PRACTICAL GUIDE FOR INVESTORS

# El Salvador market-entry legal checklist

A working tool to organize decisions, identify missing documents and prepare a discussion with your legal, finance and operations teams.

> **How to use it.** Check items supported by evidence, assign an owner and keep the relevant records. These are recommended planning actions, not universal legal requirements. The scope depends on your activity, structure and location.

| PROJECT / ACTIVITY | OWNER | REVIEW DATE |
|---|---|---|
| | | |

## 01 Define the operation

- [ ] Specify what will be sold, which entity will contract, where services will be delivered and which entity will receive revenue.
- [ ] Identify customers, physical premises, staff, imports and any activity that may require a specific authorization.
- [ ] Check investment restrictions that apply to the proposed activity and assets. [2]

## 02 Compare entry structures

| | |
|---|---|
| **Local company** | Assess shareholders, governance, capital and responsibilities. A SAS can have one shareholder; a simpler formation process still requires business analysis. [1, 3] |
| **Foreign branch** | Confirm parent-company approval, powers, foreign documents and MINEC/CNR procedures. Assess the parent company's exposure. [1, 10] |
| **Acquisition** | Decide whether to acquire shares, a business or assets. Review liabilities, contracts and authorizations before closing. [2] |

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# Document ownership and control

The file should make clear who invests, who can make decisions and what is being acquired.

## 03 Documents and authority

- ☐ Gather identity, formation, current corporate status, management and power-of-attorney documents for the relevant people and entities.
- ☐ Confirm tax identification (NIT), representation and formalities for foreign documents, including apostille or authentication and translation where applicable. [1, 4, 10]
- ☐ Check that powers cover the intended acts: formation, contracts, bank accounts, financing or acquisition.

## 04 Governance and shareholders

- ☐ Agree contributions, ownership percentages, management, signing authority and decisions requiring special approval.
- ☐ Define the process for additional funding, defaults, shareholder disagreements and changes of control.
- ☐ Review transfer restrictions, exit arrangements, dispute resolution and protection of information and intangible assets.

## 05 Acquisition due diligence

- ☐ Obtain evidence of ownership, encumbrances, debt, taxes, employment arrangements and material litigation.
- ☐ Review key contracts, intellectual property and permits; identify consents triggered by assignment or a change of control.
- ☐ Translate findings into closing conditions, price adjustments, warranties or follow-up actions; record the risks being accepted.

> **If considering a SAS:** assess whether its governance and financing fit the project. Accounting obligations still apply. Nominal share capital is not an operating budget. [3]

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# Prepare to operate

Formation is one milestone. Other registrations, authorizations and controls must be assessed separately.

## 06 Registrations and permits

- [ ] Build a matrix for each activity and site: authority, procedure, required evidence and owner. CreaEmpresa integrates certain registrations, not every sector authorization. [9]
- [ ] Check permitted property use and applicable permits before committing to fit-out, inventory or opening to customers.

## 07 Taxes and investment funds

- [ ] Confirm applicable NIT and VAT registrations, business activity, representation, accounting and invoicing obligations. [4]
- [ ] Document whether funds will enter as equity or a loan, and assess foreign investment registration and supporting bank records. [2, 10]

## 08 Banking and customer due diligence

- [ ] Check the chosen bank's requirements. Prepare identity, ownership structure, beneficial owner, account purpose and source-of-funds documentation. [5, 6]
- [ ] Align the documents and expected transactions with the actual operation. Include the bank's decision in your funding plan.

## 09 People, contracts and data

- [ ] Plan employment and social security obligations, supplier contracts, confidentiality and ownership of intellectual property.
- [ ] Map customer and employee data, purposes, access, service providers and international transfers; determine applicable measures under current data protection rules. [8]

## 10 If the project uses digital assets

- [ ] Classify the service and each entity's role. Distinguish digital asset service provider (DASP) registration from the rules for a specific issuance; verify registrations and their scope with CNAD. [7]

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# Make evidence-based decisions

Turn outstanding items into concrete conditions for each investment commitment.

| | |
|---|---|
| **BEFORE SIGNING** | Confirm the structure, authority to contract and findings that affect the transaction. |
| **BEFORE FUNDING** | Verify agreed conditions, the receiving account, source-of-funds records and closing documents. |
| **BEFORE OPERATING** | Check applicable permits, registrations, contracts, staffing and required controls. |

**Next outstanding item / owner / evidence required**

## PRIMARY SOURCES | CLICKABLE LINKS

Sources consulted on 9 September 2026. Check for changes and case-specific requirements. Official documents are mainly in Spanish.

**[1] CNR** - Company and branch

**[2] INVEST** - Investment Law

**[3] CNR** - Sociedades por Acciones Simplificadas

**[4] Hacienda** - Tax registration

**[5] SSF** - Bank accounts

**[6] SSF** - AML law

**[7] CNAD** - DASP and issuances

**[8] ACE** - Ley para la Protección de Datos Personales

**[9] CNR** - Business registration

**[10] MINEC** - Reglamento de la Ley de Inversiones

## Speak with Compass Abogados

Free 15-minute introductory conversation to understand your project. Legal advice is not included.

**Book a conversation** | View the online resource

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