DOING BUSINESS IN PRÓSPERA
Próspera is a governance platform that powers city-scale development in special economic zones. Próspera’s pro-business framework and system of regulatory choice ensure that companies can operate under the most favorable regulatory conditions in the world. This platform empowers individuals and companies, leading to significant economic growth for businesses, residents, and host nations.

Setting up operations in Honduras within Próspera’s St. John’s Bay in Roatán or the Port of Satuyé in La Ceiba, establishes a strategic location at the crossroads of the Americas, opening new pathways to companies seeking to grow or redirect supply chain and related activities into the Americas or participate in the most advanced services hub in the world. The predominance of English speakers in Honduras makes communication, training, and collaboration easier. The country also boasts a quality education system, which helps produce a skilled workforce with competencies that align with the needs of industries. And Próspera’s ZEDE jurisdiction offers a business-friendly regulatory environment, with streamlined processes, reduced bureaucracy, and increased legal certainty, based on common law.
Próspera’s flagship city on the island of Roatan is a hub for innovation and modern living. At over 400 acres, St. John’s Bay is poised to become the new epicenter of economic growth in the Americas, attracting builders, businesses, and families alike. Its prime location offers residents access to some of the most beautiful scenery in the Caribbean, including the world’s second largest coral reef, as well as the added security of being outside the hurricane corridor. With its international airport and strong market trends, Roatan has a multinational presence, diversified community, and the highest foreign buyer presence in Honduras. St. John’s Bay is a carefully planned and integrated community, located in the heart of the island. With its phased districts, world-class architecture, and thoughtfully designed infrastructure, each development is a crucial piece of the master plan.
The Port of Satuyé is located in La Ceiba, positioned for developing a nearshoring hub for North, Central and South American Markets. It is ideally connected along the main industrial corridor of Honduras by road and presents maritime connectivity to the United States, Mexico, Central and South America. The port reduces manufacturing and logistics costs, creating operational advantages. Satuyé-based companies will draw from Honduras’ significant talent pool of industrious and capable knowledge and technical workers in the region. The 396-acre (160 hectares) city scale development will ultimately be home to more than 100,000 workers and 50,000 residents. With its strategic location and state-of-the-art facilities, the Satuyé port project is set to become a key hub for trade and commerce in the western hemisphere.

The U.S. and Honduran development team is led by proven city-scale development professionals, supported by the best strategy, design, engineering and financing partners.
WHAT IS THE QUALITY OF LIFE IN PRÓSPERA?

Próspera Special Economic Zones offer the best possible live, work, play environment. On the island of Roatan, Próspera offers new, market-priced residences, as well as primary and secondary academic institutions, world-class healthcare, and some of the best outdoor activities anywhere on the planet. For the Port of Satuyé, plans are in place for schools, a health center, worker and resident housing, as well as a beach front resort and wellness facility.

TAXATION IN PRÓSPERA ZEDE

There are no taxes on dividends, capital gains, excise taxes, and there is a 100% exemption on import taxes and duties for any businesses operating in Próspera, without regard to its economic sector. Income derived from sources outside of Próspera are not subject to taxation, unless they are explicitly stated on Próspera Tax Statute. Within Próspera there are only four taxes:

- **Personal Income Tax**: 10% Personal Income Tax with 50% of income being deemed taxable (resulting in an effective 5% tax on gross income)
- **Business Income Tax**: 10% Business Income Tax with 10% of income being deemed taxable (resulting in an effective 1% tax on gross income)
- **Sales Tax**: 5% Value Added Tax with 50% of the final retail sales price being deemed value added (resulting in an effective 2.5% sales tax)
- **Land Value Tax**: 1% Land Value Tax on the fair market value of real estate (without considering improvements)
Próspera’s labor rules provide a streamlined process for hiring within the jurisdiction, simplifying often complex rules for hiring in the region. Próspera’s labor rules offer a clear, simple process for employers that ensures a fair working environment for employees.

» Minimum Wage: Standard Honduran labor rules obligate employers to pay up to an additional $0.42 for every $1 in wages paid. Próspera eliminates these obligations, allowing employees to directly realize these cost savings, with a minimum wage that is set at 10% - 25% above the Honduran national minimum wage. Employees receive a premium wage in Próspera, while employers are still able to realize a significant savings compared to overall labor costs outside of Próspera.

» Labor Benefit Fund: Próspera has no social security or healthcare taxes. Instead, these complex benefit systems are replaced with a simple employee trust account, called the Próspera Labor Benefit Fund. These accounts are initially established by their first employer, belong to the employee, and travel with them. Each employer for whom they work must contribute at least 10% of the gross compensation paid for work performed in Próspera to each qualifying Employee in the immediately preceding quarter, which the employee can use for retirement, healthcare needs, education needs, legal needs, emergency housing needs, or situations of emergency economic hardship.

» Próspera Overtime Requirement: Covered Employees must be paid 125% overtime pay when the employees work in excess of 48 hours a week or 6 days a week.

» Próspera Tax Credit Eligibility: Employers can purchase Próspera Tax Credits (PTCs) for the aggregate amount they paid towards the Próspera Labor Premium, Próspera Labor Benefit, and Próspera Overtime Requirement in any previous tax year to reduce current tax liability.

» Right to Work & Labor Unions: Employees are free to form labor unions and participate in strikes, but such freedom includes the responsibility to respect peace, order, and property rights. Contracts which restrict employment opportunities to only associates of a Labor Union are presumptively unenforceable.

» Honduran National Requirement & Exemptions: 90% of employees hired in Próspera must be Honduran nationals. Immediate family members of the employer, natural persons in substantial ownership of the firm, interns, entry-level hires (that is, people with no previous work experience in the industry), and small business hires (that is, people employed by firms with fewer than 10 full-time employees or annual gross revenue less than $1,000,000) are exempted from this requirement.
PERMITTING

The permitting structure in Próspera provides several benefits to companies that operate under its jurisdiction.

» **Simple Permitting Process:** The permit application process in the PZ is straightforward and only requires basic information about your company. This characteristic of the permitting process minimizes the time and resources required to obtain permission for your business.

» **Voluntary Permitting:** Obtaining permits is voluntary in Próspera, which enables businesses to operate with greater freedom and a relaxed regulatory structure. This flexibility allows companies to save the costs and time required for mandatory permits in other jurisdictions.

» **Wide Range of Permits:** Próspera provides 27 different types of permits catering to all types of business operations. This comprehensive permit structure ensures that a business can obtain permission for their specific area of operation.

This permit application is simple and straightforward, requiring only information on the company name and registration information, the type of permit which the firm is seeking, and a declaration of the firm’s chosen regulatory framework. Importantly, obtaining permits is voluntary and permits are usually issued within 7 business days.

Overall, Próspera provides a business-friendly environment with a simplified permitting process that enables companies to operate with more ease and freedom while remaining compliant. The voluntary permitting and limited compliance checks of the PZ further reduce the burden of regulatory compliance on businesses, giving them the opportunity to focus on their core operations.
REGULATORY COMPLIANCE

The Próspera ZEDE regulatory environment is designed to be one of the most innovation-friendly regulatory environments in the world, with a decentralized enforcement mechanism. This regulatory environment applies to industries specified in the Industrial Regulation Statute. These industries include agriculture, health, construction, manufacturing, energy, mining and subsurface, food, waste management, finance, insurance, and private security. Companies in regulated industries operating within the Próspera ZEDE have four regulatory environments to choose from.

THE FOUR REGULATORY ENVIRONMENTS

1. Operate under the regulatory mandates of the Republic of Honduras outside of the ZEDE
2. Operate under the regulatory mandates of any of the 20 leading OECD member countries
3. Propose new and innovative regulations based on principles of regulatory best practices for governing the regulated industry
4. Operate with treble damages and enhanced liability for harms caused

The regulated industry firms under these regulations have a choice between complying with the regulatory mandates of Honduras outside the ZEDE or selecting any of the 20 leading OECD member countries, including regulations of subnational entities within these countries. This means that companies can select the regulatory environment that is optimally designed for their industry among all OECD nations.

If a regulated industry person determines that they favor a regulatory environment that is not available in any OECD country or the Republic of Honduras, they can propose an entirely new and innovative regulatory environment. This new regulatory framework will be considered for adoption by the Próspera Council and will become an option for any and all firms operating within the same industry.

The Próspera ZEDE utilizes a decentralized enforcement mechanism to ensure compliance among regulated firms in the jurisdiction. This regulatory environment encourages innovation and efficiency while preserving safety, individual rights, and property rights.