with ample experience in the electrical industry. The main distribution companies are: 1) AES Group, with four electricity distribution firms, reaching the central-northern area of El Salvador (CAESS), the western area (CLESAs), and the eastern area (EEO and DEUSEM); and 2) Distribuidora de Electricidad del Sur (DELSUR), which supplies energy to the central-southern part of the country.





e. Telecommunications

El Salvador has become one of the most dynamic and connected countries in the region:

The significant growth in telecommunications has been promoted by a favorable framework and the presence of important operators offering a wide range of services.

As of today, there are 8 international long-distance operators, 10 landline operators and 5 mobile telephone operators, as well as several internet service providers. Consequently, users benefit from a large number of service providers and extensive coverage across the country.

The telecommunications market in El Salvador ensures high quality services at competitive prices. Some of the available services include high-speed data transfers, metropolitan fiber optic networks, international private lines, VoIP, broadband internet (including cable and fiber optic access), wireless internet and 800 num-

bers, among others.

El Salvador is directly interconnected to the United States, Latin America and the rest of the world by four of the most advanced telecommunications networks in the region: EMERGIA, ARCOS, MAYA1 and RED 1. This connectivity guarantees a redundancy of 99.9%, positioning El Salvador at the forefront in terms of efficiency, speed and continued availability of telecommunications.

For more information about costs of telecom services, see Section VI of this guide, "Setting Up and Operating a Business in El Salvador".

Main telecommunications operators	
Operator	Basic services*
América Móvil (Telecom/Claro)	Landline, mobile phone, cable TV, internet (fixed and mobile)
Millicom (Telemóvil/Tigo)	Landline, mobile phone, cable TV, internet (fixed and mobile)
Telefónica	Landline, mobile phone, internet (mobile)
Digicel	Mobile phone, internet (mobile)
Intelfon (RED)	Mobile phone, radio communication
IBW	Internet
Salnet	Landline, internet

*Companies offer a variety of additional high value added services and products for the corporate sector. Other firms present in the market are: GIGA-OPTICS, GCA Telecom, Telemac Group, Newcom, and Platinum Enterprises, among others. Source: General Superintendence for Energy and Telecommunications (SIGET)

9
million
mobile lines

25%
average growth
(2003-2013)

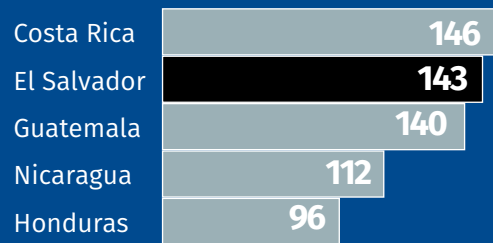
143
mobile lines
per 100 inhabitants

2nd
place in Central America
percentage of internet users*

Source: SIGET and EHPM, Digestyc (2013)

*Population over 10 years

Mobile Line Penetration
Subscriptions per 100 Inhabitants



Landline Penetration
Subscriptions per 100 Inhabitants



Source: ITU and SIGET (2013)



Legal Framework and Incentives

El Salvador is committed to promoting investment and developing long-term relationships with investors. The country's legal framework provides attractive tax incentives and gives equal treatment to local and foreign investors.

1. INVESTMENT LAW

This law seeks to encourage private investment and, more specifically, Foreign Direct Investment (FDI).

Benefits

- Procedure streamlining
- Equal treatment to all investors (foreign and local investors will have the same rights and obligations. Discriminatory measures that hinder the establishment, administration, use, extension, sale and liquidation of investments may not be used against them)
- Freedom to invest
- Transfer of funds abroad (foreign investors are guaranteed the right to transfer funds abroad, without delay and with the freedom to convert currency through the banking system)
- Protection of property and security (in accordance with the Constitution, foreign and national investors are guaranteed protection of their property and the right to the free disposition of their assets)

2. FREE ZONES LAW

Offers generous tax incentives to export-oriented manufacturing companies located in Free Zones or Warehouses for Inward Processing (DPA, for its acronym in Spanish).

Free Zones are industrial parks considered outside the national territory for fiscal purposes, and thus raw material or merchandise required by companies are imported free of taxes and tariffs. If a company – for technical reasons – is unable to operate inside a free zone, it can be authorized to operate outside as a Warehouse for Inward Processing (DPA) and enjoy all the benefits of this law.

Eligible activities:

- The production, assembly or maquila, manufacture, processing, transformation or commercialization of industrial goods included in Chapter 3 and Chapters 25 onwards of the Harmonized System⁽¹⁾
- Fishing of maritime species to undergo industrial transformation, including preparation, canning, derivatives or sub products, as well as their respective processing and commercialization
- Cultivation, processing and commercialization of flora species grown in protected structures in greenhouses and laboratories
- Breeding and commercialization of amphibian and reptile species in captivity
- Dehydration of ethyl alcohol

Benefits

- Full exemption from customs duties and other taxes on the import of machinery and equipment used for production
- Full exemption from customs duties and other taxes on the import of raw materials and other goods used for production
- Full exemption from customs duties and other taxes on lubricants, fuel and other substances used for production
- Full exemption from taxes on the transfer of real-estate property, for the acquisition of real-estate that will be used in the incentivized activity

(1) With the exception of activities related to the production, processing or commercialization of natural gas, oil and derivatives; cement; mineral metallic and non-metallic products mined from Salvadoran subsoil; sugar and its substitutes, sugar products and by-products; alcohol; sacks of synthetic fibers; goods classified as polluting or harmful; commercialization of metal waste and scraps; import of machinery with leasing purposes and supply of food intended for employees or companies benefitted by this Law.

- Income tax exemption according to the following table:

LOCATION OF THE FREE ZONE OR DPA	PERCENTAGE OF EXEMPTION	PERIOD OF EXEMPTION FOR COMPANIES IN A FREE ZONE	PERIOD OF EXEMPTION FOR COMPANIES OPERATING AS DPA
SAN SALVADOR METROPOLITAN AREA	100%	FOR 15 YEARS	FOR 10 YEARS
	60%	FOR THE FOLLOWING 10 YEARS	FOR THE FOLLOWING 5 YEARS
	40%	FOR THE FOLLOWING 10 YEARS	FOR THE FOLLOWING 10 YEARS
OUTSIDE SAN SALVADOR METROPOLITAN AREA	100%	FOR 20 YEARS	FOR 15 YEARS
	60%	FOR THE FOLLOWING 15 YEARS	FOR THE FOLLOWING 10 YEARS
	40%	FOR THE FOLLOWING 10 YEARS	FOR THE FOLLOWING 10 YEARS

Shareholders also benefit with full exemption from income tax on the distribution of profits and dividends – originating from the incentivized activity – during the first 12 years.

- Exemption from municipal taxes, according to the following table:

LOCATION OF THE FREE ZONE OR DPA	PERCENTAGE OF EXEMPTION	PERIOD OF EXEMPTION FOR COMPANIES IN A FREE ZONE	PERIOD OF EXEMPTION FOR COMPANIES OPERATING AS DPA
SAN SALVADOR METROPOLITAN AREA	100%	FOR 15 YEARS	FOR 10 YEARS
	90%	FOR THE FOLLOWING 10 YEARS	FOR THE FOLLOWING 5 YEARS
	75%	HEREINAFTER	HEREINAFTER
OUTSIDE SAN SALVADOR METROPOLITAN AREA	100%	FOR 20 YEARS	FOR 15 YEARS
	90%	FOR THE FOLLOWING 15 YEARS	FOR THE FOLLOWING 10 YEARS
	75%	HEREINAFTER	HEREINAFTER

Municipal councils, with the purpose of promoting the development of their municipalities, have the legal power of granting additional benefits to investors.

Upon the expiration of the full exemptions period, investors established in free zones can benefit of an additional five years of total exemptions if they have increased their investment (in relation to their initial investment) by 100 % in the last five years.⁽²⁾

3. INTERNATIONAL SERVICES LAW

Provides tax incentives to companies dedicated to providing services to foreign customers. To enjoy these benefits companies may establish in:

- Service Parks: Limited areas considered to be outside of the national customs territory, where exporters of services are installed and operate under the benefits of this law.
- Service Centers: When a company – in an eligible activity specified in this law – for physical or technical reasons, is unable to operate inside a service park, it can be authorized to operate outside as a Service Center and enjoy all the benefits of this law.

Eligible activities:⁽³⁾

ACTIVITIES TO OPERATE ONLY WITHIN SERVICE PARKS	ACTIVITIES TO OPERATE IN SERVICE PARKS OR SERVICE CENTERS	ACTIVITIES TO OPERATE IN PORTS, AIRPORTS OR IN NATIONAL CUSTOMS TERRITORY
INTERNATIONAL DISTRIBUTION Storage, gathering, consolidation and de-consolidation of third parties' merchandise with the purpose of being exported or re-exported	INTERNATIONAL CALL CENTERS OR CONTACT CENTERS	MAINTENANCE AND REPAIR OF AIRPLANES

⁽²⁾ The increase in investment has to be done in the purchase of land, in the construction of buildings and in the purchase of machinery and equipment linked to the incentivized activity. In addition, holders of companies dedicated to the manufacture of microprocessors; integrated circuits; parts of terrestrial, aerial and maritime vehicles; parts of computer equipment and medical devices; equipment for generation, to be installed in a Free Zone, shall be entitled to an additional period of five years of total exemption from payment of municipal and income taxes. Also, the owners whose industrial activity has been declared as strategic, and are authorized to operate under the free zone regime, shall be entitled to an additional period of ten years to the total exemption from payment of municipal and income taxes.

⁽³⁾ The following incentivized activities can allot part of their services to the national market: international distribution (50%), international logistics operations (50%), international call center (40%), information technologies (30%), research and development (30%), international financial services (40%).

ACTIVITIES TO OPERATE ONLY WITHIN SERVICE PARKS	ACTIVITIES TO OPERATE IN SERVICE PARKS OR SERVICE CENTERS	ACTIVITIES TO OPERATE IN PORTS, AIRPORTS OR IN NATIONAL CUSTOMS TERRITORY
INTERNATIONAL LOGISTICS OPERATIONS Planning, control and handling of inventories, selection, packing, crating, dividing, classification, ticketing, labeling, signaling, invoicing, inspection of cargo and others	BUSINESS PROCESSING OUTSOURCING (BPO)	MAINTENANCE AND REPAIR OF MARITIME VESSELS
INFORMATION TECHNOLOGIES Design and development of software, systems and IT applications	MEDICAL AND HOSPITAL SERVICES	MAINTENANCE AND REPAIR OF CONTAINERS
RESEARCH AND DEVELOPMENT	ELDERLY AND CONVALESCENT CARE	
INTERNATIONAL FINANCIAL SERVICES Financial institutions management process outsourcing	TELEMEDICINE Post-checkup medical advice and specialized consultation, laboratory tests, pathological and image-based studies, clinical history management and treatment support	
TECHNOLOGICAL EQUIPMENT REPAIR		
CINEMATOGRAPHY Post-production services carried out on recorded material		

Benefits:

- ❑ Full exemption from customs duties and other taxes on the import of machinery, equipment, tools, replacement parts, accessories, furniture and office equipment, and other goods required for the execution of the incentivized activity
- ❑ Total exemption from income tax, exclusively for income deriving from the incentivized activity during the period of operation in the country
- ❑ Total exemption from municipal taxes on company assets during the period of operation in the country

4. TOURISM LAW

Tourism projects with a minimum investment of USD 25,000 are eligible to be declared of “national touristic interest” and enjoy the following benefits:

- ❑ Full exemption from taxes on the transfer of real-estate property, for the acquisition of real estate intended for the project
- ❑ Full exemption from customs duties and other taxes on the import of goods, equipment and accessories, machinery, vehicles, aircrafts or maritime vessels and construction materials used for buildings until the completion of the project⁽⁴⁾
- ❑ Full exemption from income tax for a period of 10 years

⁽⁴⁾ The exempted amount cannot be greater than the total capital invested in the project.

- ❑ Partial exemption from municipal taxes (up to 50%) for a period of 5 years, beginning in the fiscal year in which the business begins operations

5. RENEWABLE ENERGY INCENTIVES LAW

This law aims to promote investment in renewable energy sources (hydraulic, geothermal, wind, solar and biomass) to generate electricity; fostering research, exploration and project development activities.

Benefits:

- ❑ Full exemption (during the first 10 years) from customs duties⁽⁵⁾ on imports of machinery, equipment, materials and supplies intended exclusively for pre-investment and investment activities in the construction of the electrical power generation centrals⁽⁶⁾
- ❑ Full exemption from income tax for a period of five years, for projects between 10 and 20 megawatts (MW), and for ten years, for projects under 10 megawatts (MW)⁽⁷⁾

⁽⁵⁾ Customs duties exemptions will be applied to projects of up to 20 megawatts (MW).

⁽⁶⁾ It includes the construction of sub-transmission lines required to transport energy from the plant to the transmission and/or distribution grids.

⁽⁷⁾ Income tax exemptions will begin - in both cases - with the start of operations of the project, corresponding to the fiscal year in which revenues are obtained.

- ❑ Total exemption from taxes on revenues originated from the sale of Certified Emissions Reductions (CER) in the framework of the Clean Development Mechanism (CDM) or similar carbon markets

In addition, projects in excess of 20 megawatts (MW) of capacity may deduct from income tax (for a maximum period of 10 years), all expenses or costs on research, exploration and preparation of projects to generate electricity based on renewable energy sources, as well as geothermal reinjection projects.⁽⁸⁾

6. CONSTRUCTION PROJECTS PROCEDURE STREAMLINING LAW

This law aims to speed up the approval of permits and authorizations for construction and land fragmentation projects throughout the national territory, regardless of its nature.⁽⁹⁾

Benefits:

- ❑ Creation of a One-Stop-Office for the reception and processing of construction and land fragmentation project applications
- ❑ Development of a centralized information technology system to track applications
- ❑ Publication of updated information about requirements, administrative procedures, criteria and environmental and cultural zoning
- ❑ Procedure streamlining (if a public authority doesn't resolve within the established deadlines, it shall be understood that the resolution has been issued in favor of the applicant, enabling him to continue with the process)

⁽⁸⁾ The deduction may not be greater than 20% of the previous year's gross income, and will be carried out via annual quotas that will not exceed 25% of the income obtained in each fiscal year up to its total amortization.

⁽⁹⁾ Construction and land fragmentation projects prohibited by the legal system are excluded from the benefits established in this Law. Likewise, it excludes individual projects for the construction of houses or commercial premises; as well as remodeling, modifications, restorations or rehabilitations of immovable cultural heritage; land fragmentation, simple land segregations and projects regulated by the Special Law of Land Fragmentation for Housing Purposes (Ley Especial de Lotificaciones y Parcelaciones de Uso Habitacional).

7. PUBLIC PRIVATE PARTNERSHIPS LAW

This law establishes a legal framework for the development of Public Private Partnership (PPP) projects regarding public infrastructure, public services or activities of national interest.

- ❑ The PPP Law is applicable to projects in which a private sector investor is entrusted by a public entity to design and build an infrastructure project and its related services, or to build, rehabilitate, upgrade or equip, as well as the responsibility to operate and maintain such infrastructure. It will also be applicable to infrastructure projects for the provision of public services or the exploitation or execution of an activity of national interest.
- ❑ The minimum investment to qualify for a PPP project is 45 thousand times the trade and services minimum wage (approximately USD 11.3 million)
- ❑ 40 years - maximum period for a PPP contract
- ❑ Private initiative regime: Private investors may propose new projects to be publicly tendered if such are declared of national interest by a government institution. This provides attractive advantages for those who submit project proposals.
- ❑ PROESA is the advisory and governing authority of Public Private Partnerships (all PPP projects are approved by PROESA's Board of Directors)

8. LAW OF LEGAL STABILITY FOR INVESTMENTS

This law guarantees legal certainty to investors on taxes, customs and immigration issues through Legal Stability Contracts.

Individuals and legal entities -national or foreign- with new investment projects or the expansion of existing investments within the following eligible activities may benefit from this law.

- ✓ Aeronautics
- ✓ Agroindustry
- ✓ Aquaculture
- ✓ Electronics
- ✓ Energy
- ✓ Strategic Infrastructure
- ✓ Logistics
- ✓ Health Services
- ✓ Offshore Business Services
- ✓ Tourism
- ✓ Telecommunications
- ✓ Light Manufacturing
- ✓ Science and Technology⁽¹⁰⁾

⁽¹⁰⁾ Other activities may be eligible if they comply with the requisites stated in this law and with the technical analysis performed by PROESA (in coordination with other specialized institutions).

Benefits:

Once a Legal Stability Contract is signed, private investors shall benefit with the following guarantees⁽¹¹⁾:

- Tax stability at national level
- Tax stability at the municipal level
- Stability in tax exemptions provided by special legislation for the period of time in which these were granted by the relevant institution
- Stability on customs procedures
- Stability on the right to transfer funds abroad as stated on the Investment Law
- Stability on the immigration regime concerning the investor's residence status

To be eligible for these benefits investor's shall comply with the requisites stated in this law, among which is the commitment to invest an amount on fixed assets greater than or equal to four thousand two hundred and twenty times the industry minimum wage (USD 246.60). This is equal to USD 1,040,652 in new investment projects or the expansion of existing investments.

Benefits are granted for a period of up to 20 years depending on the amount of the investment⁽¹²⁾.

(11) Indirect taxes are excluded from the tax stability regime.

(12) Investments of up to 21,100 times the industry minimum wage (USD 5,203, 260) may benefit with a legal stability contract for a period of 5 years; investments of up to 42,200 times the industry minimum wage (USD 10,406,520) for 10 years; and investments above this amount for a period of 20 years.

IV. Human Capital

El Salvador's labor force is composed of 2.8 million people,⁽¹³⁾ 60% of whom is 39 years or younger. Thus, it offers a highly productive labor force capable of developing new skills in a short period of time. The country's labor force is qualified as ideal for manufacturing, agro-industrial and service activities. Furthermore, there is a growing population with higher edu-

cation that can face the challenges of a modern and globalized economy.

The Salvadoran labor force is world-famous for its industriousness, efficiency and work ethic. Established investors describe the country's labor force as one of the most outstanding in the world:

(13) Economically active population: Defined as the population over 16 years of age that is occupied or seeking employment.



Jaime Campos

Director of Operations, George C. Moore, Textile and Apparel Sector



Sagar Rajgopal

Vice-president of Global Operations – BPO Ubiquity Global Services, Offshore Business Services Sector



Santiago Salinas

Business Decision Support, AEROMAN, Aeronautics Sector

“Salvadoran labor force has been one of the success factors in the development of our manufacturing operations. Our headquarters consider it as a blessing to have employees so avid to learn new things and take very seriously their roles in the company.”

“After rigorous study, we were convinced that El Salvador was the adequate place for economic reasons and because of the people, who have an unparalleled energy and work ethic.”

“AEROMAN’s success has been achieved through a highly qualified Salvadoran labor force, which demonstrates the high quality standards that our population can achieve in high-tech industries.”

1. LABOR CLIMATE

El Salvador's Labor Code balances workers' rights protection with the flexibility that employers require to manage their businesses and create jobs.

El Salvador is characterized as having good employer-worker relationships and has not been affected by significant disputes or strikes. The level of unionization is low, as is the incidence of strikes.



2. HIGHER EDUCATION

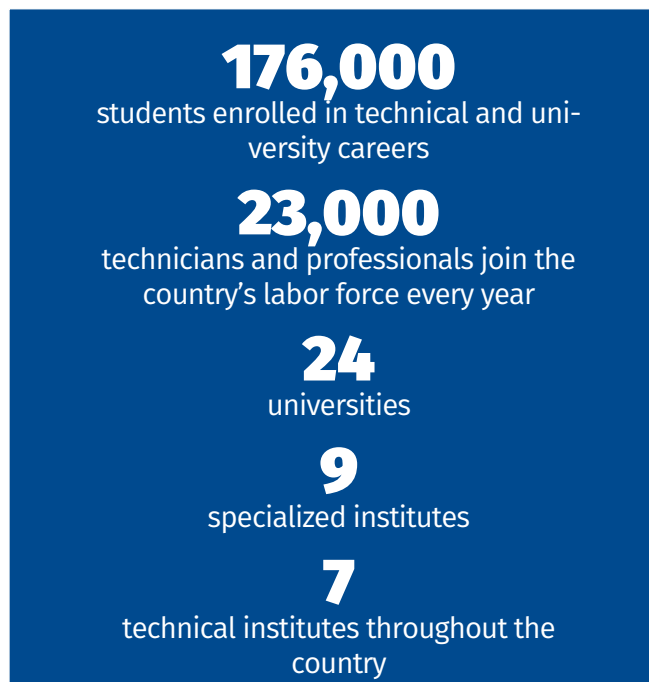
El Salvador has a good base of technicians and professionals ready to join the country's productive sectors.

3. TECHNICAL EDUCATION

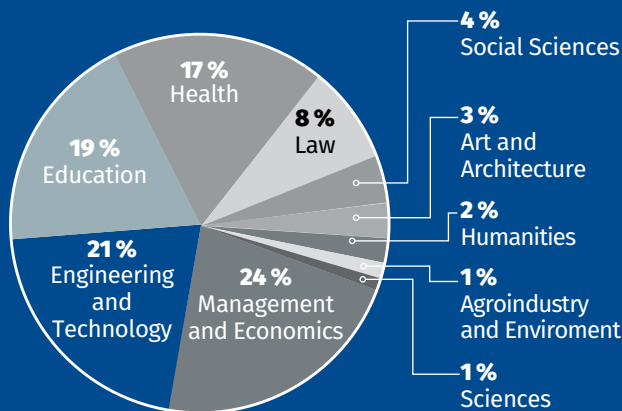
Investors can satisfy their demand for technicians through a pool of institutes specialized in technical education, such as:

- ❑ MEGATEC (Gradual Education Learning Model of Technical and Technological Education), with locations in La Unión, Chalatenango, Ilobasco, Sonsonate and Zacatecoluca
- ❑ Escuela Superior Franciscana Especializada / AGAPE (Specialized Superior Franciscan School)
- ❑ Escuela Especializada en Ingeniería / ITCA-FEPADE (Specialized Engineering School), with regional centers in Santa Ana and San Miguel
- ❑ Universidad Don Bosco / UDB (Don Bosco University)
- ❑ Escuela Nacional de Agricultura / ENA (National School for Agriculture)

Examples of technical careers available linked to FDI growth sectors: Aeronautical Maintenance, Agroindustry with Specialization in Fruits, Vegetables and Grains, Agronomy, Aquaculture, Biomedical, Civil Engineering, Customs and Logistics, Dental Surgery, Electronics, Food Processing and Preparation, Gastronomy, Global Logistics, Industrial Engineering, Mechanical Engineering, Medicine, Nursing, Prosthetics, Bracing and Supports, Port Management and Operation, Software Development, Tourism and Tourism Development and Management, among others.



Graduates by Educational Area, 2013
(As percentage over 23,619 Graduates)



Source: Ministry of Education (MINED)

Enrolled Students by Educational Area, 2013
(Number of Students and Percentage)

EDUCATIONAL AREA	NO. OF STUDENTS	(%)
Management and Economics	44,336	25.18
Engineering and Technology	34,840	19.79
Health	33,057	18.78
Law	16,024	9.10
Education	15,703	8.92
Humanities	9,989	5.67
Social Sciences	8,454	4.80
Art and Architecture	7,349	4.17
Sciences	3,209	1.82
Agroindustry and Environment	3,102	1.76
TOTAL	176,063	100

Source: Ministry of Education (MINED)

4. ON-THE-JOB TRAINING

Companies that need to train their active workers can do so with the aid of the Salvadoran Institute for Professional Formation (INSAFORP, for its acronym in Spanish), an autonomous governmental agency that aims to satisfy the needs for qualified human resources required by the country's private sector. Multiple investors have found in INSAFORP an important tool for co-financing, partially or totally, their employees' professional development.



COLLABORATION BETWEEN INDUSTRY AND ACADEMIC SECTOR

AEROMAN – Don Bosco University

El Salvador's higher and technical education institutions work to build a qualified labor force capable of fulfilling industry needs. An example of this effort is the work carried out between Don Bosco University (UDB) and AEROMAN, a maintenance and repair company for commercial aircrafts.

As a result of the strong growth experienced by the aeronautical sector, Don Bosco University and AEROMAN launched in 2005 an aeronautical maintenance degree. In two years, students can obtain a mechanics license to provide maintenance to cargo, commercial and civil aviation aircrafts. Since its creation, the university's aeronautical department has worked closely with companies and institutions in the sector to foster the development of the aeronautical industry in El Salvador.



William Granadino, President of PROESA, at closing ceremony of the English Language Training Program

English Language Training Program to Promote Investment Projects in Strategic Sectors

Designed by PROESA, this program aimed to provide investors with the skilled labor required for the development of investment projects in strategic sectors.

The program focused on developing English skills in areas such as: Aeronautics, Tourism, Finance, Human Resources, Customer Service, Information Technology (IT) and Logistics.

As a result, between July 2013 and December 2014, 650 people were certified as fully proficient in English.

V Investment Opportunities



The country has an aeronautics cluster which incorporates private actors, government institutions, universities and international cooperation. Some of its members are :

MRO Station	MRO Station
	
www.aeroman.com.sv	www.airsupport.com.sv
Input provider for the industry and components MRO	Helicopter maintenance
	
www.aviotradegroup.com	www.helica.com.sv
Aeronautics technicians and engineer training	Central American corporation of air navigation services
	
www.udb.edu.sv	www.cocesna.org

1. AERONAUTICS

Successful World-Class Operations with Strong Continuous Expansions

Perspective: El Salvador has more than 30 years of successful experience operating an aircraft maintenance, repair and overhaul (MRO) industry, placing the country on the global aeronautics map. El Salvador provides maintenance to aircraft of major commercial airlines such as American Airlines, DELTA Airlines, LAN, COPA Airlines, Avianca and Volaris. Maintenance services are provided with focus on Airbus A320 family and Boeing B737 type aircrafts.



Advantages of Investing in El Salvador

- ❑ **Aeronautics Cluster** with renowned companies such as AEROMAN and Avianca
- ❑ **Labor Costs up to 40% more Competitive** than United States/Mexico border operations
- ❑ **Geostrategic Positioning:** proximity to the world's largest aviation market
- ❑ **High Productivity:**
 - ✓ 98 % TAT in the last years
 - ✓ Low employee turnover: less than 2% per year, a key factor for training and performance
 - ✓ Fast learning curves, which ensures the learning of technical knowledge required to carry out world-class operations
- ❑ **Engineering and Technical Degrees in Aeronautics**
- ❑ **Availability of Industrial Land** at Ilopango and El Salvador International Airports
- ❑ **Attractive Fiscal Incentives**

Investment Opportunities

- ❑ Commercial aircraft maintenance
- ❑ Helicopter and corporate aircraft maintenance
- ❑ Distribution and warehousing services for aircraft parts
- ❑ Component maintenance shops
- ❑ Ground services for aeronautics
- ❑ Light Sport Aircraft (LSA) airframe manufacturing and parts for wing tips, engines and others, in composite materials
- ❑ Aircraft harness system assembly
- ❑ Reconditioning on previous LSA models

Testimonial

“Product of the high quality labor force, technical reliability, competitiveness and satisfaction stated by its customers, AEROMAN is recognized as one of the most important maintenance, repair and overhaul stations worldwide, which has placed the name of El Salvador on the map of the aviation maintenance industry.”



Santiago Salinas
Business Decision Support AEROMAN

SUCCESS STORY

Aeroman

AEROMAN is an MRO (Maintenance, Repair and Overhauling) center that provides heavy maintenance to major commercial airlines from the United States and Latin America. As of today, AEROMAN has more than 2,100 employees and 4 hangars with a capacity of 12 production lines.

The company belongs to a network of global maintenance centers authorized by the European consortium Airbus and its operations have been evaluated as one of the best worldwide.



The facilities that El Salvador offers to foreign investors have been a determining factor so that entrepreneurs in the aeronautical sector show interest in settling in the country. In addition, the high quality of Salvadoran labor force is positioning the country on investors' map.

With an investment of USD 120 million, the company is developing an aggressive expansion plan to reach 28 production lines, 8 of which are projected to be built during the first phase. With this expansion, AEROMAN will have the capacity to provide maintenance to both narrow-body and wide-body aircraft and thus compete with MRO centers in Europe and Asia. As a result, 5,000 new jobs will be created during the next 10 years.

For more information, please contact one of our investment advisors:

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2. AGROINDUSTRY

El Salvador offers an ideal location for the production and processing of food, as well as to address specific market niches that go beyond the traditional agricultural industries. Similarly, its proximity to high-consumption markets facilitates the exports of fresh products.

Advantages of Investing in El Salvador

- ❑ Suitable climatic (temperature and altitude) and soil conditions to grow ornamental plants and fruits
- ❑ Excellent road and port infrastructure
- ❑ Free trade agreements that provide favorable conditions to access major markets in America and Europe
- ❑ Abundant supply of sugar for high-consumption industries (beverages, candies, etc.). Likewise, it is possible to negotiate fixed price contracts for up to five years
- ❑ Availability of water resources for sustainable aquaculture development

Investment Opportunities

Processed Foods

El Salvador is a regional leader in the production and export of juices and snacks. It has a proven track record in attracting investment in this area and offers opportunities for the establishment of food production, processing and distribution centers for exportation. In addition, the country has strong complementary industries in areas such as bottling, packaging and processing technology, among others.

Fruit Availability Calendar

■ Availability

Fruits	J	F	M	A	M	J	J	A	S	O	N	D
Cocoa			■	■	■	■	■	■	■			
Coconut												
Lime												
Cashew							■	■	■			
Papaya												
Pineapple												



Specific Niches

PROESA has identified the following niche markets that offer excellent investment opportunities in agribusiness:

Cultivation of Ornamental Plants:



El Salvador offers opportunities for the establishment of indoor or shade crops, especially for the propagation and production of cuttings or stakes for the export market.

The elevations of 700-900 meters in the western region of the country and the annual average temperature of 22-24° C (72-75° F), in addition to sufficient irrigation water and a topography from flat to semi flat, are ideal for these crops.

Aquaculture Sector:



The warm tropical climate enjoyed by the country and its strategic location are ideal for year-round aquaculture production and for the commercialization of fresh fish fillets to markets in developed countries.

Fruit Sector:



Five species of fresh fruit have access to the U.S. market: hybrid coconut, Persian lime, improved cashew, papaya and pineapple MD-2 variety. In addition, the country has many areas suitable for the cultivation of these and other crops, such as fine aroma cacao, ranging from sea level to 600 meters high. These crops offer favorable conditions for exporting to the United States and the Central American region, as well as for supplying the local market. There are also opportunities to meet the demand of pulp and fruit concentrate in these markets.

SUCCESS STORIES

Grupo Calvo

Spanish company engaged in the fishing, processing and commercialization of high-quality canned fish. Its largest tuna processing plant is located in El Salvador (16,000 m² with a total investment of USD 90 million). It is currently one of the largest exporters in the country.



Red Fox Las Mercedes

German company that has operated in the country since 2009 with a 20-hectare greenhouse specialized in the production and commercialization of poinsettias, geraniums, petunias and begonias cuttings. The sunny climate and moderate temperatures have allowed them to obtain the high quality products demanded by their customers in the United States and Europe.



Jumex Centroamericana

Jumex Centroamericana exports to 20 countries, including Mexico, Central America and the Caribbean. Its infrastructure in El Salvador is used as a production center and platform to export and distribute in the region and the Caribbean. According to Rafael Domínguez, Jumex Financial Manager, the tariff preferences offered by FTAs, El Salvador's strategic location, and the Salvadoran work ethic have been key factors for successful operation. The company has currently invested more than USD 40 million in its plant and distribution center.



For more information, please contact one of our investment advisors:

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Testimonial:

“Quantum is a Salvadoran company: its natural scope of business development is El Salvador. We won the 355 MW public bid, which took place within a very transparent process. We received a very professional treatment from both the public and private entities involved in the process.”



Alejandro Alle

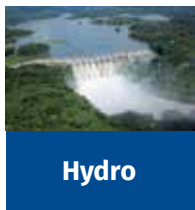
Executive Director
Pacific Power (Quantum/Wartsila)

3. ENERGY

The Government of El Salvador has an energy policy for the 2010-2024 period. Among its strategic lines, we can find the diversification of the energy matrix, the promotion of renewable energy sources, innovation and technological development and regional energy integration.

The National Energy Council (CNE for its acronym in Spanish), is the governing body of the national energy policy. It has developed a future expansion plan for power generation, which forecasts from 2013 onwards, a 3.6 % average annual growth.

El Salvador has Potential for the Generation of Energy from the following Renewable Energy Sources:



Investment Opportunities:

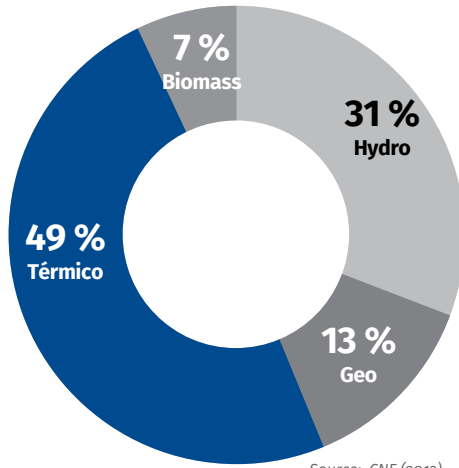
- ❑ Processes of international bidding and long term contracts of up to 20 years based on implemented market costs
- ❑ Diversification of the energy matrix - potential: wind, geothermal, small hydroelectric power plants, biomass, biogas, solar photovoltaic, concentrated solar thermal, coal and natural gas
- ❑ Distributed generation projects at industrial level
- ❑ Large hydraulic, geothermal and solar projects in national public generation
- ❑ Categorization of activities or projects for the better use of renewable energy sources in conjunction with the Ministry of Environment and Natural Resources
- ❑ SIEPAC interconnection line

Evolution of the Power and Energy Demand in the Country

Year	MW	Growth Rate (%)	GWh	Growth Rate (%)
2003	785	4.39	4,311.6	3.74
2004	809	3.06	4,453.9	3.30
2005	829	2.47	4,679.2	5.06
2006	881	6.27	5,108.5	9.17
2007	906	2.84	5,264.2	3.05
2008	943	4.08	5,478.7	4.08
2009	906	-3.92	5,500.0	0.39
2010	948	4.64	5,636.9	2.49
2011	962	1.48	5,755.6	2.11
2012	975	1.35	5,883.1	2.22
2013	1,004	2.97	6,000.2	1.99

Source: Unidad de Transacciones

Installed Capacity



2013 (Mw)	
Thermal	762
Hydro	472
Geothermal Energy	204.4
Biomass	109.5
Total	1,547.9

RENEWABLE ENERGY INCENTIVES LAW PROVIDES ATTRACTIVE TAX INCENTIVES



SUCCESS STORY

The Indicative Generation Expansion Plan 2010-2024 by CNE identified the need for 350 MW in 2018 to meet the growing energy demand of the country. Therefore in 2013, an international public bid for the procurement of 355 MW was published.

The established conditions were as follows:

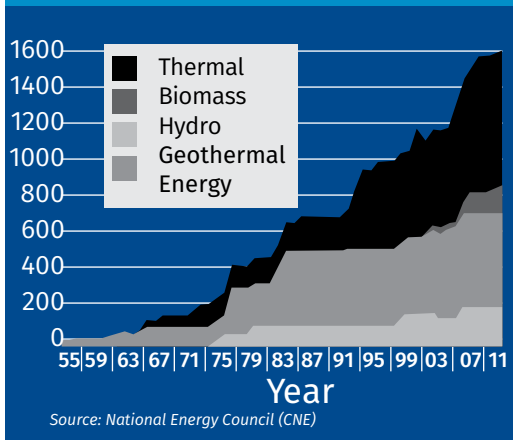
- Exclusion of offers using bunker or diesel to generate power
- Acquisition of completely new generating units, as well as its components
- Assurance that the offer included an annual contribution required for social work at the project site
- Provision of a power supply contract for a 20 year period

As a result, the Quantum-Glu partnership was awarded the international public bid for 355 MW. They will install the first electric power plant based on natural gas in Central America. This lays the groundwork to ensure the electricity supply for the next 20 years, at the same time it promotes a real change in the matrix of power generation in the country.

Additionally, 15 MW were awarded in an open international tender using small scale renewable energy sources (PV, small hydroelectric power plants and biomass), and 94 MW of solar photovoltaic energy in a similar bidding process.

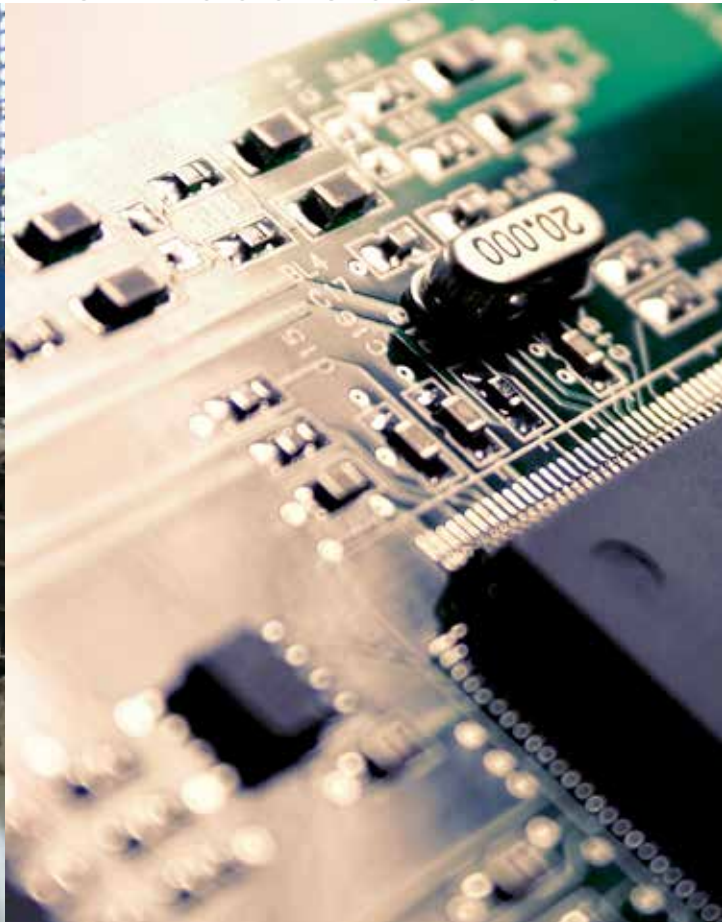
Approximately 200 MW of solar photovoltaic and wind energy will be awarded on future tenders.

Salvadoran Electric Sector: Current Situation



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4. LIGHT MANUFACTURING

El Salvador offers investment opportunities for companies in the fields of medical devices, footwear, auto parts and electronic components, who want to establish manufacturing plants and export their products to the United States, Canada, Mexico, Central America and the Caribbean.

Advantages of Investing in El Salvador

- ❑ Strategic location in the center of the Americas to be used as a logistics platform
- ❑ Free trade agreements with major markets
The CAFTA-DR rule of origin granted by the United States for footwear is more flexible than in any other free trade agreement
- ❑ Installed capacity in key complementary industries
The textile and apparel sector is one of the most important in the country and includes yarn and fabric manufacturers, as well as apparel companies. El Salvador has a mature plastics industry. Currently, many of the plastic companies have installed capacity to offer outsourcing or even make joint ventures with international companies. In the metal mechanics sector, there are companies with CNC workshops, capable of sourcing precision parts.
- ❑ Low operating costs
- ❑ Highly-qualified human capital

Investment Opportunities:

Manufacturing Plants for:

- ❑ Auto parts (harnesses, safety belts, components, etc.)
- ❑ Footwear (footwear manufacturing, assembly of footwear components and parts, manufacturing of footwear inputs, components and accessories)
- ❑ Medical devices (medical supplies, orthopedic products, hospital furniture, etc.)
- ❑ Passive electronic components (tantalum and ceramic capacitors, transistors, resistors, etc.)

Logistics Hub for the Central American Region:

- ❑ El Salvador provides a natural location for companies that want to service the 40 million people regional market.



Testimonial

“Salvadoran workforce is very productive, reaching 65 % of efficiency in the first three months of operations in the country, which I’m certain, will increase between 80-90 % in the next quarter.”



Randy Liao
Executive Director, Nanyang Footwear

SUCCESS STORY

El Salvador offers an export platform for electronic components with other 30 years of proven credibility.

AVX KYOCERA



AVX KYOCERA has been in El Salvador for 30 years. This has contributed to the country’s experience of ceramic and tantalum electronic capacitors that comply with international standards.

This company began operations with 900 employees, it currently has 3,300.

The company has concentrated big part of its volume business in the production of electronic capacitors. It has also transferred production lines to El Salvador from Mexico, England, and the Czech Republic.

AVX KYOCERA evolved from assembling to elaborating chemical processes, molding, testing and packing. The implementation of new production lines has taken place in ten months, a short time compared with the two years it has taken in other countries. One of the main reasons why AVX established itself in El Salvador is the high efficiency in production, which is greater than 97 %.

One of the main reasons why AVX established itself in El Salvador is the high efficiency in production, which is greater than 97 %.

About Human Capital Formation

- ❑ In addition to the 24 universities, El Salvador has 4 MEGATEC centers, for training in technical and technological areas.
- ❑ The Don Bosco University has the first Latin American Studies Center accredited by the International Society for Prosthetics and Orthotics (ISPO). A center dedicated to train professionals in such areas. Furthermore, biomedical engineering has been taught for more than 20 years in this university.
- ❑ The country offers degrees in Mechanical Engineering, Electrical Engineering, Telecommunications, Automation, Mechatronics and Electronics; as well as technical degrees in Electronics and Global Logistics.

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Sample of Companies Operating in El Salvador

Competitive Costs of Telecommunication Services

The efficiency of the market and the direct interconnection with the United States through the most advanced networks of the region (EMERGIA, ARCOS, MAYA 1 and RED1), make El Salvador the most competitive country in quality and cost of telecommunication services in the region.

El Salvador's OBS at a glance

- +16,500** direct jobs
- +11,000** work stations
- +55** foreign and domestic companies

Skilled workforce

- +170,000** students registered in higher education programs
- +700** students graduate annually from bilingual schools

5. OFFSHORE BUSINESS SERVICES

The Salvadoran Offshore Business Services (OBS) Industry has experienced an unprecedented growth over the last years.

Internationally recognized companies have found a strategic partner in El Salvador. These companies are currently serving other international corporate clients from our country with outstanding results in industry's key performance indicators (KPI).

Advantages of Investing in El Salvador

Outstanding Human Talent

- Neutral English and Spanish accents
- Exceptional performance in industry key performance indicators, such as:
 - ✓ Sales (differentiating ability of Salvadorans)
 - ✓ Customer satisfaction (C-SAT)
 - ✓ First call resolution (FCR)
- Cultural affinity with major markets such as the United States and Latin America
- Outstanding work ethic compared to other countries in the region: El Salvador enjoys a dynamic workforce, characterized by its honesty, loyalty, warm service and low turnover.

Excellent Telecommunications Platform

- Open and competitive telecommunications market
- Guaranteed telecommunications redundancy
- Local and international telecommunication companies provide a broad spectrum of services at competitive costs

Time Zone

- ❑ For the American market, El Salvador is on U.S. Central Standard Time (CST), which is six hours behind Greenwich Mean Time (GMT).

Government Programs to Promote the Industry

- ❑ PROESA has launched the English Language Training Program for the attraction of new investment and expansion of established companies. This program aims to promote a continuous pipeline of advanced English speakers for the industry.

Attractive Tax Incentives for Investors

Investment Opportunities:

Contact centers:

- ✓ Product sales
- ✓ Order taking
- ✓ Cross sales & up sales
- ✓ Customer relationship management
- ✓ Technical support
- ✓ Customer service
- ✓ Customer prospecting
- ✓ Technical support/warranty
- ✓ Customer acquisition and retention
- ✓ Inbound and outbound calling
- ✓ Appointment scheduling
- ✓ Others

Business Processing Services:

- ✓ Data capturing
- ✓ General ledger accounting
- ✓ Order processing
- ✓ Bank reconciliations
- ✓ Transaction processing
- ✓ Fixed asset accounting
- ✓ Data reporting
- ✓ Marketing surveys & research
- ✓ Inventory accounting
- ✓ Payroll processing
- ✓ Others

Information Technology Services:

- ✓ Software development, testing, business process management (BPM) and application management

SUCCESS STORY

SYKES



Is a global leader in contact center solutions and business processing outsourcing (BPO).

Sykes invested in El Salvador because it offered a platform for high quality services provision within a cost-efficient location in Central America. The modern and advanced local infrastructure allows the delivery of a range of offshore business services and to access the United States market as well as Spanish speaking countries, under the multi-region scheme.

These services are offered from El Salvador with high value for English and Spanish alternatives in subsectors such as contact centers. From multilingual services, multi-country, onshore and offshore combinations; Sykes offers the right-shore approach to its customers.

Sykes is among the three major employers in El Salvador in the Offshore Business Services Industry. It has three buildings with highly qualified employees, who are English and Spanish neutral. It also records a high performance on specific indicators which impact their customers' profits, while using innovative tools of proven efficacy.

According to Sykes, work ethic and customer service are key differentiators of the Salvadoran workforce.

+ 30
years of experience

80
global centers

+ 46,000
employees

24
countries

30
languages

For more information, please contact one of our investment advisors:

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6. SPECIALIZED TEXTILES AND APPAREL

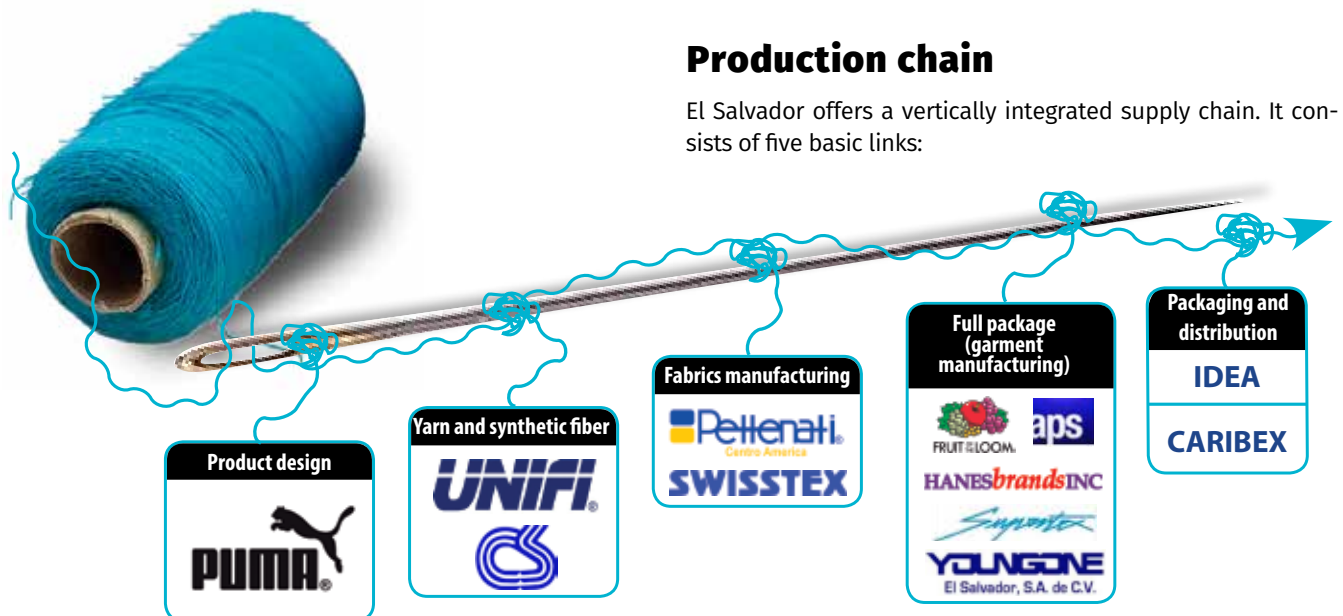
Vertically integrated industry with easy access to major markets

Close to large consumer markets in South and North America, with an established integrated value chain, cost-competitive and highly productive human capital which positions El Salvador as the most intelligent textile and apparel center to invest in Latin America, providing good infrastructure and logistics, speed to market and a dollarized economy.

El Salvador is called to become an internationally recognized location for high value-added textile and apparel manufacturing. The industry and government work closely to create competitive legal and economic conditions to compete in the global market place.

El Salvador exports textiles and apparel to more than 50 countries. According to OTEXA, El Salvador ranks as the ninth most important supplier of apparel products for the United States.

Currently, more than 260 textile and apparel manufacturers operate in El Salvador, including world-renowned companies.



Advantages of Investing in El Salvador

- ❑ Vertically integrated production chain
- ❑ Favorable tariff conditions provided by free trade agreements signed with countries like the United States (CAFTA-DR) and the European Union (Association Agreement)
- ❑ The rule of origin granted by CAFTA-DR allows free access to fabrics manufactured with yarn produced in any of the Central American countries
- ❑ Proximity to major markets like the United States, which allows shorter delivery times, within the deadlines contracted, high value added niches and high turnover



USD 2,394.4 million

exports of specialized textiles and apparel (2013)



+50

export markets



260

textile and apparel manufacturers

Investment Opportunities

Yarns and Fabrics Manufacturing

The fabric deficit in Central America makes textile investment appealing; especially for fabrics produced with synthetic fibers (nylon, polyester, microfibers and others), as these are given preferential access to the United States. On the other hand, fabrics from other regions such as Asia pay a 32 % rate to enter the United States.

Manufacture of Knitted Garments with Accessories and Embellishments

The global industry is continually demanding shorter product-delivery times. El Salvador has the advantage of having a vertically integrated supply chain and an ideal geographical location close to target markets. This allows providing, within deadlines, high value added niches and high turnover. Some of these niche markets are sportswear, women's apparel (blouses, skirts, bathing suits / swimwear, dresses), men's shirts and socks, among others.

Garment Manufacturing under the "Single Transformation" Category

Apparel articles under single transformation rule enter duty-free into the United States. This rule allows the flexibility to use fabric from any origin in the manufacturing of garments. Eligible apparel articles include bras, girl dresses, boxers, pajamas and suitcases, among others.

SUCCESS STORIES



El Salvador Textile and Apparel Synthetic Cluster

Since 2004, El Salvador began to work on a development strategy for the textiles and apparel sector. One of its results was the creation of a vertically integrate

Synthetic fiber cluster. This synthetic cluster includes polyester and nylon yarn, narrow elastics, circular and warp knit stretch fabrics and apparel manufacturers for markets such as athletic wear, sportswear, performance wear and swimwear, among others.

CS Central America, Unifi, George C. Moore Company, Pettenati, Apparel Production Services (APS), TexOps and ProDept are some of the companies that make up the cluster.

Members of the cluster have developed a cooperation network, which consistently shares best practices, trends and consumer information.



Youngone El Salvador began operations in August 2001. Ki Hak Sung had visited the region

several times and had taken special affection for El Salvador, the industriousness of its people, for its strategic position in the region, and for ease of market access to the United States. The company generates about 1,400 jobs in the country and is in a growth stage. Youngone El Salvador has been a pioneer in the manufacture of garments for winter, having to train its staff in a sector that is difficult and demanding. The company has been quick to adjust to changes in the market and be more flexible and agile to achieve diversification in their product matrix to generate and sustain an annual growth of 15-20% in the last 3 years.

Testimonial

"From a manufacturing standpoint, El Salvador is practically 'the 51st state' of the USA. Our customers are in same general time zone and can interact on a daily (hourly if needed) basis with our product development teams to advance the process in a timely manner."



Juan Zighelboim

Co-Founder and President
Textiles Opico, S.A. de C.V. (TexOps)

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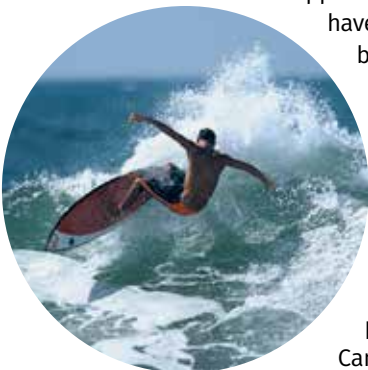


7. TOURISM

EL SALVADOR: THE DESTINATION OF CHOICE FOR TOURISM, MEDICAL TOURISM AND BUSINESS

El Salvador offers a wide range of hotel accommodations, excellent gastronomy and shopping, an outstanding road connectivity and proximity between multiple touristic attractions.

In recent years, the tourism sector in El Salvador has undergone a significant expansion, creating lots of investment opportunities. The natural wealth of the country, attractive fiscal incentives provided by the Tourism Law, as well as the determined support from the government of El Salvador, have made Tourism one of the most booming sectors of the country.



In the niche of medical tourism, El Salvador offers geographical proximity for high-quality services at competitive costs. This makes it an ideal destination for the establishment of hospitals and specialized clinics to serve patients from the United States and Canada.

Advantages of Investing in El Salvador

- ❑ Solid and growing tourism demand
- ❑ Political stability
- ❑ Healthy and completely dollarized economy
- ❑ Air traffic hub with over 470 weekly arrivals and departures
- ❑ Hard-working and service-oriented work force
- ❑ Pleasant climate throughout the year
- ❑ Attractive fiscal incentives provided by the Tourism and International Services Laws
- ❑ Existence of qualified medical professionals with postgraduate degrees mainly from Mexico, the United States and Europe
- ❑ Availability of human resources: approximately 12,000 physicians
- ❑ Health services provided at costs significantly lower than in the United States and Canada

Investment Opportunities

Because of its privileged geographical location, its consolidated and growing touristic demand, and its political and economic stability, El Salvador offers great investment opportunities in:

- ❑ Hotels
- ❑ Boutique hotels
- ❑ Convention Centers
- ❑ Marinas

- Spas and wellness centers
- Mixed use development
- Medical tourism:
 - ✓ Hospitals
 - ✓ Specialized clinics
 - ✓ Medical spas
 - ✓ Resort hospitals

Touristic niches

Due to its beauty and natural wealth, as well as to its invaluable cultural heritage, El Salvador caters to tourists in the following niches:

- Medical tourism
- Sun, beaches and surf
- Business
- Congresses and conventions
- Mayan world
- Colonial heritage
- Ecotourism

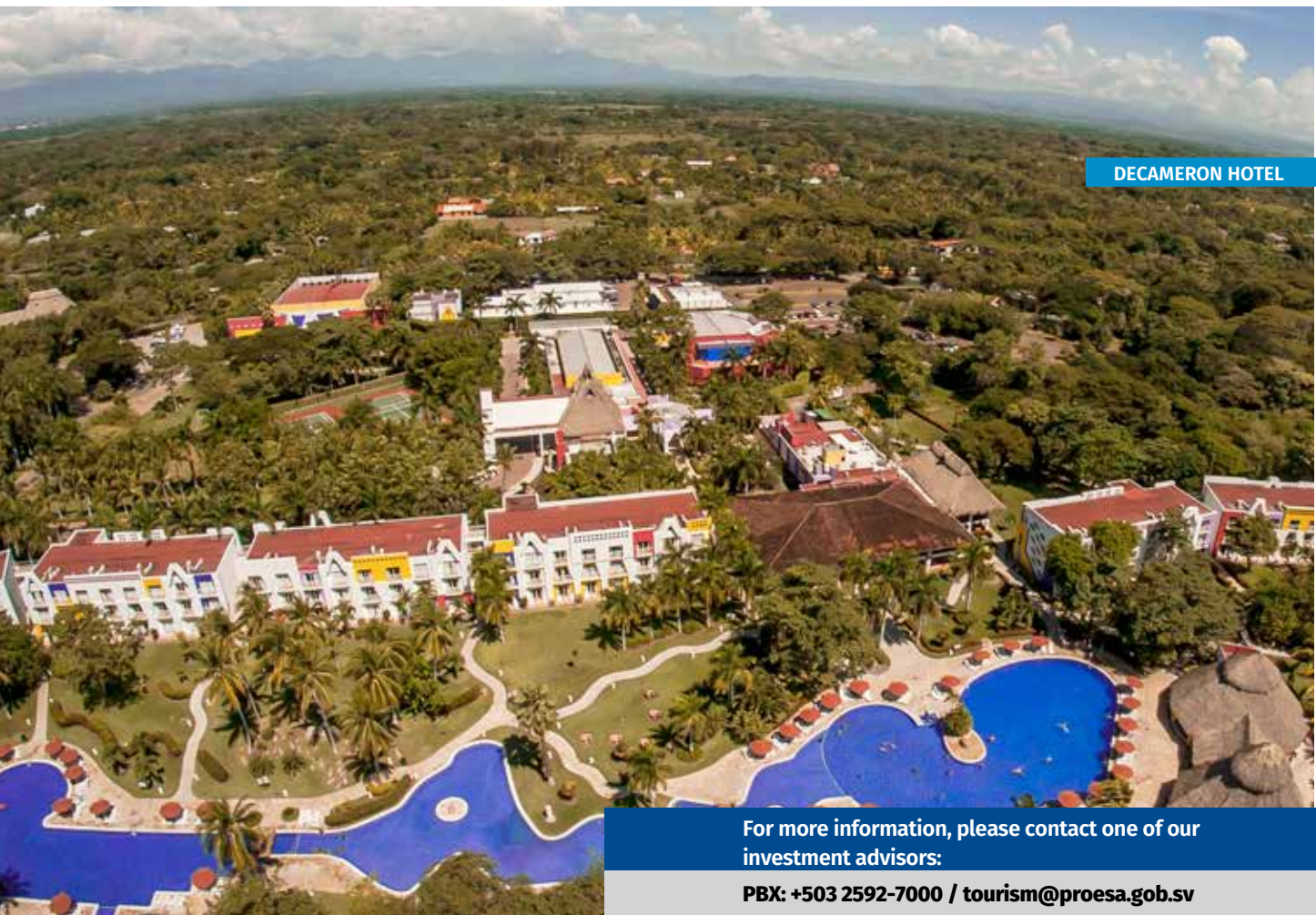


SUCCESS STORY

Royal Decameron Salinitas

The Royal Decameron Salinitas Hotel is a beach resort that belongs to the Decameron All-Inclusive Hotels & Resorts chain and is located on the Salvadoran Pacific Coast. It began operations in El Salvador in November 2005 with 258 rooms and immediately achieved an occupancy rate of 85%. Due to the success of the initial investment, expansions of USD 24 million followed; nowadays, the resort has 552 rooms and a convention center with capacity for 2,000 people.

This business group has found an excellent business partner in El Salvador, even financing part of their new investments through local market securitization.



DECAMERON HOTEL

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V Setting Up and Operating a Business in El Salvador



El Salvador is one of the most attractive countries within the region to set up and operate a business. Over the last four years, The Financial Times journal fDi Intelligence ranked El Salvador as the most cost-effective⁽¹⁴⁾ country in Central America.

1. OPERATIONAL COSTS

a. Labor Costs

El Salvador's Labor Code regulates employer-worker relations. Salvadoran legislation states that wages are determined freely, but cannot be lower than the minimum wage established by the National Wage Council, revised at least every three years.

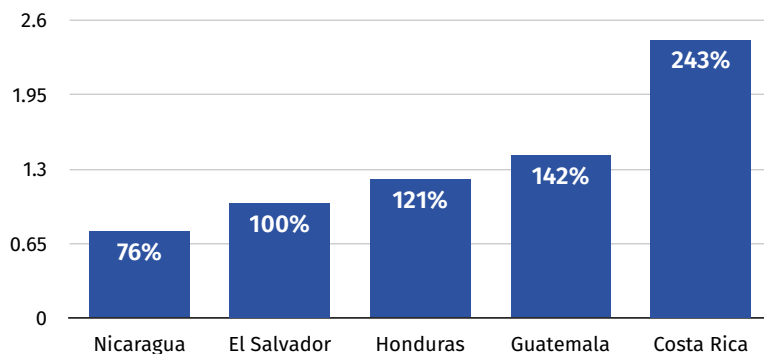
Minimum Wage per Sector (in USD)⁽¹⁵⁾

WAGES PER:	AGRICULTURE	INDUSTRY	COMMERCE AND SERVICES	TEXTILE AND APPAREL MAQUILA
HOUR	0.49	1.03	1.05	0.88
DAY	3.94	8.22	8.39	7.03
MONTH	118.20	246.60	251.70	210.90

Source: PROESA based on data from the Ministry of Labor (MTPS)

As the following figure shows, El Salvador is one of the most competitive countries in Central America in terms of labor costs:

Comparative minimum wages for companies located in free zones



Source: PROESA based on data from the Central American Ministries of Labor

(14) Cost effectiveness judging criteria: cost of registering property; cost of dealing with construction permits; total tax rate, percentage of profit; office costs; minimum wage; room rate for four-star hotel and cost to export.

(15) Rates in force since January 1st, 2015

Legal Working Schedules

Work days are classified in day and night shifts:

- ✓ **Day Shift (between 6:00 am and 7:00 pm):**
Maximum of 8 hours per day for a 44-hour work week.
- ✓ **Night Shift (between 7:00 pm and 6:00 am):**
Maximum of 7 hours per day for a 39-hour work week. For night shifts, a 25 % surcharge is applied on the salary of a similar work in day hours.

Fringe Benefits

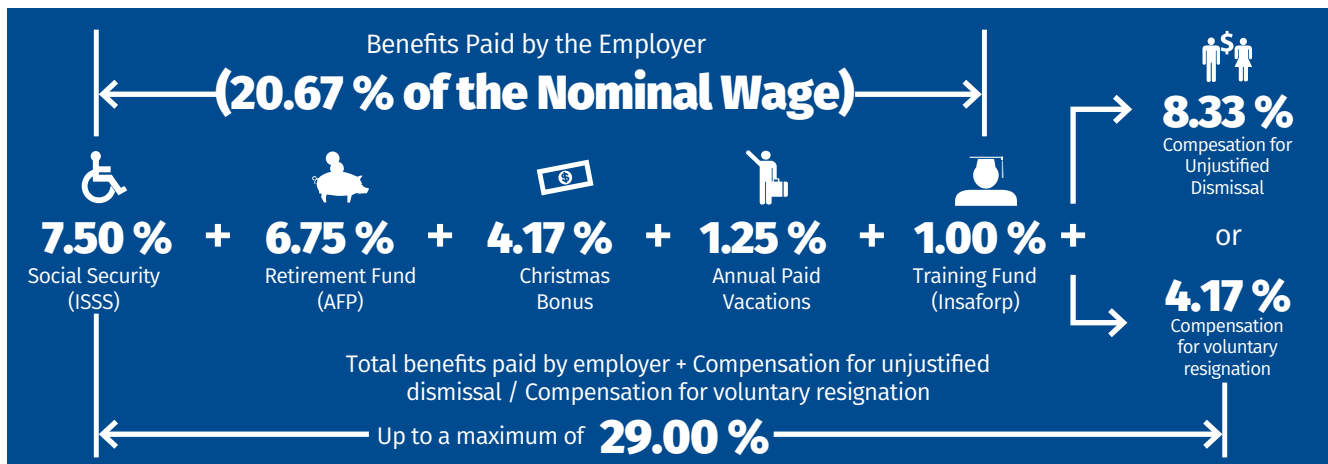
Salvadoran legislation provides the following benefits:

Employer Obligations	Description	Monthly Percentage
Annual paid vacations	Vacations are paid once per year and correspond to 30% of a 15-day salary.	1.25%
Social Security (ISSS)	The employer pays an amount equivalent to 7.5% of the base salary. For the calculation of this contribution, a maximum of USD 685.71 will be considered as base salary.	7.50%
Training Fund (INSAFORP)	Applicable only to companies with 10 or more employees. The employer pays an amount equivalent to 1% of the base salary.	1.00%
Christmas Bonus	Paid annually in December (it is not necessary to make a monthly provision). The amount is calculated according to the number of years served: 1-3 years (15 days salary), 3-10 years (19 days salary), 10 years or more (21 days salary).	4.17%
Retirement Fund (AFP)	The employer contributes with 6.75% of the base salary.	6.75%
Total benefits paid by employer:		20.67%

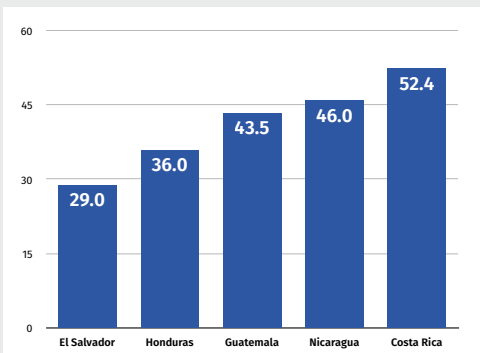
Compensation for voluntary resignation or Compensation for unjustified dismissal (only one of the two will apply):

Compensation for voluntary resignation	This compensation is due in the case of voluntary resignation from the employee. The law does not obligates to maintain a reserve to pay this compensation, but it does mandates it shall be paid in the case of voluntary resignation of an employee that has at least two continuous years of service for the same employer. For managers, department heads and specialized workers, to have right to this compensation, it is an obligation that such employees give the employer a 30 days written notice. All other employees may give written notice 15 days in advance. 15 days of salary will be paid for every year of service. For effects of calculating the payment, no base salary may be higher than two times the current minimum wage.	4.17%
Compensation for unjustified dismissal	This provision is used in case of an unjustified dismissal. Thirty days will be paid for each year of service provided, and proportionally for fractions of a working year. To calculate compensation, no salary will be greater than four times the current minimum wage (Art. 58, Labor Code). The law does not require companies to maintain this provision, but obliges payment in case of unjustified dismissals.	8.33%

Total benefits paid by employer + Compensation for unjustified dismissal / Compensation for voluntary resignation	Up to a maximum of 29.00%
--	----------------------------------



Comparative fringe benefits in Central America (as % of base salary)*



National Holidays

El Salvador has the following statutory holidays with full salary benefits:

January 1st (New Year's Day)
Thursday, Friday and Saturday of Holy Week
May 1st (Labor Day)
June 17th (Father's Day)
August 6th (Feast of San Salvador)**
September 15th (Independence Day)
November 2nd (All Saints Day)
December 25th (Christmas Day)

Source: Labor Code of El Salvador

* Excludes public holidays: Nicaragua (11 statutory holidays with full salary benefits); Honduras (11 days); El Salvador (12 days); Costa Rica (12 days); Guatemala (13 days).

** August 3rd and 5th are also considered national holidays in the city of San Salvador.

Foreign workers

According to El Salvador's Labor Code, companies are required to form their staff with at least 90% of Salvadorans; however, in special circumstances, companies may be authorized by the Ministry of Labor to employ more than 10% of foreign workers. For this calculation, the Law considers Central Americans as Salvadorans, and additionally establishes that up to four foreign workers in management positions (directors, managers, administrators and other managerial positions) will not count as part of the 10% calculation.

Likewise, foreign workers with regional management responsibilities at international companies will not be counted as part of the 10% limit.

b. Free Zones and Service Parks

El Salvador offers investors industrial land in free zones and service parks where companies can benefit from generous tax incentives and can access quality services to operate and export their products and services to foreign markets.

Monthly rental costs:

AVERAGE MONTHLY COST (IN USD PER SQUARE METER) INCLUDING BASIC SERVICES	
INDUSTRIAL SPACE	3.60 – 4.50
OFFICE SPACE	4.60 – 10.00

Source: Free Zones administrators. Prices may vary depending on the location of the free zone, services provided, etc.

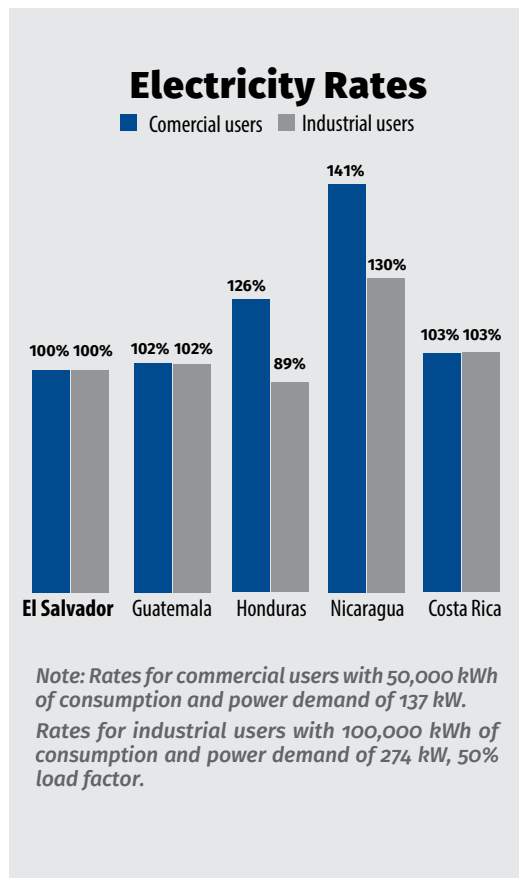




c. Electricity

El Salvador is one of the countries with the most competitive electricity rates in the region for industrial and commercial users.

Electricity rates are composed of a fixed monthly charge for commercialization (customer service) and variable charges for distribution and energy. The rates vary according to the voltage category (low or medium) required by the client.



Electricity rates

		CAESS	DELSUR	CLESA	EEO	DEUSEM
1) COMMERCIALIZATION CHARGE (FIXED CHARGE): CUSTOMER SERVICE (USD/USER-MONTH):						
MEDIUM DEMAND		0.86	0.97	0.82	0.93	0.93
LARGE DEMAND		12.97	14.56	12.34	13.99	13.94
2) DISTRIBUTION FEE: POWER (USD/KW-MONTH):						
MEDIUM AND LARGE DEMAND	LOW VOLTAGE	13.16	21.41	21.64	27.09	26.65
	MEDIUM VOLTAGE	6.26	6.87	12.05	17.39	16.62
3) ENERGY CHARGE (USD/KWH)						
WITH POWER METERING						
MEDIUM DEMAND	LOW VOLTAGE	0.20	0.20	0.20	0.20	0.21
	MEDIUM VOLTAGE	0.18	0.18	0.18	0.18	0.18
TIME-DIFFERENTIATED METERING						
MEDIUM AND LARGE DEMAND	LOW VOLTAGE					
	PEAK HOURS	0.19	0.20	0.20	0.20	0.20
	MID-PEAK HOURS	0.20	0.20	0.20	0.20	0.21
	OFF-PEAK HOURS	0.18	0.19	0.19	0.20	0.20
	MEDIUM VOLTAGE					
	PEAK HOURS	0.18	0.18	0.18	0.18	0.18
MID-PEAK HOURS	0.18	0.18	0.18	0.18	0.18	
OFF-PEAK HOURS	0.17	0.18	0.18	0.18	0.18	

Note: Rates are presented for the last quarter available (October 2014). SIGET adjusts rates on a quarterly basis. To consult current rates visit: <http://www.siget.gob.sv>.

Medium demand rates (10 < kW < 50) are usually applied to clients in the commercial sector and large demand (>50 kW) rates to industrial users.

For time-differentiated metering, time categories are defined as follows:

- ✓ Peak: from 06:00 pm to 10:59 pm
- ✓ Mid-Peak: from 05:00 am to 05:59 pm
- ✓ Off-Peak: from 11:00 pm to 04:59 am.

d. Telecommunications

El Salvador's telecommunications market has multiple service providers offering a variety of voice and data services, as well as value-added solutions that meet the needs of their clients.

The following table presents average costs of land and mobile telephone lines. Corporate clients can get reduced preferential rates.

Average Landline and Mobile Phone Rates (in USD)

LANDLINES	
Commercial operation fixed rate (monthly payment)	11.41
Local rate per minute	0.02 - 0.03
Calls to mobile phones, rate per minute	0.14
Calls to United States, rate per minute	0.12
MOBILE PHONES*	
Minute rate to same provider, landline	0.11
Minute rate to other provider, landline	0.11
Minute rate to same provider, mobile phone	0.09
Minute rate to other provider, mobile phone	0.13

*Rates for postpaid plans.

Source: General Superintendence for Energy and Telecommunications (SIGET)

Internet services are stable and have extensive coverage across the country. Internet connections can be contracted at different bandwidths.

Dedicated Internet Rates⁽¹⁶⁾ (in USD)

Speed*	Monthly Cost
1 Mbps	145
5 Mbps	499
10 Mbps	999

Source: Quotes with service providers (2014). * Other bandwidth options are available according to the client's needs.

Available services include dedicated circuits for data and voice transmission, Virtual Private Network (VPN) services, Universal Access Number (UAN), Direct Inward Dialing (DID), 800-numbers, multi-conference, multi-service portals, mobile office, ISDN links, frame relay, dedicated lines, and a variety of other services.

International circuits pricing generally vary according to the levels of service guaranteed, destination country, "last mile" connection and length of service commitment.

e. Water rates

The National Administration for Sewers and Aqueducts (ANDA, for its acronym in Spanish) is the government entity in charge of water distribution and sewage management services.



The following table shows the current rate structure for potable water supply in El Salvador and other related services.

Water Rates by Range of Consumption Commercial Sector

Cubic Meters (m ³)	Total Cost Includes consumption + sewage cost (USD)
1 - 30	3.86 - 23.66
31 - 50	32.93 - 51.40
51 - 60	65.32 - 76.32
61 - 90	96.14 - 140.28
91 - 100	160.30 - 175.80
101 - 150	188.02 - 277.30
151 - 200	279.12 - 368.40
201 - 300	370.22 - 550.60
301 - 400	552.42 - 732.80
401 - 500	734.62 - 915.00

For complete rate list, visit <http://www.anda.gob.sv/>

Other charges: (tax included)	
Connection fee	167.68
Meter replacement	51.65
Cover replacement	25.83
Control valve installation	13.56
Leak detection service	25.83

In force since October 26, 2009

Last updated: October 2014

Source: ANDA

(16) Costs vary according to the operator and technical specifications of the service.

2. TAXES

Information about the Salvadoran tax system relevant to setting up and operating a business in El Salvador is shown below. Additional information regarding tax payments is available on the e-Regulations website (<http://elsalvador.eregulations.org/>).

Note: El Salvador's legal framework provides generous tax incentives, including full exemption from income tax, municipal taxes, taxes on transfers of real-estate property, as well as customs duties and taxes on the import of machinery, equipment, raw materials and other articles used in the production of goods and services. For more information about tax incentives, see section III of this guide, "Legal Framework and Incentives".

Income tax:

A 30 % tax rate is applied over taxable income⁽¹⁷⁾. For legal entities with a taxable income less than or equal to USD 150,000.00, a reduced tax rate of 25 % is applied.

Branch profits tax:

Branches of foreign companies are subject to the same tax rates as Salvadoran companies.

Dividend Tax:

Dividends paid or credited to shareholders (individuals or legal entities) are subject to a 5 % income tax rate.

Tax on Transfers of Real Estate Property:

The transfer of real estate is subject to a tax rate of 3 % applicable on amounts exceeding USD 28,571.43.

Value Added Tax (IVA for its acronym in Spanish):

Services and goods are subject to a 13 % value added tax. The following items are exempt from IVA: public health, home rentals, education, state titles, public water, public transportation, pension funds and public lottery.

OTHER TAXES

a. Municipal taxes:

Taxes are paid according to a table established by each municipality based on the company's total assets. For example, in San Salvador rates are determined by the company's activity (industrial, commercial or other).

b. Company and Establishment License:

All industrial and commercial businesses are required to have an annual license to operate. This tax is paid based on the company's total assets according to the following rates:

- ✓ From USD 2,000.00 to USD 57,150.00 pays USD 91.43
- ✓ From USD 57,151.00 to USD 114,286.00 pays USD 137.14
- ✓ From USD 114,287.00 to USD 228,572.00 pays USD 228.57

If assets exceed USD 228,572.00, USD 11.43 will be paid for every USD 100,000.00, up to a limit of USD 11,428.57.

(17) Taxable income is net after deducting costs and expenses considered necessary for generating and maintaining the related source of income, and other deductions allowed by law.

3. ESTABLISHING A COMPANY

Step by Step Description of Mandatory Procedures to establish a Legal Entity in El Salvador

These procedures can be carried out simultaneously online through www.miempresa.gob.sv or through the National Registry Center's (CNR) One-Stop Office (Ventanilla Integral de Servicios). Visit <http://elsalvador.eregulations.org> to find more information about forms, required documentation and processing times.



1.

Prepare Articles of Incorporation before a Public Notary



2.

Registration of Articles of Incorporation



3.

Company and Establishment License



4.

Tax Identification Number (NIT) Registration



5.

Registration of Company's Taxpayer Registration Number - Value Added Tax (NRC/IVA)



6.

Opening Balance Sheet Registration



7.

Employer Identification Number (NIP) Registration



8.

Workplace Registration



9.

Employer Registration at the Pension Fund Administrators (AFP)



10.

Registration of Company's Internal Work Rules



11.

Foreign Capital Registration at the Ministry of Economy's National Investment Office (ONI)



12.

Company Registration Solvency at the Directorate-General for Statistics and Census (DIGESTYC)



13.

Company Registration at the Corresponding Mayor's Office

Source: PROESA

4. REQUIREMENTS TO ENTER EL SALVADOR

El Salvador is part of the Agreement for the Creation of a Single Central American Visa for Free Mobility of Foreigners among the Republics of El Salvador, Honduras, Guatemala and Nicaragua. The agreement defines, according to the country of origin of the visitor, the type of visa (or exemption) required to enter any of the Central American signatory countries.

Category A: Visa Exempt.

Argentina, Austria, Belgium, Chile, Colombia, Costa Rica, Cypress, Czech Republic, Denmark, Ecuador, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Liechtenstein, Lithuania, Luxemburg, Malta, Monaco, Netherlands (Holland), New Zealand, Norway, Panama, Paraguay, Poland, Portugal, Saint Kitts and Nevis, Saint Vincent and the Grenadines, San Marino, São Tomé and Príncipe, Slovakia, Slovenia, South Africa, South Korea (Republic of Korea), Spain, Sweden, Switzerland, Trinidad and Tobago, Turkey, United Kingdom of Great Britain and Northern Ireland and Special Administrative Regions of the Popular Republic of China, Vatican City (Holy See).

Category A: Visa-Exempt with Payment of Tourist Card.

Some visa-exempt countries may require a tourist card, which can be obtained at the border points of entrance to the country, and has a cost of USD 10.00.

Andorra, Antigua and Barbuda, Australia, the Bahamas, Bahrain, Barbados, Belize, Brazil, Brunei, Bulgaria, Canada, Croatia, Fiji, India, Kuwait, Lithuania, Macedonia, Madagascar, Malaysia, Marshall Islands, Mexico, Qatar, Romania, Russia, Saint Lucia, Salomon Islands, Saudi Arabia, Singapore, Taiwan, Tuvalu, Ukraine, United Arab Emirates, United States, Vanuatu.

Category B: Requires Consular Visa.

The consular visa is issued at the diplomatic or consular representations of El Salvador.⁽¹⁸⁾ The cost for one entrance is USD 30.00 and the cost of a multiple entrance consular visa is USD 60.00.

Azerbaijan, Belarus, Benin, Bhutan, Bolivia, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Cuba, Djibouti, Dominica, Dominican Republic, Egypt, Equatorial Guinea, Gabon, Gambia, Georgia, Grenada, Guinea, Guinea-Bissau, Guyana, Ivory Coast (Côte

d'Ivoire), Jamaica, Kazakhstan, Kiribati, Kyrgyzstan, Lesotho, Malawi, Maldives, Mauricio, Mauritania, Micronesia, Moldova, Montenegro, Morocco, Myanmar (previously Burma), Namibia, Nauru, Niger, Palau, Papua New Guinea, Peru, Philippines, Rwanda, Samoa, Senegal, Serbia (previously Yugoslav Federal Republic), Seychelles, Surinam, Swaziland, Tajikistan, Tanzania, Thailand, Togo, Tonga, Tunisia, Turkmenistan, Uganda, Uzbekistan, Venezuela, Zambia, Zimbabwe.

Category C: Requires a Consulted Visa.

It is awarded upon prior authorization by the Directorate-General for Migration and Foreign Nationals and is issued at the diplomatic or consular representations of El Salvador.⁽¹⁹⁾ It has a cost of USD 25.00.

Afghanistan, Albania, Algeria, Angola, Armenia, Bangladesh, Bosnia and Herzegovina, Botswana, Cameroon, China, Congo, East Timor (Timor-Leste), Eritrea, Ethiopia, Ghana, Haiti, Indonesia, Iran, Iraq, Jordan, Kenya, Laos, Lebanon, Liberia, Libya (Libyan Arab Jamahiriya), Mali, Mongolia, Mozambique, Nepal, Nigeria, North Korea (Popular Democratic Republic of Korea), Oman, Pakistan, Sierra Leone, Somalia, Sri Lanka, Sudan, Syria, Vietnam, Yemen.

Additionally, for any of the visa categories please consider the following:

- a. The maximum length of stay that can be given to a tourist is 90 days. If an extension is required, one can be requested per year.
- a. People arriving from or that have stayed more than 10 days in Brazil, Bolivia, Colombia, Ecuador, Guyana, Peru, Venezuela, Paraguay or the African continent must have received the yellow fever vaccine at least 10 days before their trip to El Salvador.

Source: Directorate-General for Migration and Foreign Nationals and the Ministry of Foreign Affairs of El Salvador

⁽¹⁸⁾ Requirements for a consular visa: 1) Original and copy of valid passport, 2) Completed visa application form, 3) Recent color photograph, 4) Copy of air ticket or flight itinerary, 5) Copy of the used passport pages and the information page of the passport, 6) Evidence of employment, income and studies, 7) Agenda to be carried out in the country, 8) Letter of support duly authenticated.

In the case that the supporter is an individual, attach: 1) Legible photocopy of government-issued identification, 2) Copy of Tax Identification Number (NIT).

In the case that the supporter is a legal entity, attach: 1) Deed of Articles of Incorporation of the company, duly registered with the Registry of Commerce, 2) Current credential registered at the Registry of Commerce, 3) Tax identification number (NIT), 4) Taxpayer Registration Number - Value Added Tax (NRC/IVA) of the company, 5) Invitation letter on letterhead of the company, with the firm's seal.

⁽¹⁹⁾ Requirements for a consulted visa: 1) Color photocopy of the personal information page and all used pages of current passport, 2) Completed visa application form, 3) Copy of airplane ticket or round-trip flight itinerary, 4) Authenticated support letter, 5) Itinerary while in country, 6) Curriculum vitae.

In the case that the supporter is an individual, attach: 1) Legible copy of identity document of residency card.

In the case that the supporter is a legal entity, attach: 1) Letter of support signed by the legal representative, 2) Deed of Articles of Incorporation of the company, duly registered with the Registry of Commerce, 3) Current credential registered at the Registry of Commerce, 4) Tax Identification Number (NIT), 5) Company's Taxpayer Registration Number - Value Added Tax (NRC/IVA), 6) Certified copy of authorization to act as legal representative.

Note: Copies of required supporter documents must be certified.

The form can be downloaded from the Ministry of Foreign Affairs' website: www.rree.gob.sv

El Salvador, Central America





Investor's Guide 2015
Government of El Salvador, Central America

PROESA

EXPORT AND INVESTMENT PROMOTION
AGENCY OF EL SALVADOR



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