

# EXPORT RÅDDET

SWEDISH TRADE COUNCIL

# Establishing a Business in Peru

## Fact Pack

Swedish Trade Council in Chile  
December 2008

# THE SWEDISH TRADE COUNCIL MAKES IT EASIER FOR SWEDISH COMPANIES TO GROW INTERNATIONALLY

## Sweden:

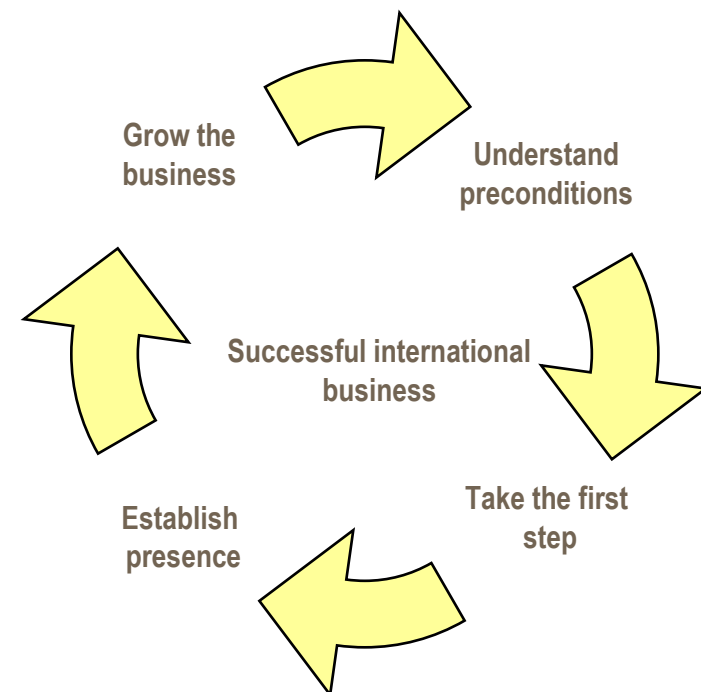
- Headquarters in Stockholm, 80 employees
- 22 regional export advisers
- All Trade Commissioners regularly visit different parts of Sweden

## Abroad:

- 65 offices with 400 employees in 55 countries
- Through partners and networks we cover more than 100 countries

## Southern Cone (Argentina/Chile/Peru/Uruguay):

- Offices in Buenos Aires and Santiago
- 8 employees



STC is the primary consulting partner for Swedish companies  
doing business in Peru

# PERU IS THE FASTEST GROWING ECONOMY IN THE AMERICAS

**Area:** 1.285.215 km<sup>2</sup>

**Inhabitants:** 29.2 million

**Constitution:** Democratic republic

**Head of State:** President Alan Garcia

**Languages:** Spanish, Quechua, (official), Aymara, English  
(increasingly favored as second language)

**Inhabitants per km<sup>2</sup>:** 23/km<sup>2</sup>

**Currency:** Nuevo Sol

**GDP 2007:** 109.1 BUSD

**GDP per capita 2007:** 7600 USD

**Real GDP growth (2007):** 9.0%

**Inflation(2007):** 1.8 %

**Main exports:** Mining products

**Main imports:** Industry inputs

**Swedish Exports to Peru 2007:** 1000 MSEK

**Swedish imports from Peru 2007:** 611 MSEK



# THERE ARE SEVERAL OPTIONS TO ESTABLISH IN PERU

The are seven main ways to do business in Peru:

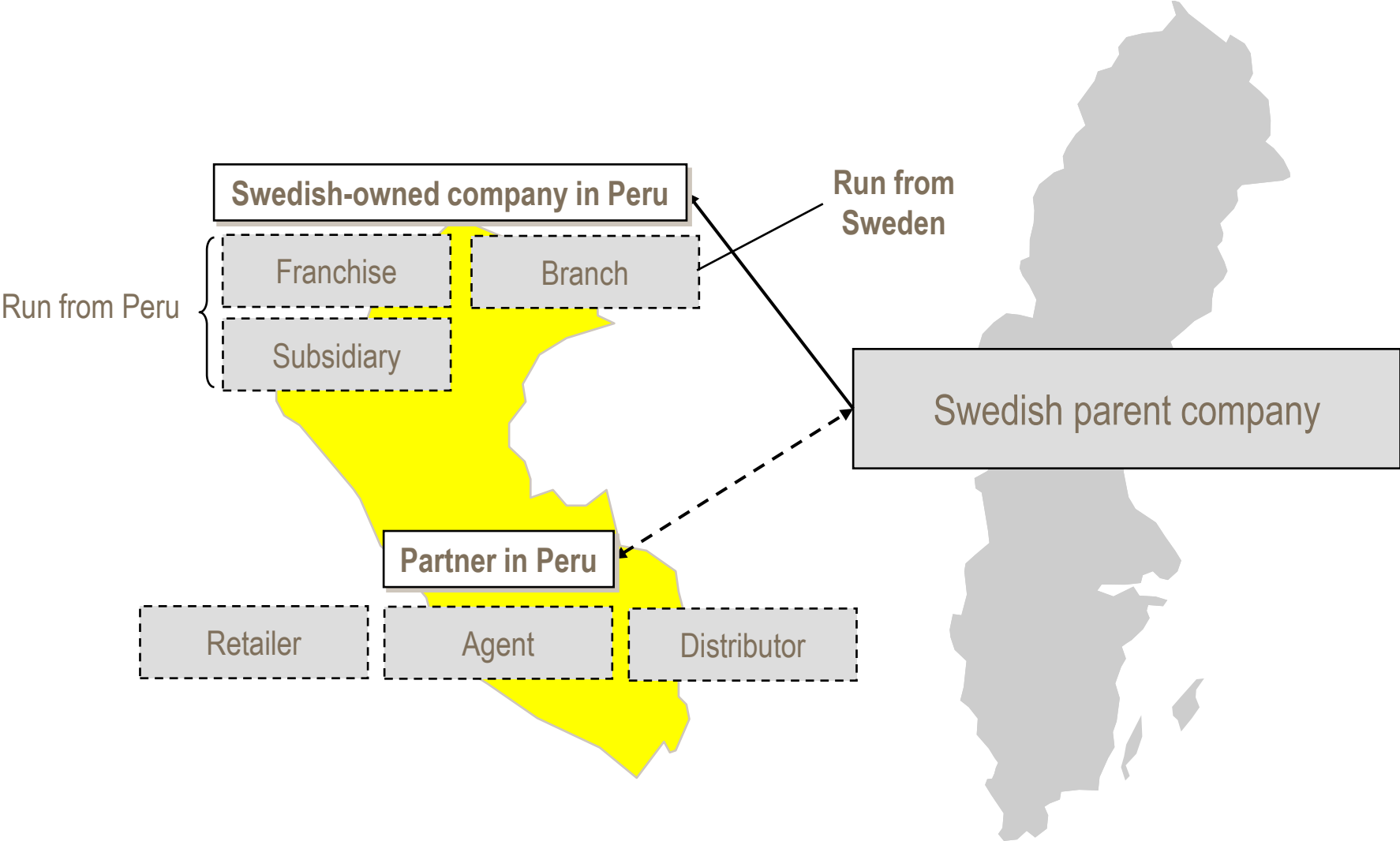
1. Agent or Distributor
2. Franchise
3. Branch Office (Filial)
4. Limited Liability Individual Company (E.I.R.L.) - Regulated by Law N°21621

According to the General Society Law (N° 26887) there are three legal society forms:

1. Limited Liability Society (S.R.L.)
2. Closed Corporation (S.A.C.)
3. Corporation (S.A.A.)

The corporation constitutes the most common form of establishing a business entity in Peru

# THE ENTITY CAN BE RUN LOCALLY OR FROM SWEDEN



# COMPANY REGISTRATION IN PERU

- Superintendencia Nacional de Registros Públicos is the authority

Incorporation alternatives	Information to be submitted	Cost
<ul style="list-style-type: none"> <li>The registration process should be done through a local legal attorney.</li> </ul>	<ul style="list-style-type: none"> <li>Check the uniqueness of the proposed company name.</li> <li>Incorporation Form Document including (*): company name, specific purpose and duration, company domicile, initial capital contribution, shares nominal value and total number of shares, information regarding individual shareholders, names of directors, managers and agents, start-up date of operations.</li> </ul>	<ul style="list-style-type: none"> <li>Standard registration fee:               <ul style="list-style-type: none"> <li>– 0.3% of capital</li> <li>– 12 USD for registration</li> <li>– 11 USD per appointment of each representative</li> </ul> </li> <li>Lawyer fee: ~ 200 USD (**)</li> <li>Notary fee: ~ 200 USD (**)</li> </ul>

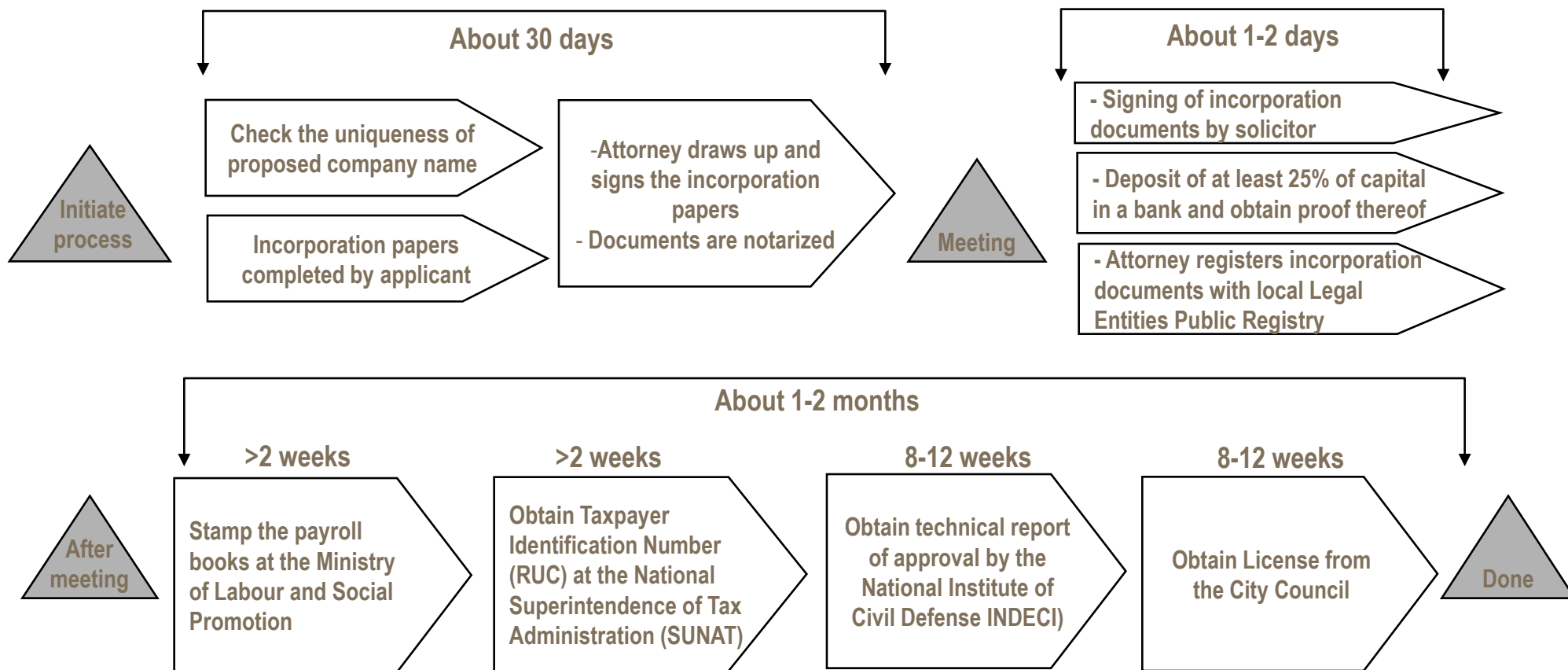
(\*) For a simple corporation

(\*\*) Depending on market conditions

Peru is ranked 58th out of 178 countries when it comes to the ease of doing business

# ESTABLISHING A CORPORATION CAN TAKE UP TO 3 MONTHS

- The average time is now 72 days, 26 less than in 2005



Source: www.doingbusiness.com, World Bank Business Environment Snapshots

# MAIN COSTS IN ESTABLISHING A CORPORATION IN PERU

## - No minimum capital required for registering a corporation in Peru (\*)

Procedure	Person/Office	Cost to complete
Check uniqueness of proposed company name	SNRP	2-6 USD, 1.22 per name registered
Attorney to draw up, sign and have documents notarized	Lawyer	200 USD (**)
	Notary	200 USD (**)
Deposit at least 25% of capital in bank and obtain proof thereof	Bank	0.08% of transaction value
Attorney registers corporation documents	Legal Entities Public Registry	0.3% of capital+ 12 USD per registration+ 11 USD per appointment of each representative
Notary stamps the accounting book and the minute book	Notary	35-72 USD (for 5-9 books)
Obtain Taxpayer ID number	SUNAT	No charge
Obtain a certificate of Compatibility from City Council	City Council	0-40 USD
Obtain technical approval	INDECI	2 USD per square meter ( max of 1000 USD)
Obtain municipal license	City Council	About 90 USD

Minimum capital is mandatory to access investment incentives from PROINVERSION

# HUMAN RESOURCES IN PERU

- Labor is abundant but there is a scarcity of highly skilled workers

General	Cost	Regulations
<ul style="list-style-type: none"> <li>• Labor force: 9.2 mill people</li> <li>• Unemployment rate: 9,6% (2005)</li> <li>• National minimum monthly wage:               <ul style="list-style-type: none"> <li>– 155 USD for a 8 hour working day in daytime.</li> <li>– 210 USD for 10pm-6am working hours</li> <li>– Extra hours are paid a 25% more the first two hours and 35% the further.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Insurance and pension contributions:               <ul style="list-style-type: none"> <li>- Employers pay 9% on wages for Social Insurance</li> <li>- Severance payment twice a year (June/November) of about 58.33%</li> <li>- Bonus in July/December equivalent to a monthly wage</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Contract of employment: A written contract is necessary for both term and non term agreements</li> <li>• 3 month maximum probation period</li> <li>• Redundancy payment: mandatory if dismissal is unjustified, being about 1.5 wages per year of employment (top of 12 wages)</li> <li>• Working hours: Maximum 48 hours per week, 24 hours rest per week</li> <li>• 30 days paid annual vacation</li> </ul>

# PERU PROVIDES CONSIDERABLE BUSINESS OPPORTUNITIES

- Minimum trade restrictions and promotion of FDI
- Buoyant economic growth
- Low inflation
- Politically stable
- Increasing investments and domestic demand
- Import from Sweden grew by 75% in the first semester of 2007

... which has contributed to...

...the fact that more than **15** Swedish companies are registered in Peru and many others are there as sub suppliers or via distributors.

STC Chile is the natural partner for all Swedish companies who want to establish or develop their business in Peru

# USEFUL CONTACTS

## **Proinversion**

Tel: +51 1 612 12 00

[www.proinversion.gob.pe](http://www.proinversion.gob.pe)

## **Promperu – Promotion for Tourism and Exports**

Tel: +51 1 224 31 31

[www.promperu.gob.pe](http://www.promperu.gob.pe)

## **INEI – National Statistics Bureau**

Tel: +51 1 433 42 23

[www.inei.gob.pe](http://www.inei.gob.pe)

## **CCL – Lima Commerce Chamber**

Tel: +51 1 463 34 34

[www.camaralima.org.pe](http://www.camaralima.org.pe)

## **CONFIEP – Confederation of private enterprises in Peru**

Tel: +51 1 415 25 55

[www.confiep.org.pe](http://www.confiep.org.pe)

## **SNI – National Industrial Society**

Tel: +51 1 616 44 44

[www.sni.org.pe](http://www.sni.org.pe)

### **Swedish Trade Council in Chile**

Rosario Norte 615, Office 1101, Las Condes, Santiago

[www.swedishtrade.se/chile](http://www.swedishtrade.se/chile)

+56 2 925 1900

[chile@swedishtrade.se](mailto:chile@swedishtrade.se)