



**TAX & LEGAL  
NICARAGUA**

## TAX & LEGAL

Through our specialized team of auditors, accountants and lawyers we keep our clients protected and updated, on the changes in tax legislation, customs regulation, social security, labor law and municipal regulation; adding value to their organizations and providing greater profitability when carrying out their business.

BDO in Nicaragua is characterized by meeting the needs of its clients under the highest professional quality standards, according to the market requirements. To do this, our team of professionals has the technical knowledge and experience necessary in tax matters and advisory for applying fitted rules to different local business models and foreign investments. Our experience and professional practice gives us the certainty to tailor our services to our clients' needs.

We have structured this professional services unit (Tax & Legal) in such a way that we are able to respond and serve the requirements of companies of varying sizes and economic activities through our organizational structure that involves the active participation of Partners, Directors, Managers, Supervisors, Auditors, Legal Assistants and Advisers.

### SERVICES

- ▶ Tax planning
- ▶ Preventative tax audits
- ▶ Permanent tax advisory
- ▶ Tax diagnosis
- ▶ Fiscal and municipal compliance
- ▶ Representation before the tax authorities
- ▶ Expatriate tax obligations
- ▶ Transfer pricing studies
- ▶ Due diligence (M&A)
- ▶ Litigation taxes
- ▶ Seminars
- ▶ Corporate secretarial services
- ▶ International taxation
- ▶ Corporate/legal services





## TAX PLANNING

Tax planning should be understood and treated as a corporate responsibility of the financial management of the business. This practice allows to evaluate options, obtain benefits and seize opportunities applicable to specific operations when meeting legal requirements according to the tax regulation.

In that regard, we design tax strategies based on the particular circumstances of the company, identifying legal opportunities that lead us to reduce and optimize the tax liabilities of our clients, reduce tax cost in its business operations and ensure the profitability of the business and investment of shareholders.

We have developed a customized engineering, taking into consideration the structure of the tax costs of the businesses, financing structures and analysis of the corporate and operational structure of companies, in order to identify opportunities and efficiently allocate tax benefits through reorganization of companies (mergers or acquisitions), incorporation of new branches or subsidiaries (locally or abroad), search of the best tax regime or scheme suitable to each case to benefit from the best tax rate, among other aspects.



## PREVENTATIVE TAX AUDITS

Tax Audit, allows to examine by substantive testing the accuracy of material compliance of all taxes and administrative fees, social security contributions and labor compliance taking into account other regulatory entities depending on the business industry of our clients.

This service allows our customers to verify the due fulfillment of tax liabilities and identifying involuntary violations, overpayments, non-payments, miscalculations, taxable income used and compliance with formal tax requirements to prevent exposure to eventual tax contingencies.

BDO in Nicaragua provides specific solutions to structure in the best possible way the business operations and records in order to minimize potential circumstances of legal and tax risk. Our goal is to provide recommendations to mitigate the risks arising from the findings or contingencies identified during this process.



## PERMANENT TAX ADVISORY

We provide permanent tax advice in all aspects related with the efficient and due compliance of tax regulation and the administration of tax risk, providing strategical and technical responses to tax queries on the content, application and scope of the various provisions that may affect the business operations of our clients.

Our team of accounting experts and legal advisors provide interpretive analysis of tax legislation and other regulation. We analyze and assess operations carried out abroad with possible tax liabilities in the country, whose accounting record could have tax incidence, with the purpose of minimizing the tax impact on our clients' decisions and develop fiscal strategies that benefit them.



## TAX DIAGNOSIS

We conduct studies of the regulatory framework applicable to new investments in Nicaragua, offering our clients the most tax efficient business structures, considering also other financial and regulatory costs.



## FISCAL AND MUNICIPAL COMPLIANCE

Our interdisciplinary team of professionals is the best qualified for preparing and filing your tax returns through the electronic systems established by the Tax Administration. In case your company has a its own division in charge of this, BDO in Nicaragua can assist you in reviewing the tax returns before submitting them in order to control risks.



## REPRESENTATION BEFORE THE TAX AUTHORITIES

BDO in Nicaragua takes care of all procedures before the tax authorities, this includes tax credit claims, require tax exemptions certifications, authorization of computerized accounting systems, among others. We also provide tax advice for particular investment regimes according to the industry, as well as other procedures to qualify and benefit from various tax incentives established by our tax legal system.



## EXPATRIATE TAX OBLIGATIONS

We assess the compliance with the legal requirements regarding the taxation of foreign personnel, considering the immigration legislation, tax rules, social security, and labor law.



## TRANSFER PRICING STUDIES

We carry out specialized studies in transfer pricing that allow our clients to review, file and safeguard their transfer pricing policies. As well as safely conduct transactions with related parties, aligned (in a pragmatic way) with their business strategy and arm's length principle in accordance with the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations issued by The Organization for Economic Co-operation and Development (OECD).



## DUE DILIGENCE (M&A)

We conduct financial, tax, commercial and operational due diligence to determine strategies to best perform business transactions in structural reorganizations of the company, groups or business units, mitigating risks.

This process allows us to identify the main risks and potential disjunctives that could eventually affect the decision-making in the different transactions, among other fiscal, financial and commercial contingencies of the business, providing recommendations that allow our clients to make these processes more efficient.



## LITIGATION TAXES

We assist and represent our clients in the preparation and filing of various administrative tax claims and judicial tax claims established by our legal system in case of adjustments or tax assessments by the administrative authorities.



## SEMINARS

Due to the constant changes in tax, labor and social security matters, we organize various seminars and conferences to keep our clients and the business community updated. These seminars are open to the general public or private tailored made seminars for specific clients and staff. Both, are part of our commitment to strengthen management and efficiency of our clients, focused on tax trends that directly impact their activity.



## CORPORATE SECRETARIAL SERVICES

The Corporate Secretarial Services focus on managing corporate governance of our clients. This involves preparing and managing legal instruments, statutes, registers and other documentation that support the decision making process by the governing bodies of the company (General Shareholders' Meeting, Board of Directors, among others).

As part of the service, our corporate lawyers are responsible for the custody of the corporate books of the company, assisting the management of our clients in the preparation and drafting of all necessary legal documentation for implementing any changes in the representation of the company, integration of the Board of Directors, appointment of administrators, and other tasks that involve specific procedures to be followed.



# INTERNATIONAL TAXATION

- ▶ Compliance service
- ▶ International mobility
- ▶ International reviews of fiscal strategies
- ▶ Tax optimization of business models



# CORPORATE/LEGAL SERVICES

## AREAS OF SPECIALIZATION

- ▶ Tax
- ▶ Corporate and Commercial
- ▶ Labor and Social Security
- ▶ Intellectual property
- ▶ Administrative
- ▶ Antitrust and Competition
- ▶ Banking and Capital Markets
- ▶ Customs
- ▶ Real State
- ▶ Alternative Dispute Resolution (ADR)

## SERVICES

- ▶ Fiscal Domicile
- ▶ Incorporation of Commercial Companies
- ▶ Incorporation of Non-Profit Entities
- ▶ Contract Drafting
- ▶ Notarized Powers of Attorney
- ▶ Advice, consulting and assistance in special tax regimes:
  - Energy & Mines
  - Forestry
  - Environmental and Natural Resources
  - Tourism & Hospitality
  - Telecommunications
  - Duty Free Zones
  - Agricultural stock transactions



## CORPORATE/LEGAL SERVICES

### SERVICES (CONTINUE)

- ▶ Registration of trademarks and patents
- ▶ Joint Ventures
- ▶ Mergers and Acquisitions
- ▶ Legal advice for antitrust and competition inquiries
- ▶ Commercial and real state inquiries
- ▶ Restructuring and insolvency
- ▶ Dissolution and liquidation of companies
- ▶ Employment and Social Security Litigation
- ▶ Tax & Customs Litigation
- ▶ Public Law & Regulatory Disputes
- ▶ Anti-Money Laundering and Combating the Financing of Terrorism (ALD/CFT)
  - ALD/CFT Preparation of risk matrices
  - ALD/CFT Preparation of risk assessments
  - ALD/CFT Manual Drafting
  - ALD/CFT Auditing
  - ALD/CFT Seminars and Trainings
  - ALD/CFT Program Advice

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