TAX ENFORCEMENT NOTICE

OBLIGATION TO WITHHOLD INCOME TAX TO NON-RESIDENTS OF PRÓSPERA ZEDE

January 15th, 2024

Dear Próspera ZEDE (e)Resident,

In accordance with Part 6 of the 2019 Próspera Tax Statute and the Tax Commissioner Binding Practice Note §6-1-08-31-23-1 ("PAYE Rules"), **withholding agents**[1] are required to withhold tax on all payments made to Non-(e)Residents of Próspera ZEDE, including contract payments, dividend payments, employment payments, interest payments, pension or annuity payments, rent payments, and royalty payments ("**withholding payments**").

1. *Time of Withholding:* Withholding agents must deduct and withhold tax at the time the withholding payment is made to a Non-(e)Resident of Próspera ZEDE.

2. *Amount of Tax to be Withheld*:

Type of Payment	Amount to be withheld
Employment Payment	5% of Gross Payment
Contract Payment	1% of Gross Payment
Dividend Payment	1% of Gross Payment
Interest Payment	1% of Gross Payment
Royalty Payment	1% of Gross Payment
Rent Payment	1% of Gross Payment
Pension or Annuity Payment	5% of Gross Payment

3. *Filing and Payment of Monthly and Annual WHT Returns*:

    a. *15-Days after Each Month*: The Monthly Withholding Return must be filed within 15 days of the end of the month in which the withholding agent made a payment to a Non-(e)Resident of Próspera ZEDE. Until E-Próspera is updated, returns will be filed via Adobe Sign Form found here: https://pzgps.hn/services/ (under "Tax Documents" section).

    b. *30-Days after Each Year*: The Annual Withholding Return must be filed within 30 days of the end of the year in which the withholding agent made a a payment to a Non-(e)Resident of Próspera

[1] **Withholding Agents** are persons who are required to make a withholding payment and to file withholding returns pursuant to the Próspera Tax Statute 2019; and, as such, **they comprise all persons, both natural persons and legal entities, who have paid or have a contractual or other legal obligation to pay withholding payments, as defined by section 29 of the Próspera Tax Statute 2019, to non-(e)Residents** (i.e. to natural persons or legal entities who are neither limited eResidents, eResidents, nor physical Residents) at any point in time during the calendar year, provided that the withholding payments are paid or owed as a result of any activity, condition, occurrence, obligation, or event that incurs income tax liability under the Próspera Tax Statute 2019.

ZEDE. Until E-Próspera is updated, returns will be filed via Adobe Sign Form found here: https://pzgps.hn/services/ (under "Tax Documents" section).

4. *Payment of Withholding Taxes*: A withholding agent must pay the tax that the withholding agent is required to deduct under the Próspera Tax Statute to the Próspera Tax Commissioner on or before the date for filing a return.

5. *Issuance of WHT Certificate*: A withholding agent shall deliver to the payee a tax withholding certificate within 30 days of the end of the year of assessment Until E-Próspera is updated, the WHT Certificate can be issued via Adobe Sign Form found here: https://pzgps.hn/services/ (under "Tax Documents" section).

6. *Attach WHT Certificate to Income Tax Statement*: A payee who is required to file a Tax Statement under the Próspera Tax Statute shall attach to the return the tax withholding certificates that relate to the year of assessment for which the Tax Statement is filed.

Attached to this Notice you will find the Próspera Tax Statute and the PAYE Rules. If you have any questions, please direct them to gsp@prospera.hn.

GENERAL SERVICE PROVIDER
GSP
PRÓSPERA ZEDE
PROVEEDOR DE SERVICIO GENERAL

JORGE CONSTANTINO COLINDRES
ACTING PRÓSPERA ZEDE MANAGER (TAX COMMISSIONER)
PRÓSPERA ZEDE GENERAL SERVICE PROVIDER