

Investing in Nicaragua Involves Very Few Restrictions

In the last decade, Nicaragua has privatized nearly all its old state-owned monopolies, save for the public utilities, and has thus dramatically reduced the amount of government red tape investors have to contend with when they do business here. In addition, it has opened up all sorts of new markets.

A foreign investment law ensures you can repatriate 100% of your profits and, after three years, the initial investment as well. (Even if you don't "register" your investment, banks will freely repatriate profits.)

You'll find no legal grounds for discrimination against you when you invest. The law allows for 100% foreign ownership in every economic sector. And there are no restrictive visa or work permit requirements to inhibit investment.

To set up a company you need a lawyer and \$1,200.00. It's an easy process but its time consuming and will takes approx. 90-120 business days to get all the required documents to and from the Government.

Investing in Nicaragua Is Safe

Without question, and perhaps contrary to popular belief, Nicaragua is a stable, safe, and peaceful country for investment. There is no doubt that Nicaragua is a developing country, but that does not constitute it being unsafe. In fact, quite the opposite is true: Nicaragua is the second safest country in all of Latin America (behind [Uruguay](#)), and Nicaragua has a lower reported crime rate than France, Germany, and the United States, according to a United Nations/Interpol study.

Run Your Tourist Business Tax Free for up to 10 Years

Nicaragua's Law 306 (enacted in September 1999) is the most attractive-and most aggressive-tourism-incentive law in Latin America. If you've ever thought about opening your own B&B, running a tour business, or having a little arts and crafts shop...Nicaragua is the place to do it.

This law is sweeping in scope and offers hard-to-beat benefits for investors who take advantage of the program. If your business qualifies, you pay no income or real estate taxes for up to 10 years, and bring in (or buy locally) all the supplies you need, from furniture and boats to linens and cash registers...tax free.

Not only that, but the application and approval process is straightforward and fast. INTUR, Nicaragua's institute of tourism, has done an outstanding job of cutting through the usual red tape and outlining very clearly what you need to do. In addition, the law allows the agency just 60 days to approve your application so you won't find yourself in limbo for months or even years on end. What's more, depending on the type of project, an investment of only \$30,000 can qualify you for benefits. Side note: you will need to create a business plan that needs to be approved by INTUR to enable you to receive these tax benefit. Also read the following article [Myths and Truths on the tourism incentive law](#).

In general, Law 306 offers investors the following benefits:

- Pay no income taxes for up to 10 years
- Pay no real estate taxes for up to 10 years

- Import into the country all the supplies you need to facilitate your investment-TAX FREE.

A Straightforward Law Promoting Investment in Nicaragua

Nicaragua is slowly being discovered. And an improved tourism infrastructure can only speed the process. Law 306 is a well-crafted document that gives you an incentive-and makes it easy for you-to help jump-start the industry...and make a profit while you're at it.

Several "tourist activities" fall under the law's umbrella, and with an investment in any one of them, you benefit through tremendous tax savings.

Investing in Nicaraguan Real Estate

Without question, Nicaragua has bounced back from its troubled and often misunderstood past and has transformed itself into one of the most sought-after [property](#) investment destinations in the world. Investing in Nicaragua affords investors an opportunity to participate in an early-in investment real estate market.

Watch out - In Nicaragua almost anyone can act as a real estate agent. So you have taxi drivers, tour operators, accountants and attorneys marketing and offering real estate for sale. The rules are such that that agents do not have to represent and disclose material fact, nor do they have to present written offers to the Seller. You will also notice some properties are being sold by different agents for a different price. The Seller wants every agent in town to represent him, there is no exclusive listing agreement. So be careful out there. There are a few real estate agents that have a good reputation, and a few others that have come from the US, like us, that are affiliated with National Association of Realtors that are truly licensed agents that are called REALTORS ® that abide by the strict ethics set by NAR. So if you see any agent saying in Nicaragua they are a Realtor, please verify via [NAR](#) website.

Ideally, you want to invest in any real estate market at the right time and in the right place. Critical to any successful investment is the idea that you must capture the opportunity before the rest of the world catches on. This accomplishment will provide you with the greatest opportunity to maximize your investment. Today, Nicaragua offers investors the optimal investment opportunity: low real estate prices and relatively few competing investors

Cost of living differences [Costa Rica vs Nicaragua](#)

Rent Prices in Nicaragua are 48.27% lower than in Costa Rica

Restaurant Prices in Nicaragua are 20.03% lower than in Costa Rica

Groceries Prices in Nicaragua are 12.35% lower than in Costa Rica

Cost of living differences [Panama vs Nicaragua](#)

Rent Prices in Panama are 228.80% higher than in Nicaragua

Restaurant Prices in Panama are 31.73% higher than in Nicaragua

Groceries Prices in Panama are 11.13% higher than in Nicaragua

Cost of living differences [Mexico vs Nicaragua](#)

Rent Prices in Nicaragua are 10.50% higher than in Mexico

Restaurant Prices in Nicaragua are 37.72% higher than in Mexico

Groceries Prices in Nicaragua are 74.00% higher than in Mexico

Yes Mexico is cheaper in rents but not so in buying a home. Also we saw many other benefits in Nicaragua vs Mexico which are listed below.

Here is why we chose to reside in Nicaragua:

1. Direct flights from Managua to Houston (our kids are in the Midwest) there are also flights to Miami and other destination
2. Cost of flights are reasonable if you plan ahead.
3. Customs is lax- which has allowed us to bring over 20 suitcases in 4 trips with only a \$10 charge total. What we learned is that you need to take all new items out of the box, so they don't look like items are for resale
4. Investing: we set up a company in Nicaragua at a cost of \$1000 or less: this will allow you to by pass the time period to purchase real estate, car and other major ticket items. You need to be a Nicaragua resident or retiree. (More info below). This will also allow you to start a business, many opportunities for those that desire to continue to work. We chose to set up a real estate company since we are licensed real estate agents in USA and consulting.
5. Stable government. Even though this is a socialist government, President Ortega has done lot of good things for the local community, building roads, being pro small business, stable currency, great medical care. We stay away from politics, so we never discuss in public or FB any negatives about the government.
6. Medical care: excellent medical care as told by other expats. We have heard great stories about local Dr's in Granada or Managua that is 45 Minutes away. Most retirees do not have local medical insurance, they all pay as they go.
7. Public transportation. As we call them the chicken bus is a great way to travel between towns to Managua 45 minute ride its only \$1.00 from Granada. We also use a mototaxi, for a quicker way to move around.
8. Staff help. Very low cost - to have a helper we pay less than \$170 per month, and for gardener we pay \$200.00 per month.
9. Safety. We feel completely safe but do take precautions. We do not have expensive jewelry, divide our cash, and just be aware of our surroundings and stay out of unknown areas. We always use same person for taxi, mototaxi person to pick us up. And we limit night driving on major roads. Yes there is corruption, but its all over. And finally, you do not need to carry your passport or drivers license, we carry photocopies. We lived in 10 different countries. For more info read <http://moon.com/2016/01/crime-in-nicaragua/>
10. Shopping. You have large box stores similar to SAMS, COSTCO, WALMART and others. We joined Pricemart as a business at a cost of \$60 per year with 3 membership cards. There are several requirements to open an account at Pricemart business account. We shop at Sinsa a local hardware store that will shame US rivals Home Depot and Lowes due to their excellent service. Walmart we stay away from since its disorganized and has no service, and higher prices than Sinsa. For a full list of the malls <http://>

www.nicaragua-guide.com/major-shopping-sites.html we were blown away by Gallerias, amazing assortment. And yes we can negotiate on prices. We negotiate every item we buy it's a norm, no shame in asking for an extra item, free delivery, or better exchange rate.

Other resources: Join the various Facebook groups that are pretty local and provide a lot of resources and help guidance from other local expats such as [Granada of Expats](#), [Expats of Managua](#), [Expats in Leon](#), and [Expats in Nicaragua](#). A well written local news letter [NICA NUGGETS](#) written by Darrell Bushnell who has been here over 10 years that also provides insights with some local humor.

