



GLOBAL EXPANSION GUIDEBOOK CORPORATE

Peru



Downloaded: 25 Apr 2025

INTRODUCTION

Welcome to the 2024 edition of DLA Piper's *Global Expansion Guidebook – Corporate*.

GLOBAL EXPANSION GUIDEBOOK SERIES

To compete and be successful today, companies need to develop and scale their businesses globally. Each country presents its own set of unique laws, rules and regulations and business practices that companies must understand to be successful. In order to help clients meet the opportunities and challenges of expanding internationally, we have created a handy set of global guides that cover the basics companies need to know when going into and doing business in new countries. The *Global Expansion Guidebook* series reviews business-relevant corporate, employment, intellectual property and technology, executive compensation, and tax laws in key jurisdictions around the world.

CORPORATE

The *Global Expansion Guidebook – Corporate* has been created based on our research, our experience and feedback we have received from clients in both established and emerging businesses that have expanded internationally. We hope it will be a helpful resource for you.

The *Global Expansion Guidebook – Corporate* covers corporate basics in 54 key jurisdictions across the Americas, Asia Pacific, Europe and the Middle East. We touch on a wide range of corporate issues for companies expanding internationally, including establishing a corporate presence and choice of entity, liability considerations, tax presence and tax filings, capital requirements, the formation process, director, officer and shareholder requirements, registration processes, office lease processes and possible exit strategies.

With more than 600 lawyers, DLA Piper's global Corporate group is one of the largest in the world, with one of the widest geographical footprints of any global law firm and experience across the legal areas companies need as they expand internationally. With both global experience and local knowledge, we partner with our clients wherever they do business to find solutions and manage their risk in relation to their challenges and objectives.

While this guide provides high-level guidance, it is not a substitute for legal advice, and we encourage you to seek advice regarding the specific matters that concern you. If you wish to speak to any of our contributors, you may find their contact details at the end of the guide.

We hope you find this guide valuable, and we welcome your feedback.

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This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

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PERU



Last modified 28 June 2024

FORM OF ENTITY

The most common types of business organizations operating in Peru are (i) *sociedades anónimas* (S.A.), or stock corporations or corporations; (ii) *sociedades de responsabilidad limitada* (S.R.L.), or limited liability companies /partnerships; and, (iii) branches of foreign entities.

Corporation (*Sociedad Anónima* or S.A.)

This type of company is mainly regulated by Law No. 26887 (the Corporations Act), as well as by the Corporations' Registry Regulations (*Reglamento del Registro de Sociedades*).

A corporation may be open (public), in which case it would be a *sociedad anónima abierta* (S.A.A.) or private, in which case it could be: (i) a closed stock corporation or *sociedad anónima cerrada* (S.A.C.); or, (ii) a regular corporation or *sociedad anónima* (S.A.).

Open corporations are those that register, voluntarily or by legal obligation, their shares in the Public Registry of the Securities Market of the Superintendency of the Securities Market (*Registro Público del Mercado de Valores de la Superintendencia del Mercado de Valores*) and are under control of such Superintendency. Closed stock corporations are those incorporated as such and may not have more than 20 shareholders. Finally, corporations are those that do not qualify as open or closed.

A corporation share capital is divided into shares. In case of open corporations, the shares may be transferred without limitation. Restrictions to shares' transfers regulated in their bylaws or in shareholders' agreements are not enforceable. On the contrary, a right of first refusal applies to closed stock corporations, unless otherwise provided in their bylaws. In case of regular corporations, the shares may be transferred without limitation, except if certain restrictions are established in their bylaws or in shareholders' agreements.

The liability of shareholders is limited to the amount of their contributions to capital.

Corporations (except for some closed stock corporations) are managed by a board of directors, formed by -at least- 3 members, appointed by the shareholders. The board is responsible for the administration and representation of the company and is entitled to delegate part of its powers to the CEO and other officers. A director's term of appointment, which is set forth in the bylaws, cannot be less than 1 year and shall not exceed 3 years. Directors may also be re-elected indefinitely.

If the shareholders of a closed stock corporation decide so, such entity could refrain from having a board of directors, in which case it would be managed by a CEO.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

This type of company is mainly regulated by Law No. 26887 (the Corporations Act), as well as by the Corporations' Registry Regulations (*Reglamento del Registro de Sociedades*). The liability of the members of a S.R.L. is limited to the amount of their contributions. A right of first refusal shall always be applicable and equity rights may only be transferred by virtue of a public deed that shall be recorded before the Public Registry of the domicile of the corresponding entity. There is great flexibility as to the rules that may be included in the bylaws.

The management of a S.R.L. is entrusted to 1 or more managers (whether partners or not), who shall represent it in all matters relating to its company purpose. The managers are prohibited to engage (for their own account or for the account of others) in the same type of business that corresponds to the company purpose.

Branch of a Foreign Legal Entity (*Sucursal*)

A branch acts as an alternative form of entity, as it corresponds to the presence of a foreign company (the parent company) in Peru that does not seek to incorporate a new company, but instead only establishes a branch of the existing company. It is not a separate legal entity, except for tax purposes. The parent company is ruled by its local laws, but shall comply with the applicable Peruvian legislation regarding the obligations undertaken by the branch in Peru. The Corporations Act contains certain special rules regarding the establishment (and amendments) of a branch by foreign companies.

A branch is managed by a permanent legal representative appointed by the parent company.

ENTITY SET UP

Corporation (*Sociedad Anónima* or S.A.)

- At least 2 shareholders and up to 749 shareholders.
- The liability of shareholders is limited to the amount of their contributions to capital.
- Profits distribution decision corresponds to the annual obligatory shareholders' meeting.
- Typical charter documents include:
 - Bylaws and its amendments
 - Shares' ledger
 - Share certificates
 - A book of minutes of shareholders' meetings
 - A book of minutes of board of directors' meetings

- Managed by a board of directors appointed by the shareholders. The board is responsible for the administration and representation of the company and is entitled to delegate part of its powers to the CEO and other officers.
- Shares may be transferred without limitation, except if certain restrictions are established in the bylaws or in shareholders' agreements.

Closed Stock Corporation (*Sociedad Anónima Cerrada* or S.A.C.)

- At least 2 shareholders and up to 20 shareholders.
- The liability of shareholders is limited to the amount of their contributions to capital.
- Profits distribution decision corresponds to the annual obligatory shareholders' meeting.
- Typical charter documents include:
 - Bylaws and its amendments
 - Shares' ledger
 - Share certificates
 - A book of minutes of shareholders' meetings
 - A book of minutes of board of directors' meetings (if the bylaws considers the board of directors as a corporate body).
- May be managed by a board of directors or only by a CEO appointed by the shareholders. The board (or the CEO, where applicable) is responsible for the administration and representation of the company.
- A right of first refusal applies, unless otherwise provided in the bylaws.

Open Corporation (*Sociedad Anónima Abierta* or S.A.A.)

- The corporation is open when 1 or more of the following conditions are met:
 1. It has executed a primary public offering of shares or debentures convertible into shares;
 2. It has more than 750 shareholders;
 3. More than 35 percent of its capital is owned by 175 or more shareholders, without considering within this number those shareholders whose individual shareholding does not reach 2 per 1,000 of the capital or exceeds 5 percent of the capital;
 4. It is incorporated as such; or,
 5. All shareholders with voting rights unanimously approve the submission to such regime.
- The liability of shareholders is limited to the amount of their contributions to capital.

- Profits distribution decision corresponds to the annual obligatory shareholders' meeting.
- Typical charter documents include:
 - Bylaws and its amendments
 - Share certificates
 - A book of minutes of shareholders' meetings
 - A book of minutes of board of directors' meetings.
- Managed by a board of directors appointed by the shareholders. The board is responsible for the administration and representation of the company and is entitled to delegate part of its powers to the CEO and other officers.
- Shares may be transferred without limitation. Restrictions regulated in the bylaws or in shareholders' agreements are not enforceable.
- Must be subject to an annual external audit that shall be carried out by external auditors registered before the External Audit Firms Registry (*Registro de Sociedades de Auditoría Externa*).

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

- At least 2 partners and up to 20 partners.
- The liability of the members of a S.R.L. is limited to the amount of their contributions.
- Rules for distribution of profits shall be included in the Partners have the freedom to decide about this matter in the bylaws.
- Typical charter documents include:
 - Bylaws and its amendments
 - A book of minutes of partners' meetings
- The management of the S.R.L. is entrusted to 1 or more managers (whether partners or not), who shall represent it in all matters relating to its company purpose.
- A right of first refusal is always applicable and equity rights may only be transferred by virtue of a public deed that shall be recorded before the Public Registry of the domicile of the corresponding entity.
- There is great flexibility as to the rules that may be included in the bylaws.

Branch of a Foreign Legal Entity (*Sucursal*)

- No minimum or maximum requirement for shareholders or partners of the parent company.

- The parent company is ruled by foreign laws, but shall comply with the applicable Peruvian legislation regarding the obligations undertaken by the branch in Peru.
- A branch is managed by a permanent legal representative appointed by the parent company.
- No limitations on remittance of profits from the branch to the parent company, subject to compliance of tax obligations.
- Typical charter documents include:
 - Certificate of good standing of the parent company
 - Bylaws of the parent company (which shall include a provision stating that such entity may establish branches abroad)
 - The minutes of the competent corporate body of the parent company containing, among others, the resolution regarding the establishment of a branch in Peru and the appointment of the permanent legal representative of the latter.

MINIMUM CAPITAL REQUIREMENT

Corporation, Closed Stock Corporation and Open Corporation (*Sociedad Anónima* or S.A., *Sociedad Anónima Cerrada* or S.A.C. and *Sociedad Anónima Abierta* or S.A.A.)

There is no obligation for a minimum capital.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

There is no obligation for a minimum capital.

Branch of a Foreign Legal Entity (*Sucursal*)

There is no obligation for a minimum capital.

LEGAL LIABILITY

Corporation, Closed Stock Corporation and Open Corporation (*Sociedad Anónima* or S.A., *Sociedad Anónima Cerrada* or S.A.C. and *Sociedad Anónima Abierta* or S.A.A.)

The liability of shareholders is limited to the amount of their contributions to capital.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

The liability of the partners of an S.R.L. is limited to the amount of their contributions.

Branch of a Foreign Legal Entity (*Sucursal*)

The parent company shall comply with the applicable Peruvian legislation regarding the obligations undertaken by the branch in Peru. Therefore, the parent company will be liable for such obligations.

TAX PRESENCE

The Peruvian tax regime levies taxes at 2 levels. First, the company pays a corporate tax on its income. Then, stockholders pay a personal tax on dividends. The structure of the general tax regime is the following:

Distributed or partially integrated tax regime: Corporate tax is paid by the company at a 29.5 percent rate. To this regard, domiciled entities are subject to Peruvian Income Tax on a worldwide basis; however, branches, agencies, and permanent establishments of non-domiciled entities incorporated in Peru are subject to Peruvian Income Tax only on their Peruvian-sourced income. Peruvian income tax applies on an annual and accrual basis and taxpayers are also subject to monthly advanced income tax payment.

In addition, stockholders pay personal tax only on distribution by the company. To this regard, non-domiciled and domiciled individuals are subject to a withholding tax at a rate of 5 percent. Domiciled entities are not subject to withholding tax.

Other regimen: there are other tax regimes applicable to corporations with an annual revenue up to approximately USD140,000 (*Regimen Especial del Impuesto a la Renta* or RER) and approximately USD2,360,000 (*Regimen de la Micro y Pequeña Empresa* or RMYPE).

Under RER, the income tax is determined by applying a 1.5 percent of the monthly revenue, and, in the RMYPE, the tax rate is applied on net income, as follows:

Net Income	Rate
Up to approximately USD20,000	10 percent
Excess	29.5 percent

INCORPORATION PROCESS

Corporation, Closed Stock Corporation and Open Corporation (*Sociedad Anónima* or S.A., *Sociedad Anónima Cerrada* or S.A.C. and *Sociedad Anónima Abierta* or S.A.A.)

Corporations are incorporated by a public deed, which contains the bylaws. An abstract of the incorporation public deed must be registered in the Public Registry of Legal Entities of the company's domicile, within 30 days from the date of the public deed.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

A S.R.L. shall be incorporated by a public deed, which contains the bylaws. An abstract of the incorporation public deed must be registered in the Public Registry of Legal Entities of the company's domicile, within 30 days from the date of the public deed.

Branch of a Foreign Legal Entity (*Sucursal*)

Branches of foreign legal companies are established in Peru by their respective parent companies. For this purpose, a public deed granted by a Peruvian Notary Public and the following documents shall be filed before the Public Registry of Legal Entities of the branch's domicile, duly apostilled in its official language and (if applicable) translated into Spanish by an official translator recognized as such by the Peruvian Ministry of Foreign Affairs:

- A certificate of good standing of the parent company;
- An authentic copy of the current bylaws of the parent company (which shall include a provision stating that such entity may establish branches abroad); and,
- The minutes of the of the competent corporate body of the parent company containing, among others, the resolution regarding the establishment of a branch in Peru and the appointment of the permanent legal representative of the latter.

An abstract of the abovementioned documents and the public deed must be registered in the Public Registry of Legal Entities of the branch's domicile.

BUSINESS RECOGNITION

Corporation (*Sociedad Anónima* or S.A. and *Sociedad Anónima Abierta* or S.A.A.)

Well regarded and widely used for big businesses and companies seeking financing options in the equity market.

Closed Stock Corporation (*Sociedad Anónima Cerrada* or S.A.C.)

Well regarded and used regularly by small and medium-sized family enterprises and businesses.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

Well regarded and used regularly by small and medium-sized family enterprises and businesses, as well as by corporate groups with holding companies domiciled in U.S.

Branch of a Foreign Legal Entity (*Sucursal*)

Only used by foreign companies that participate in bidding or tender processes called by Peruvian governmental entities in order to prove their experience in certain industry or projects.

SHAREHOLDER MEETING REQUIREMENTS

Corporation, Closed Stock Corporation and Open Corporation (*Sociedad Anónima* or S.A., *Sociedad Anónima Cerrada* or S.A.C. and *Sociedad Anónima Abierta* or S.A.A.)

At least an annual obligatory shareholders' meeting shall be held, within the 1st 3 months of every year, in order to approve or reject the balance sheet and the other financial statements of the corporation, the distribution of profits, the appointment of the members of the board of directors (if applicable), among other matters.

In closed stock corporations and, if provided in their bylaws, in regular and in open corporations, the meetings may be held by technological means.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

At least an annual obligatory partners' meeting shall be held, within the 1st 3 months of every year, in order to approve or reject the balance sheet and the other financial statements of the entity, as well as the distribution of profits.

Branch of a Foreign Legal Entity (*Sucursal*)

Not applicable to Peruvian branches. The parent company shall comply with the applicable foreign laws.

BOARD OF DIRECTOR MEETING REQUIREMENTS

Corporation, Closed Stock Corporation and Open Corporation (*Sociedad Anónima* or S.A., *Sociedad Anónima Cerrada* or S.A.C. and *Sociedad Anónima Abierta* or S.A.A.)

At least once per year, before the annual obligatory shareholders' meeting, the board of directors of corporations shall meet. The board meeting may be held by technological means.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

S.R.L.s do not have board of directors.

Branch of a Foreign Legal Entity (*Sucursal*)

Not applicable to Peruvian branches. The parent company shall comply with the applicable foreign laws.

ANNUAL COMPANY TAX RETURNS

Corporation, Closed Stock Corporation and Open Corporation (*Sociedad Anónima* or S.A., *Sociedad Anónima Cerrada* or S.A.C. and *Sociedad Anónima Abierta* or S.A.A.)

Files tax returns annually and monthly. Its individual shareholders file annually, if corresponds.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

Files tax returns annually and monthly. Its individual partners file annually, if corresponds.

Branch of a Foreign Legal Entity (*Sucursal*)

Files tax returns annually and monthly.

BUSINESS REGISTRATION FILING REQUIREMENTS

Corporation, Closed Stock Corporation and Open Corporation (*Sociedad Anónima* or S.A., *Sociedad Anónima Cerrada* or S.A.C. and *Sociedad Anónima Abierta* or S.A.A.)

Its incorporation, amendments to its bylaws and the appointment and removal of its directors, CEO and other legal representatives must be registered before the Public Registry of Legal Entities of its domicile. Additionally, open corporations and its shares must be registered in the Public Registry of the Securities Market of the Superintendency of the Securities Market (*Registro Público del Mercado de Valores de la Superintendencia del Mercado de Valores*).

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

Its incorporation, amendments to its bylaws, the appointment and removal of its managers and other legal representatives, as well as any transfer of its equity rights must be registered before the Public Registry of Legal Entities of its domicile.

Branch of a Foreign Legal Entity (*Sucursal*)

Its establishment, amendments to its assigned capital and the appointment and removal of its permanent legal representative and other legal representatives must be registered before the Public Registry of Legal Entities of its domicile.

BUSINESS EXPANSION

Corporation, Closed Stock Corporation and Open Corporation (*Sociedad Anónima* or S.A., *Sociedad Anónima Cerrada* or S.A.C. and *Sociedad Anónima Abierta* or S.A.A.)

If a closed stock corporation turns to have more than 20 shareholders, it shall be transformed into a *sociedad anónima* or S.A. or to a *sociedad anónima abierta* or S.A.A.

If a *sociedad anónima* or S.A. turns to have more than 750 shareholders or more than 35 percent of its capital is owned by 175 or more shareholders (without considering within this number those shareholders whose individual shareholding does not reach 2 per 1,000 of the capital or exceeds 5 percent of the capital), it shall be transformed into a *sociedad anónima abierta* or S.A.A.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

Limited to 20 partners. An S.R.L. may not operate in the banking or insurance industry.

Branch of a Foreign Legal Entity (*Sucursal*)

No need to change as business expands.

EXIT STRATEGY

Certain dissolution documents and a final balance sheet must be filed before the competent Public Registry of Legal Entities, after they are published in the Official Gazette and other local newspaper. Additionally, certain forms and documents recorded before the Public Registry of Legal Entities, as well as a final tax return, must be filed before the Peruvian tax authority.

ANNUAL CORPORATE MAINTENANCE REQUIREMENTS

Not applicable for this jurisdiction.

DIRECTOR / OFFICER REQUIREMENTS

A company must have a legal representative registered before the Peruvian tax authority who must be a Peruvian resident. This is not applicable to directors and other officers.

For more information on directors' duties, see our [Global Guide to Directors' Duties](#).

LOCAL CORPORATE SECRETARY REQUIREMENT

Not applicable for this jurisdiction.

LOCAL LEGAL OR ADMIN REPRESENTATIVE REQUIREMENT

A company must have a legal representative registered before the Peruvian tax authority, who must be a Peruvian resident. This is not applicable to directors and other officers.

LOCAL OFFICE LEASE REQUIREMENT

An entity must have a local address within the Peruvian territory for tax purposes.

OTHER PHYSICAL PRESENCE REQUIREMENTS

Not applicable for this jurisdiction.

SUFFICIENCY OF VIRTUAL OFFICE

A virtual office is not accepted as a legal address by the Peruvian tax authority. However, a virtual office may be used as a valid address for receiving notifications from the tax authority.

PROVISION OF LOCAL REGISTERED ADDRESS BY LAW FIRM OR THIRD-PARTY SERVICE PROVIDER

If agreed by the respective parties, the domicile of a law firm or another 3rd-party service provider may be used as the legal address (fiscal residence) of a specific company.

PROVISION OF LOCAL DIRECTOR OR CORPORATE SECRETARY BY LAW FIRM OR THIRD-PARTY SERVICE PROVIDER

Not applicable for this jurisdiction.

NATIONALITY OR RESIDENCY REQUIREMENTS FOR SHAREHOLDERS, DIRECTORS AND OFFICERS

Partners or shareholders may be local or foreign. However, they must be registered as such before the Peruvian tax authority. Additionally, a company must have a legal representative registered before the Peruvian tax authority who must be a Peruvian resident. This is not applicable to directors and other officers.

RESTRICTIONS REGARDING APPOINTMENT OF NOMINEE SHAREHOLDERS OR DIRECTORS

Not applicable for this jurisdiction.

SUMMARY OF DIRECTOR'S, OFFICER'S AND SHAREHOLDER'S AUTHORITY AND LIMITATIONS THEREOF

Corporation, Closed Stock Corporation and Open Corporation (*Sociedad Anónima* or S.A., *Sociedad Anónima Cerrada* or S.A.C. and *Sociedad Anónima Abierta* or S.A.A.)

Board of directors: This corporate body has all powers to manage and legally represent the company, except in those matters that the law or the bylaws establish as privative of the shareholders' meeting. The foregoing does not preclude the representation of the CEO. Consequently, there is not a list of matters submitted to the board of directors; instead, the law defines those matters that can only be agreed by the shareholders given their relevance.

In Peru, directors do not hold the power to represent the company individually. However, the board of directors as a corporate body may delegate some of its powers to the main executives, managers or lawyers of the company; to a director or to a committee of directors; and to other individuals.

Officers: In corporations, the board of directors (or the shareholders' meeting when there is no board of directors) must appoint a CEO. Unless otherwise provided in the bylaws or expressly agreed by the general shareholders' meeting or the board of directors, the CEO is presumed to have sufficient powers to: (i) enter into and execute the ordinary acts and contracts corresponding to the corporate purpose of the company; (ii)

represent the company, with the general and special powers provided for in the Code of Civil Procedure and the powers provided for in the Arbitration Law; (iii) attend the meetings of the board of directors and of the shareholders and act as secretary in the same; and, (iv) issue certificates and certifications with respect to the contents of the books and records of the company. Additionally, the shareholders' meeting and the board may grant additional (or less) powers of attorney to the CEO and other officers.

Shareholders: Each shareholder has 1 vote for each share it owns. At least an annual obligatory shareholders' meeting shall be held, within the 1st 3 months of every year, in order to approve or reject the balance sheet and the other financial statements of the company, the distribution of profits, the appointment of the members of the board of directors (if applicable), among other matters. Other meetings may be held at any time, when required by the company, to decide on any matter that the law or the bylaws provide to the knowledge of the shareholders' meetings and provided that such matters are indicated in the corresponding citation.

Matters that may be discussed by the general shareholders' meeting are the following: (i) the removal of the members of the board of directors; (ii) any amendment to the bylaws; (iii) the increase or decrease of the capital stock; (iv) the issuance of debentures; (v) the disposal, in a single act, of assets which book value exceeds 50 percent of the capital stock of the company; (vi) the execution of special investigations and audits; (vii) the transformation, merger, spin-off, reorganization and dissolution of the company, as well as its liquidation, among others.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

Determined by the bylaws. In case of silence, rules of the corporations (*sociedad anónima* or S.A.) will apply.

PUBLIC DISCLOSURE OF IDENTITY OF DIRECTORS, OFFICERS AND SHAREHOLDERS

The identity of directors, CEOs and other legal representatives of a company are recorded in the Public Registry of Legal Entities of the company's domicile. Additionally, the identity of the partners of a S.R.L. are also recorded in such public registry and the identity of the shareholders of an open corporation are registered in Public Registry of the Securities Market of the Superintendency of the Securities Market (*Registro Público del Mercado de Valores de la Superintendencia del Mercado de Valores*).

MINIMUM AND MAXIMUM NUMBER OF DIRECTORS AND SHAREHOLDERS

Minimum number of directors for corporations: 3.

Maximum number of directors for corporations: not applicable.

They must be individuals and either Peruvian or foreign.

MINIMUM NUMBER OF SHAREHOLDERS REQUIRED

Corporation (*Sociedad Anónima* or S.A.)

Minimum number of shareholders: 2.

Maximum number of shareholders: 749.

They may be individuals or legal entities and either Peruvian or foreign.

Closed stock corporation (*Sociedad Anónima Cerrada* or S.A.C.)

Minimum number of shareholders: 2.

Maximum number of shareholders: 20.

They may be individuals or legal entities and either Peruvian or foreign.

Open corporation (*Sociedad Anónima Abierta* or S.A.A.)

Minimum number of shareholders: 2.

Maximum number of shareholders: not applicable.

They may be individuals or legal entities and either Peruvian or foreign.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

Minimum number of partners: 2.

Maximum number of partners: 20.

They may be individuals or legal entities and either Peruvian or foreign.

Branch of a Foreign Legal Entity (*Sucursal*)

No minimum or maximum requirement for shareholders or partners of the parent company. The parent company is ruled by foreign law.

REMOVAL OF DIRECTORS OR OFFICERS

Directors may be freely removed by the shareholders of a corporation. Removal does not need to affect all of the directors, since the removal of 1 or more of the members of the board is allowed. Officers are freely appointed and removed by the board of directors or by the shareholders' or partners' meeting, as applicable.

REQUIRED AND OPTIONAL OFFICERS

The board of directors (and when not applicable, the shareholders' or the partners' meeting) shall appoint 1 or more managers. 1 of them will be the CEO. These corporate bodies are allowed to appoint any additional officers and legal representatives.

BOARD MEETING REQUIREMENTS

Corporation, Closed Stock Corporation and Open Corporation (*Sociedad Anónima* or S.A., *Sociedad Anónima Cerrada* or S.A.C. and *Sociedad Anónima Abierta* or S.A.A.)

Board of directors' meetings –if the company is administered by a board–.

At least once per year, before the annual obligatory shareholders' meeting, the board of directors of corporations shall meet. The board meeting may be held by technological means.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

Not applicable for a Peruvian S.R.L.

Branch of a Foreign Legal Entity (*Sucursal*)

Not applicable for a Peruvian branch. The parent company shall comply with the applicable foreign laws.

QUORUM REQUIREMENTS FOR SHAREHOLDER AND BOARD MEETINGS

In corporations (*sociedades anónimas* or S.A.) and closed stock corporations (*sociedades anónimas cerradas* or S.A.C.), unless otherwise stated in the bylaws, in 1st call, the assistance quorum for shareholders' meetings is 50 percent of the issued shares with voting rights; and, in second call, any number of issued shares with voting rights, except regarding certain specific matters when, in 1st call, the assistance quorum is 2/3 of the issued shares with voting rights; and, in second call, 3/5 of the issued shares with voting rights. The resolutions must be adopted by absolute majority of the issued shares with voting rights that attend the meeting, except regarding certain specific matters, when the resolutions must be adopted by the absolute majority of the issued shares with voting rights.

In open corporations (*sociedades anónimas abiertas* or S.A.A.), unless otherwise stated in the bylaws, in 1st call, the assistance quorum for shareholders' meetings is 50 percent of the issued shares with voting rights; and, in second call, any number of issued shares with voting rights, except regarding certain specific matters when, in 1st call, the assistance quorum is 50 percent of the issued shares with voting rights, in second call, 25 percent of the issued shares with voting rights and in 3rd call, any number of issued shares with voting rights. The resolutions must be adopted by absolute majority of the issued shares with voting rights that attend the meeting.

In limited liability companies (*sociedades de responsabilidad limitada* or S.R.L.) the assistance quorum and the majority required for the approval of any matter must be specifically regulated in the bylaws.

MUST A BANK ACCOUNT BE OPENED PRIOR TO INCORPORATION, AND MUST THE BANK ACCOUNT BE LOCAL?

Not prior to incorporation. It is mandatory to open a bank account in the Peruvian National Bank (*Banco de la Nación*).

The supply of certain goods and services -taxed with VAT- are subject to withholding tax. To this regard, the purchaser or service recipient shall withhold a percentage of the transaction price and deposit such amount within the supplier's Peruvian National Bank account (*Banco de la Nación*). It must be noticed that the right of the

purchaser or user of the service to offset input VAT related to such goods and services shall be exercised only after the deposit has been made.

Such funds are not free of disposal and they must be used to pay taxes. Under certain conditions, companies are entitled to get the cash back.

AUDITING OF LOCAL FINANCIALS. IF SO, MUST THE AUDITOR BE LOCATED IN LOCAL JURISDICTION, AND MUST THE COMPANY'S BOOKS BE KEPT LOCALLY?

Local financials of open corporations and of companies that belong to certain industries must be audited. In case of open corporations, an annual external audit shall be carried out by external auditors registered before the External Audit Firms Registry (*Registro de Sociedades de Auditoría Externa*).

For all entities, company books must be kept locally.

REQUIREMENT REGARDING PAR VALUE OF STOCK

Not applicable for this jurisdiction.

INCREASING OF CAPITALIZATION IF NEEDED

Corporation (Sociedad Anónima or S.A.)

Capital is divided into shares and is established in the bylaws. It shall be subscribed and paid, at least, in 25% and, if applicable, the difference shall be cancelled under the conditions stipulated in the bylaws or as agreed by a shareholders' meeting. If the obliged shareholder does not comply with the applicable conditions, it will not be able to exercise its right to vote with respect to its unpaid shares and such shares will not be computable to form the quorum in the shareholders' meetings or to determine the majority in voting.

Capital may only be increased or decreased by agreement of the shareholders' meeting, unless such corporate body delegates a specific agreement regarding those matters to the board of directors. That agreement shall be reflected in an amendment of the bylaws (complying with formal requirements that include the issuance of a public deed and the registration of the latter). Additionally, for the decrease of the capital stock, the corresponding resolution must be published in 3 different opportunities in the Official Gazette and in other local newspaper. If no creditor of the company opposes to such decrease within 30 days of the last publication, then the reduced capital shall be recorded before the Public Registry of Legal Entities of the domicile of the company, after the corresponding public deed is issued.

Likewise, in open corporations the new shares must be registered in the Public Registry of the Securities Market of the Superintendency of the Securities Market (*Registro Público del Mercado de Valores de la Superintendencia del Mercado de Valores*).

Limited Liability Company (Sociedad de Responsabilidad Limitada or S.R.L.)

Capital is represented by equity rights and is established in the bylaws. The amount of the company's capital may be increased or decreased by means of an amendment to the company's bylaws (complying with formal requirements that include a public deed, registration and publications).

Branch of a Foreign Legal Entity (*Sucursal*)

The parent company must declare the assigned capital of the branch.

In order to increase or decrease the branch's assigned capital, an agreement of the competent corporate body will be required. The same shall be included in a public deed granted by a Peruvian Notary Public and recorded in the Public Registry of Legal entities of Lima of the domicile of the branch.

SUMMARY OF HOW FUNDS CAN BE REPATRIATED FROM YOUR JURISDICTION (IE DIVIDENDS OR REDEMPTION)

Subject to compliance of tax obligations, there is no regulatory restriction to repatriation of funds (i.e., dividends or redemption).

RESTRICTIONS ON TRANSFERABILITY OF SHARES

In case of open corporations, the shares may be transferred without limitation. Restrictions to shares' transfers regulated in their bylaws or in shareholders' agreements are not enforceable. On the contrary, a right of first refusal applies to closed stock corporations, unless otherwise provided in the bylaws. In case of regular corporations, the shares may be transferred without limitation, except if certain restrictions are established in their bylaws or in shareholders' agreements.

Regarding limited liability companies, a right of first refusal is always applicable and equity rights may only be transferred by virtue of a public deed that shall be recorded before the Public Registry of the domicile of the corresponding entity.

Additionally, antitrust laws shall be taken into account.

OBTAINING A NAME AND NAMING REQUIREMENTS

As a general rule, the name of a company shall be established in the bylaws. The name may be freely agreed by shareholders or partners, but the use of a name may be restricted by companies that already use the same name.

Corporation (*Sociedad Anónima* or S.A.)

The name must include the words "*Sociedad Anónima*" or the acronym "S.A."

Closed Stock Corporation (*Sociedad Anónima Cerrada* or S.A.C.)

The name must include the words "*Sociedad Anónima Cerrada*" or the acronym "S.A.C."

Open Corporation (*Sociedad Anónima Abierta* or S.A.A.)

The name must include the words “*Sociedad Anónima Abierta*” or the acronym “S.A.A.”.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or S.R.L.)

The name must include the words “*Sociedad de Responsabilidad Limitada*” or the acronym “S.R.L.”.

Branch of a Foreign Legal Entity (*Sucursal*)

The competent corporate body of the parent company shall agree the name under which the branch will operate in Peru, which must include the words “*Sucursal del Peru*”.

SUMMARY OF "KNOW YOUR CLIENT" REQUIREMENTS

Required by banks and insurance companies.

APPROVAL REQUIREMENTS FOR AMENDING CHARTER DOCUMENT

Except regarding certain regulated industries, no regulatory approval is required for amending charter documents.

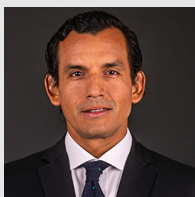
LICENSES REQUIRED TO CONDUCT BUSINESS IN JURISDICTION

Only required for certain industries (ie, banking, insurance, education, etc.).

PROCESS OF PURCHASING AND UTILIZING A SHELF COMPANY

Not applicable for this jurisdiction.

KEY CONTACTS

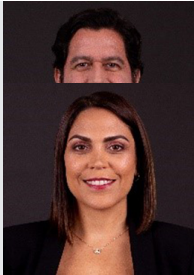


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