

## Amendments to the Commerce Code

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As a result of the effort to update the Guatemalan business law, the Congress of the Republic of Guatemala has recently approved a series of amendments to the [Commerce Code \(Decree 2- 70\)](#). This is a step towards the modernization of the business legislation in Guatemala, facilitating the process of incorporating new businesses in Guatemala.

The main amendments are the following:

- Meetings of Shareholders and board of directors, summons and communications between the partners and the Company may be performed through electronic means or through any remote communication method. Such provisions must be included in the articles of incorporation of the company.
- Certain activities that require publication at the Official Gazette, such as the incorporation of a joint-stock company or the merger of companies, may be made through an electronic means of communication to the Mercantile Registry.
- The initial capital for the creation of companies is set to the minimum amount of Q200 - approximately US\$30. The contributions that are made in cash may be delivered to one or more directors or may be deposited at a bank, which must be attested in the articles of incorporation. The bank deposit will be mandatory if the contributions exceed Q2,000 (around US\$274).
- A series of requirements are established for the minutes of shareholders and board of directors meetings (such as indicating of the number of the minutes, the hour in which they end, the manner in which they were summoned and how the attendees voted - in favor or against a decision).
- The shareholder's e-mail address must be included in the share ledger.
- The business and company licenses may be issued in an electronic manner.
- The process to register foreign companies is amended. From now on, the objection period starts after the registration of the company, which streamlines the process to register companies.
- Among others.

The decree that approves the amendments, [Decree 18-2017](#) of Congress of the Republic, was published at the Official Gazette on October 31, 2017. The amendments shall come into force in February 2018.

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