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# EMIGRATION ENCYCLOPEDIA

Everything you need to know  
when choosing which country  
to emigrate to



STAATENLOS 

# Guatemala

## Facts

Population:	16.582.469
Growth of Population:	1.79%
Average age:	21.7 years
System of Government:	Unitary presidential republic
Inflation Rate:	3,2%
Unemployment Rate:	4.2%
Gross Domestic Product (GDP):	70.943.000.000 USD
Official language:	Spanish
Currency:	Quetzal
Current exchange rate:	1€ = 8.61045 GTQ
Government Debt:	in 2016 - 24.22 %
Religions:	Catholics (60%) / Protestants (40%)
Human Development Index:	0.640
Freedom in the World Ranking:	Score 54





### Freedom to Trade Int'l

Tariffs	8.2
Regulatory Trade Barriers	6.3
Black-Market Exchange Rates	10.0
Movement of Capital and People	7.9



### Regulation

Credit Market Regulations	9.6
Labor Market Regulations	4.0
Business Regulations	6.3



### Expression and Information

Press Killed	3.9
Press Jailed	10.0
Laws and Reg. That Influence Media	4.0
Political Pressure, Control Media	4.3
Access to Cable and Satellite	10.0
Freedom of Access to Frgn. Info.	7.5
State Control over Internet Access	10.0



### Rule of Law

Procedural Justice	5.6
Civil Justice	3.3
Criminal Justice	2.9



### Security and Safety

Homicide	0.0
Disappearance, Conflict, Terrorism	9.0
Women Security, Safety	10.0

# Taxes

## Income tax

### Who is liable

Resident and nonresident individuals are taxed on Guatemalan-source income only. Individuals are considered residents for tax purposes if they meet any of the following conditions:

- They spend more than 183 days in a calendar year in Guatemala, even if not on a continuous basis.
- The center of their economic interests is located in Guatemala.
- They are Guatemalan diplomats with residence abroad.
- They are Guatemalan individuals with residence abroad for less than 183 days in a calendar year as a result of employment by a private entity.
- They are foreign diplomats on assignment to Guatemala, unless a reciprocity condition with their country of origin exists.

The taxation of the various types of income is described below.

### Employment income

Taxable income includes wages and all types of remuneration or payments, regardless of their denomination, earned by employed resident individuals.

### Self-employment and business income

Both resident and non-resident individuals are subject to tax on Guatemalan-source self-employment and business income derived from ordinary or occasional trade or business.

### Investment income

Dividends paid are subject to a tax rate of 5%, regardless of the beneficiary's country of residence.

Royalties paid to nonresident individuals are subject to withholding tax at a rate of 15%.

### Directors' fees

Directors' fees paid to nonresident individuals are subject to a final withholding tax at a rate of 15%. Resident individuals must include directors' fees, which are considered self-employment income, in their taxable income.

### Capital gains and losses

Capital gains are taxed at a rate of 10%, regardless of the regime elected by the individual taxpayer. They include gains from the sale of the following:

- Movable assets
- Immovable assets
- Lottery winnings

## Deductions

### Personal expenses

Deductible personal expenses consist of the following items:

- Personal deduction of GTQ48,000 (approximately USD6,263), without the need for documentation
- Social security contributions
- Life insurance premiums
- Exempt income (special bonus and Christmas bonus)
- Charitable contributions (maximum annual deduction of 5% of net income)
- A maximum of GTQ12,000 (approximately USD1,566) of value-added tax (VAT) paid during the tax year

## Rates

Income tax is levied on employment income received by resident individuals at the rates set forth in the following table.

<b>Taxable Income (GTQ)</b>	<b>Tax rate</b>	<b>Tax due GTQ</b>	<b>Cumulative tax due GTQ</b>
First 300.000	5	15.000	15.000
Above 300.000	7	~	~

Nonresident individuals are subject to a final withholding tax at a rate of 15% on salaries, fees, commissions and allowances.

Nonresident individuals with income subject to tax at a fixed withholding rate are not subject to further taxation.

Foreign individuals who render local services for more than 183 days in Guatemala are considered residents for tax purposes and are required to register with the tax authorities as self-employed persons and pay taxes in Guatemala. In addition, VAT at a rate of 12% applies to the services rendered in Guatemala.

Self-employed individuals may not carry forward losses to offset future income from self-employment.

## Other taxes

### Inheritance and gift taxes

A separate tax law governs inherited property and gifts resulting from death. The tax rates range from 0% to 7% for bequests or gifts resulting from death to the spouse, ascendants and descendants.

### Social security

Social security contributions are levied on salaries. The contribution rates are 12.67% for employer contributions and 4.83% for employee contributions. No limits are imposed on the amount of earnings subject to social security contributions.

### Tax filing and payment procedures

Employers are responsible for withholding income tax and social security contributions from the employee's salary on a monthly basis. Consequently, an annual income tax return is not required for employed individuals if all compensation is subject to withholding at source through the local payroll.

### Double tax relief and tax treaties

Guatemala has signed a tax treaty with Mexico, but Congress has not yet approved the treaty. As a result, the treaty is not yet in effect.

# Entry, Immigration, Work and Family

## Entry and immigration

### Temporary visas

Depending on their country of citizenship, individuals may be required to apply for and obtain an entry visa before traveling to Guatemala.

### Work visas (and/or permits)

Before obtaining a work permit in Guatemala, an applicant must request a temporary residence permit. An application for a work permit must include the following documents:

- A certified copy of the employee's passport (all pages including the blank ones)
- Proof that a temporary residence permit has been applied for or granted
- A certified copy of the applicant's appointment, registered with the corresponding authorities
- A sworn statement given by the employer that assumes full responsibility for the employee's conduct
- Accounting certification stating the number of Guatemalan and foreign employees employed by the entity
- A certified copy of the designation of the foreigner by the employer to execute the job in Guatemala
- For an employee who comes from a non-Spanish-speaking country, a sworn statement indicating that he or she is fluent in Spanish

The work permit is valid for renewable periods of one year. A request for an extension must be filed 15 days before the expiration of the period for which the work permit is issued.

### Residence visas (and/or permits)

The government of Guatemala may grant residencies to nationals of other countries who are interested in residing at Guatemala as foreign workers, renters, retirees or relatives of nationals. An application for a temporary residence permit for a foreign individual in Guatemala must be submitted to and processed by the immigration authorities in Guatemala.

When the temporary residence permit is granted, the applicant's passport is sealed. A temporary residence permit is valid for up to two years and may be renewed for equal periods. In addition, after a temporary residence permit is granted to an individual, he or she can request permanent residence, which, if granted, guarantees the domicile of the person in the country.

### Retirement Visa (*Pensionado*)

Foreigners who are retired and receive an adequate pension from abroad are eligible for this two-year temporary visa. You will not be able to take employment in the country on this visa, but may run your own business or own property that earns income.

Alongside with other documents you will need a certified proof of a guaranteed monthly income of at least US\$1,000 for the applicant and US\$200 for each dependent; this can be generated from government or private pension or investment income. Evidence of deposits made to local banks from abroad is also needed.

Retirement visa holders cannot spend more than one contiguous year outside of Guatemala or will lose their status (exceptions can be made for medical reasons).

### Investment For Residency Visa

Investment visas are granted to foreigners investing a minimum of US\$60,000 in Guatemala.

Under this visa, you can own a business or take employment, and you can apply for citizenship in just nine months after gaining residency. If you pursue citizenship under this visa, you are only required to be in country for 21 days for the first year, and only 28 days for the subsequent two-year period.

### Permanent Residency

After completing the two-year temporary residency period successfully through whichever visa, you can apply for the permanent residency visa. The process is said to generally take about a year.

Note that you can lose your status as a permanent resident if you spend more than a year outside Guatemala without getting authorization from the General Directorate of Migration.

### Naturalization

After five years of permanent residency, you are eligible for naturalization.

If you take the investment visa, you can apply for citizenship just nine months after gaining your residency visa.

### **More information:**

- <https://passportreviewer.com/review/guatemala-citizenship-investment-program/>
- <https://www.liveandinvestoverseas.com/country-hub/guatemala/guatemala-visa-and-residency-information/>



## Family and personal considerations

### Compulsory School Attendance

In principle, primary, lower secondary and one year of pre-primary school are free and compulsory.

### Family members

Guatemalan law does not automatically grant work authorizations to family members of foreign workers. Family members wanting to work in Guatemala must apply independently for work authorizations.

### Living costs - examples (€)

- Loaf of Fresh White Bread (500g) → 1.81
- Bottle of Wine (Mid-Range) → 7.57
- Apartment (1 bedroom) Outside of Centre → 225.52
- Apartment (3 bedrooms) in City Centre → 766.32
- Internet (60 Mbps or More, Unlimited Data, Cable/ADSL) → 45.25
- 1 Pair of Jeans (Levis 501 Or Similar) → 53.21
- VW Golf 1.4 90 KW Trendline (Or Equivalent New Car) → 14.549.65
- Gasoline (1 liter) → 0.71
- Cappuccino (regular) → 1.98

### Marital property regime

The following marital property regimes apply under the Guatemalan Civil Code:

- Absolute community
- Absolute separation
- Community property

### Driver's permits

To obtain a driver's permit in Guatemala, a foreign person must submit the following documents:

- Request addressed to the Chief of the Department of Transit indicating a phone number and address to receive correspondence.
- Original and legalized copy of a valid driver's license from the applicant's country.
- Sworn translation of the driver's license if the document is not in Spanish.
- Two identity-card-size photographs.
- Original and legalized copy of the passport.
- Migratory certification of the status of the foreign person.
- Eye test by an authorized ophthalmologist or optometrist.
- Proof of a Guatemalan guarantor certified by a Notary Public.
- The guarantor must prove that it has sufficient financial means to pay for any potential damages caused by the nonresident.

- Legalized copy of the guarantor's personal identification document.
- Payment for the driver's permit.

Depending on the circumstances, the Transit Department may request technical and practical driving tests.

A driver's license is granted for a period of one year to four years and may be extended on request.

## Citizenship

The first step in obtaining permanent residency status is the two-year temporary residency visa. These are granted in three categories:

- Investment visas: These are granted to foreigners who invest a minimum of US\$50,000 in Guatemala. The documentation requirements are minimal (passport, clean police record for the last five years, proof of the investment, and a guarantor, a person or company that guarantees your character and financial behavior).
- Rentista (self-supporting) visas: Foreigners with sufficient outside income to support themselves are eligible for the rentista visa. The requirements are a passport, clean police record for the last five years, and a verifiable income of US\$1,000 for the primary person and US\$200 each for dependents.
- Retirement visas: These are for retired foreigners who receive an adequate pension. The requirements are the same as for the rentista visa.

The temporary residency visas allow you to own a business or take employment. The rentista and retirement visas restrict travel outside of Guatemala for more than one continuous year, except for medical reasons. After completing the two-year temporary residency period, you can apply for the permanent residency visa. The requirements and restrictions are the same.

## Climate

While parts of the country have a climate typical of a tropical country, other areas actually see temperatures below freezing. Meteorologists divide Guatemala into three climate zones, which include tropical, temperate and cool zones.

## Drugs

Drug trafficking and narcotics cultivation in Guatemala are enabled by ineffective or non-existent law enforcement institutions, particularly in the border regions. Beyond drug trafficking and its effects, Guatemala confronts an array of transnational criminal organizations involved in alien smuggling, trafficking in persons, and arms trafficking.

## Gambling

Although the 1880 Penal Code forbids all kinds of gambling (except the lottery), it is ignored by operators. Therefore, there are operating land-based casinos in the country offering the popular casino games like blackjack, roulette, or poker amongst others.

The most of these casinos are located in the capital city of Guatemala City. Online gambling, on the other hand, is not yet regulated. Therefore, the only option for Guatemalan citizens to play online is to visit an offshore online casino. Numerous foreign online casinos accept players from Guatemala.

## Prostitution

In Guatemala, prostitution itself is legal but procuring is prohibited (brothels or prostitution rings are illegal).

Human trafficking is a significant and growing problem in the country, particularly the exploitation of children in prostitution. Many women and children are brought into the country from El Salvador, Nicaragua, and Honduras by organized rings that force them into prostitution

## Gun laws

As long as you have Residency and over 25 y/o you can purchase a firearm. There are no restrictions for private gun ownership. Each year you will need to bring your firearms to DECAM to re-register.