

LAW OF A FREE TOURIST ZONE IN THE DEPARTMENT OF BAY ISLANDS

INTRODUCTION

AIM AND CREATION OF A FREE TOURIST ZONE

CHAPTER I

OBJECT AND DEFINITIONS

ARTICLE 1: OBJECT: The object of this law is to create the legal framework that is necessary for the establishment and operation of a Customs, Tax and Territorial Ordering Regime that will operate in all territory comprised in the Department of Bay Islands, except for the Archipelago of Cayos Cochinos. For its execution, this Special Regime will adopt the name of Free Tourist Zone of Bay Islands or ZOLITUR (its acronym in Spanish).

ARTICLE 2: AIM: The aim of the Free Tourist Zone of Bay Islands is to promote national and foreign investment within its territory in order to allow that the activities derived from this investment are developed subject to a special regime and an environment that is consistent with the following: social and economic development, security of the people and assets, supportable and sustainable development that protects the environment and is in harmony with the ecology and tourism of the zone.

ARTICLE 3: TERMS, ACRONYMS AND DEFINITIONS: For the purposes of this Law, the following terms, acronyms and definitions are adopted:

- 1) **ADMINISTRATIVE COMMISSION:** The Administrative Commission of the Free Tourist Zone of the Department of Bay Islands;
- 2) **DEI:** Executive Directorate of Income;
- 3) **PUBLIC SERVICES:** Education, health and security, among others.

- 4) **VISITOR:** A person that is not a resident of the Department of Bay Islands;
- 5) **ZOLITUR:** Free Tourist Zone of the Department of Bay Islands;
- 6) **FREE TOURIST ZONE:** The special territory that is subject to a tax, customs and territorial ordering regime in order to promote services;
- 7) **CETS:** Executive Commission of Sustainable Tourism;
- 8) **CUSTOMS VALUE:** the value established in the Customs Legislation;
- 9) **BENEFICIARY:** Every individual or entity that opts for the benefits of ZOLITUR.

ARTICLE 4: GEOGRAPHIC AREA: The extension and geographical boundaries of the Department of Bay Islands, except for the territory of the Archipelago of Cayos Cochinos, that are included in the scope and effects of the judicial ordering inherent to the special regime of the Free Tourist Zone, which is hereby created and regulated.

CHAPTER II

ORGANIZATION AND COMPETENCE

ARTICLE 5: RESPONSIBLE ENTITY: The Administrative Organization of the Free Tourist Zone of the Department of Bay Islands is created as a public entity that is functionally and geographically decentralized and that has its own competence and jurisdiction; this organization will be responsible for the management of the Free Tourist Zone with its own administrative, technical and financial criteria. This organization will have the name of Administrative Commission of the Free Tourist Zone of the Department of Bay Islands and will be administratively attached to the Ministry of Finances.

The patrimony of the Free Tourist Zone of the Department of Bay Islands includes:

- 1) The movable and immovable assets acquired or received from the State or the Municipalities as contribution or by transfer;

- 2) Inheritances, cessions or donations received from public institutions, individuals or entities, whether national or foreign;
- 3) Income from the payment of taxes or special charges created by this Law and that will be assigned to the budget of the Free Tourist Zone;
- 4) Income from the sale of assets and investments; and
- 5) Income from services rendered by the organization.

ARTICLE 6: INTEGRATION AND JURISDICTION: The Administrative Commission of the Free Tourist Zone of the Department of Bay Islands comprises the following members:

- 1) The Minister of Finances, or the corresponding Vice-Minister, who will chair the Commission;
- 2) The Minister of Tourism, or the corresponding Vice-Minister;
- 3) The Minister of Natural Resources and Environment, or the corresponding Vice-Minister;
- 4) The Governor of the Department of Bay Islands;
- 5) The Majors, or failing them the Vice-Majors, of the Municipalities of the Department of Bay Islands;
- 6) One or more owner or substitute representatives appointed by the Chamber of Commerce and Industry of the Department of Bay Islands;
- 7) One or more owner or substitute representatives appointed by the Chamber of Tourism of the Department of Bay Islands;
- 8) One or more owner or substitute representatives appointed by the Councils (patronatos) that have legal status.

In case that a member is absent or incapable, he or she will be substituted by his or her legal substitute.

The following positions are hereby created: Executive Director, Executive Sub-Director, Special Payer and Auditor of the Free Tourist Zone.

All the government offices and independent, semi-independent or decentralized institutions shall participate with their concurrent competence subject to the

Administrative Commission of the Free Tourism Zone in order to achieve the best performance and accomplish their plans.

ARTICLE 7: ATTRIBUTIONS AND COMPETENCES: The Administrative Commission will have the following attributions and competences:

- 1) Formulate rules and regulations as well as adopt the resolutions deemed necessary to the accomplishment of its goals.
- 2) Coordinate activities with the public and private sectors related to the development of the Free Tourist Zone.
- 3) Prepare the annual budget, which shall include a provision that states that at least thirty percent (30%) of the income will be assigned to infrastructure, public services, cultural activities and environmental projects coordinated with the municipalities of the Free Tourist Zone and submitted to the Ministry of Finances in order to include it in the General Budget of the Republic.
- 4) Execute yearly the budget in compliance with the Organic Law of the Budget (Ley Orgánica del Presupuesto) and the General Provisions of the Budget (Disposiciones Generales del Presupuesto) of that year.
- 5) Create the agencies and offices deemed necessary to properly conduct the administrative, tax and customs issues of the Free Tourist Zone.
- 6) Submit reports or institutional claims and recommend the municipalities appropriate regulating and controlling measures for local, national and international migration from and to the territory of the Free Tourist Zone.
- 7) Promote sustainable tourism in the Free Tourist Zone in coordination with the Municipalities of the Department of Bay Islands and the CETS in order to protect the general community in relation to security, public order, health, education, historical and cultural aspects that are representative of the national cultural patrimony.
- 8) Designate the Executive Director, Executive Sub-Director and Auditor of the Free Tourist Zone; the rest of the members will be appointed by the Executive Director.

- 9) Approve the administrative and functional organization submitted by the Executive Director.
- 10) Approve immovable assets lease contracts, assets and services supply contracts, consultancies, public works, concessions and other documents submitted by the Executive Director.
- 11) Approve the Annual Operative Plan of the Free Tourist Zone.
- 12) Ensure that the Ministry of Finances accurately transfers the taxes and other contributions established by this law to the Free Tourist Zone quarterly.
- 13) Manage the patrimony of the Free Tourist Zone.
- 14) Sign cooperation agreements with public and private organizations in order to ensure the accomplishment of the objectives of the Free Tourist Zone.
- 15) Request the intervention of governmental and municipal entities and institutions needed to solve specific situations in the Free Tourist Zone.
- 16) Inform the Procuraduría General de la República or Tribunal Superior de Cuentas about any case that implies pre-judicial or judicial actions that are brought against or that could be detrimental to the State of Honduras. Likewise, the Ministerio Público shall be informed of these cases.
- 17) Know and apply the environmental regulations of the Department of Bay Islands as well as Articles 17, 27 and 28 of the Territorial Ordering Law so that they could be concurrently applied with the municipalities and other government entities or institutions in compliance with its attributes established in the Agreement of the Executive No 005/2002 in order to create the Executive Commission of Sustainable Tourism (CETS) of the Department of Bay Islands.
- 18) Contribute with the control of entrance and exit activities to and from the territory of the Free Tourist Zone due to customs, tax, security and territorial ordering reasons, which will be subject to the regulations of this Law.
- 19) Any other attribution derived from this Law and the judicial ordering currently in force of the Republic of Honduras, in general.

ARTICLE 8: DECISIONS: The Administrative Commission, as a registered organ, will make its decisions by a majority of four fifths (4/5) of the present members; in case of tie, the President will have the decisive vote.

ARTICLE 9: SESSIONS: The Administrative Commission will hold ordinary sessions every two (2) months and extraordinary sessions whenever it is requested by a member, provided that the issue is deemed urgent. Quorum requires the presence of four fifths (4/5) of its members.

Summons for ordinary sessions shall be sent by the Secretary of the Free Tourist Zone enclosing the agenda and other support documents with at least ten (10) days in advance.

ARTICLE 10: LABOR REGIME: Labor relations of the personnel that works for the administrative organization of the Free Tourist Zone are regulated by the Civil Service Regime, except for the cases of professional service contracts which will be ruled by the conditions agreed by the parties.

Furthermore, workers will have the benefits as participants of the National Pension and Retirement System for the Executive (Sistema Nacional de Jubilaciones y Pensiones del Poder Ejecutivo).

TITLE ONE

FREE TOURIST ZONE

CHAPTER I

SPECIAL CUSTOMS REGIME

ARTICLE 11: APPLICATION SCOPE: The Special Customs Regime for the Free Tourist Zone includes all legal activities that consist on the trade of assets and merchandises or services that have been authorized and are developed within the territory of the Department of Bay Islands; according to this law, all these activities

are expressly exempted from the payment of tax or customs charges. This Regime comprises only those actions, contracts and operations that are conducted within the geographical territory of the Free Tourist Zone, except for the Archipelago.

ARTICLE 12: INTRODUCTION OF ASSETS OR SERVICES: Without any further limitations than those established in this law, all kind of legal merchandise, assets or services can be introduced into the Free Tourist Zone provided that they are legally possessed or traded, whether they come from a foreign country, a free zone or a Processing Industrial Zone (ZIP), and despite the fact that they are introduced for being consumed by the importer or for being traded, processed, transformed, stored or re-exported.

ARTICLE 13.- EXEMPTION FROM THE PAYMENT OF TAXES: The permanent introduction of merchandise, assets or services into the territory of the Free Tourist Zone by the beneficiaries that are subject to and authorized by the Special Regime established by this Law is exempted from the payment of taxes or customs duties, import duties, special charge taxes, sales tax, production tax, consumption tax or value added tax, as well as any other kind of internal taxes and the payment of consular fees or stamps.

The temporary introduction or re-export of these merchandise, assets or services will be also exempted from the payment of all taxes, duties or charges as indicated in the previous paragraph.

The Regulation of this Law will broadly and thoroughly establish the activities or investments related to tourism, trade, industry, factory, real estate, construction, handicraft, logistics and service that will be considered within the aim of this Law and will be subject to the exemption.

ARTICLE 14: MERCHANDISE OR ASSETS IN QUARANTINE: The import, trade or use of merchandise or assets that shall be kept in phytosanitary quarantine or

that are subject to the obtaining of a license or permit shall follow the procedure established in the special law.

Illegal assets or merchandise as well as those whose trade or possession is prohibited by national laws or international agreements signed by the Republic of Honduras, assets or merchandises that are considered weapons, ammunition, explosives, narcotics or drugs as well as the products from which they are made, products that are prohibited or other products such as polluting substances or products that impoverish the environment, cannot be imported nor introduced to the Free Tourist Zone unless they are duly and expressly authorized by the competent authority of Honduras as well as the country where they come from.

ARTICLE 15: COASTAL TRADING: The carrier of merchandise by means of Coastal trading activities as well as private transportation or transfer by air or sea between islands, except for the Archipelago of Cayos Cochinos, shall have a Waybill authorized by the Administrative Commission; this Waybill shall include a description of the merchandise and other necessary information meant to identify the content of the load.

The carrier shall be considered responsible if he fails to fulfill this obligation and will be sanctioned according to the seriousness of the case.

ARTICLE 16: MERCHANDISES COMING FROM THE CONTINENTAL TERRITORY: The transport of merchandise or assets of free trade that are transferred from the continental Honduran territory into the territory of the Free Tourist Zone by means of personal transportation or coastal trading by air or sea, shall not pay customs duties or sales tax; this shall be stated in the document that the carrier gives to the user for identification and claim.

ARTICLE 17: MERCHANDISE OR ASSETS COMING FROM ZOLITUR: The transport of merchandise or assets that belong to individuals or entities that have previously opted for the Special Regime of the Free Tourist Zone, whether they are

natural, manufactured, agricultural, livestock or fishing products that have not been previously imported from abroad or from a Processing Industrial Zone, can be transferred to the continental territory of the Republic of Honduras free of any customs duties or sales tax, as long as the requirements established in Article 16 are fulfilled.

ARTICLE 18: MERCHANDISE OR ASSETS TO BE RE-LOCATED: When merchandise or assets coming from abroad arrive in the territory of the Free Tourist Zone in order to be sent to the continental territory of Honduras, they shall come through the corresponding customs offices and be subject to the importation regime and the national customs legislation.

ARTICLE 19: CUSTOMS INSPECTION: The customs office will always inspect the merchandise or assets that are intended to be permanently or temporarily introduced by means of the corresponding control and security methods or mechanisms.

ARTICLE 20: REFUSAL TO INSPECTION: Except in the cases expressly established in the Regulation of this Law, no one can refuse the obligatory inspection that is established in the previous Article; this inspection shall be conducted in front of the receiver, or failing that the carrier, his legal representative or a shipping or customs agent.

ARTICLE 21: PERSONAL ITEMS AND LUGGAGE OF A VISITOR TOURIST IN THE TERRITORY OF THE FREE TOURIST ZONE: The merchandise or assets that are brought into the territory of the Free Tourist Zone as personal items or luggage from abroad by a foreign tourist will be exempted from the payments, as established in Article 13 of this Law.

ARTICLE 22: COMPETENT AUTHORITY: The Ministry of Finances, by means of the Executive Directorate of Income (DEI) is the authority competent for and concurrent from the Administrative Commission of the Free Tourist Zone for acknowledging and solving any issue related to the Customs Regime and the Special Tax Regime in the Free Tourist Zone. DEI will act by means of its personnel working in the Customs and Tax Offices (Oficinas de Aduana y Tributación) located in the territory of the Free Tourist Zone.

ARTICLE 23: INSTALLATION OF PARKING LOTS: The Ministry of Finances, by means of the Executive Directorate of Income (DEI) and upon request of the Executive Direction of the Free Tourist Zone will be entitled to authorize the installation of lots for the parking or storage of containers in transit or provisional interaction as well as other facilities or storage warehouses as long as they have the same purpose.

The Ministry of Finances, by means of the Executive Directorate of Income (DEI) will prepare the corresponding Regulation for the Installation of Parking Lots.

ARTICLE 24: MINOR, EVENTUAL OR EXTRAORDINARY CUSTOMS ACTIVITIES: The Regulation of this Law will rule minor, eventual or extraordinary customs activities related to:

1. Import tax or customs exemption for the introduction of household items and other personal items that belong to an individual that was domiciled in the territory of the Free Tourist Zone for more than a (1) year and then decided to change his domicile to any other municipality of the continental territory of Honduras;
2. Temporary entrance and exit of assets, equipment, machinery, vehicles and other items needed for work, public works, private works, repairs, exhibitions, entertainment, and other related activities; specially in relation to term, guarantee and other conditions;

3. Exemption for the import of foreign vehicles for the transportation of people or load, motor vehicles, aero-engines, or water vehicles; specially in relation to its age, capacity, quantity, frequency, replacement, resale and re-exportation;
4. Customs limitations related to the following aspects: sanitary, security, transportation, lack of documentation, missing items, dangerousness and illegality;
5. Extraordinary tax and customs exemptions related to import activities concerning a declared emergency, public or natural disaster; diplomatic service, humanitarian service, military service and security activities.

CHAPTER II SPECIAL TAX REGIME

ARTICLE 25: TAX OBLIGATIONS: Every individual and entity, whether Honduran or foreign, that has opted for the Special Regime of the Free Tourist Zone or that has or introduces investments into this territory, is obliged to declare and pay, if applicable, the following taxes and fees:

1. Four percent (4%) instead of the capital profit tax established by the Law of Income Tax; this tax will be paid on the profit of the capital produced for each transaction by which an onerous title of an immovable asset and the improvements built on it are transferred; it will also be paid on the transfer of corporate assets, stocks or social sharing in trading companies, immovable assets owned by individuals and assets subject to the payment of this tax, provided that they are located within the territory of the Free Tourist Zone, except for those located in the territory of the Archipelago de Cayos Cochinos.
2. Fees aimed to preserve the environment and security of the Free Tourist Zone and that will be charged as follows:

- a) Two American dollars (US\$ 2.00) or its equivalent in Lempiras, that will be paid by each passenger reported in the sea transportation ship manifest that enters the territory of the Free Tourist Zone from a foreign country;
- b) Six American dollars (US\$ 6.00) or its equivalent in Lempiras, that will be paid by each foreign passenger or visitor that enters the territory of the Free Tourist Zone from a foreign country by air; and
- c) One American dollar (US\$ 1.00) or its equivalent in Lempiras, that will be paid by each passenger that enters the territory of the Free Tourist Zone by air or sea by means of domestic transportation.

The Administrative Commission of the Free Tourist Zone will determine the distribution of this income in its budget in order to strengthen the Executive Commission of Sustainable Tourism and the Municipalities of the Free Tourist Zone.

ARTICLE 26: EXEMPTION: Except for the provisions of Article 25 and without detriment of the payment of the Real Estate Transfer Tax, Capital Profit Tax or any other fees created by this Law, every individual or entity, whether Honduran or foreign, that has opted for the Special Regime of Free Tourist Zone, is exempted from the obligation of paying any other tax to the State of Honduras. This exemption comprises only those actions, contracts and operations that are conducted within the geographical territory of the Free Tourist Zone.

Obtaining the registration and operation permit or license will be necessary to benefit from the exemptions established by this Article, which will only include those actions, contracts and operations that are conducted and originated within the geographical territory of the Free Tourist Zone.

In case that it is verified that an individual or entity fails to pay the tax obligations established by this Law, the Administrative Commission of the Free Tourist Zone, by means of the Executive Directorate of Income (DEI) will be entitled, if

applicable, to suspend or cancel the tax and customs exemptions that benefit the infringer and suspend or cancel the operation permit or license.

The Regulation of this law will specify the cases and sanctions that will be applied without detriment of other legal actions that could be brought in compliance with the provisions of the Tax Code or the Criminal Code.

ARTICLE 27: MUNICIPAL TAXES AND CHARGES: Every individual and entity, whether Honduran or foreign, that has opted for the Special Regime of the Free Tourist Zone, is obliged to pay municipal taxes, services fees and other charges or sanctions established by the Municipalities located within the territory of the Free Tourist Zone by means of the corresponding Tax Plans or Municipal Orders.

TITLE TWO

SPECIAL TERRITORIAL REGIME

CHAPTER I

AIM

ARTICLE 28: AIM: The aim of the Special Territorial Regime of the Department of Bay Islands is to achieve that both activities that are typical of the Free Tourist Zone as well as those related to the social and economical development of the Department of Bay Islands, are consistent with the demographic and urban growth of the territory and that the exploitation of human and natural resources as well as the physiographic conditions are conducted with balance, sustainability and harmony.

ARTICLE 29.- GROUNDS OF THE SPECIAL TERRITORIAL REGIME: The Special Territorial Regime will be elaborated subject to the scheme prepared by the Bay Islands Environmental Development Project (Proyecto del Manejo Ambiental de Islas de la Bahía) and the provisions of the Law of Territorial

Ordering (Ley de Ordenamiento Territorial), the Nation Plan (Plan de Nación) and the comprehensive development plans.

ARTICLE 30.- CONTENT OF THE SPECIAL TERRITORIAL REGIME: The Special Territorial Regime shall:

- 1) Strengthen in a comprehensive way the municipal management;
- 2) Promote the knowledge of comprehensive development among local authorities and civil society;
- 3) Apply a Environmental Management Plan, which shall be sustainable and will be yearly evaluated; this Plan shall include the treatment given to sewage coming from the Free Tourist Zone before it arrives to the sea;
- 4) Promote the development and diversification of tourist products that link and stress natural, historical and cultural features of each municipality of the Department of Bay Islands;
- 5) Promote, together with the Municipalities, projects focused on creating and improving the coverage and quality of public services, communications and other related projects;
- 6) Encourage and strengthen the Support Commissions in order to consider all the development areas in the municipalities of the Department of Bay Islands;
- 7) Determine the policies, strategies, zonings, rules, usage plans, comprehensive and balanced occupation of the Department of Bay Islands;
- 8) Encourage human development in the region, promoting educational and training programs among residents;
- 9) Establish sustainable criteria for social, economical and environmental development including the load capacity of the ecological area and allowing the identification of control and solution mechanisms for the achievement of a harmonic integration between residents and visitors; and
- 10) Encourage sustainable development in relation to:

- a) Area of the Coral reef and emerging coral;
- b) Protected and restricted areas;
- c) Tourist areas as well as areas where cultural, ethnical or archeological patrimony are located;
- d) Areas for the production and preservation of water;
- e) Sea areas where artisanal and sport fishing as well as diving activities are conducted;
- f) Areas or species in close season;
- g) Areas for public use;
- h) Protected woods and mangroves;
- i) Industrial and commercial production areas;
- j) Risk areas due to natural or anthropogenic phenomena;
- k) Human settlements;
- l) Public and private infrastructure and public services;
- m) Special areas with demographic incidence;
- n) Zoning, rules for construction and urban development; and
- o) Areas for the expansion of cities and towns.

ARTICLE 31.- SOCIAL AND ECONOMICAL DEVELOPMENT: Every activity related to social and economical development shall be subject to the guidelines and regulations of the Territorial Regime. In case of the authorization of installation and operation permits for the Free Tourist Zone, especially in those cases that require a significant dependency on labor, the Free Tourist Zone shall consider the hiring of local labor and shall avoid provoking massive labor immigration.

Activities that violate or avoid in any way industrial property as well as any other object legally protected by the Law of Industrial Property and international agreements, will not be authorized.

TITLE THREE
POPULATION OF THE FREE TOURIST ZONE

CHAPTER I
GENERAL PROVISIONS

ARTICLE 32: ENTRANCE OF RESIDENTS OR INDIVIDUALS DOMICILED IN THE FREE TOURIST ZONE: The entrance and stay of individuals that are legally domiciled or are residents of the Free Tourist Zone is free and their rights and obligations will be ruled by this Law. Requirements, obligations and conditions of the entrance, stay and exit of visitors will be also ruled depending on the individual situation.

It is prohibited to carry weapons in public within the territory of the Free Tourist Zone. Authorized possession of weapons will be limited to the inside of houses, only. Weapons will not be allowed within businesses or premises open to the public or in any public or private means of transportation, except for the army, the police and legally authorized security officers, provided that they are on duty.

ARTICLE 33: CENSUS: Municipalities of the Free Tourist Zone shall conduct a census of residents, sole traders and trading companies domiciled in their territory within the term established by this Law and in compliance with the Law of Municipalities; the information will be transformed into a database that will be used for administrative, tax and customs control within the territory of the Free Tourist Zone.

ARTICLE 34: DOMICILE: In order to apply this Law, the domicile of any individual or entity cannot be assumed or unilaterally considered to be located within the territory of the Free Tourist Zone but shall be exclusively proven, identified, accepted and declared by the corresponding Municipality.

ARTICLE 35: REGISTRATION: Every individual or entity with domicile or legal residency in the territory of the Tourist Free Zone shall be registered in a registry specially created for this purpose in order to be entitled to opt for the Special Regime. Previous to the registration, individuals and entities shall present a certificate that proves that they are actually alive or have been legally incorporated, and that they are domiciled in the territory of the Free Tourist Zone; furthermore, they shall submit a tax payment solvency (solvencia de pago de impuestos) for the taxes to which they are subject.

ARTICLE 36: OPERATION PERMIT: Traders Operation Permits that have opted for the Special Regime created by this Law, provided that they are legally domiciled in the territory of the Free Tourist Zone, shall be subject to the consideration of the competent authorities of the Free Tourist Zone and municipal corporations in order to be authorized and revalidated.

ARTICLE 37: PROCEDURE: The judicial regime of the Free Tourist Zone is Public Law; its actions shall be specifically ruled by the General Law of Public Administration (Ley General de Administración Pública), the Administrative Procedure Law (Ley de Procedimiento Administrativo), the Law of State Contracting (Ley de Contratación del Estado) and the Law of Jurisdiction of Administrative Disputes (Ley de la Jurisdicción de lo Contencioso Administrativo). The Jurisdiction of Administrative Disputes is the competent law to solve disputes that might arise from the application of this law.

ARTICLE 38: SANCTION: Tax or common felonies or offenses that violate this law shall be sanctioned according to the Tax Code and the Criminal Code, respectively.

ARTICLE 39: FUNDS TRANSFER: In order to guarantee an optimum management of the Free Tourist Zone and fulfill the aim of this Law, the Ministry of

Finances will transfer the funds that come from the collection of fees and percentages of the taxes in order to provide the needed budget and fulfill its activities.

TITLE FOUR

TEMPORARY PROVISIONS

ARTICLE 40: TRANSITION: A transition period of one hundred and twenty (120) calendar days from the date this Law comes into effect is given to the Administrative Commission of the Free Tourist Zone in order to:

- 1) Prepare the Regulation that rules this Law and subject it to approval;
- 2) Prepare and approve the operation manuals of the Free Tourist Zone;
- 3) Prepare the profiles of the personnel that will work in the Free Tourist Zone and designate or hire them by means of its Executive Director;
- 4) Approve the Operation Plan;
- 5) Implement the infrastructure that is deemed necessary for the appropriate operation of the Free Tourist Zone;
- 6) Agree on and sign inter-institutional agreements that are deemed necessary for the appropriate operation of the Free Tourist Zone;
- 7) Create customs control mechanisms;
- 8) Ensure that the Municipalities of the territory of the Free Tourist Zone conduct the census established in Article 33 of this Law;
- 9) Spread this Law and its Regulations.

ARTICLE 41: REGULATION: The Executive, by means of the Ministry of Finances, the Ministry of Natural Resources and Environment and the Ministry of Tourism, shall regulate this Law within a term of no more than one hundred twenty (120) days beginning from the date it comes into effect.

Until the control facilities are distributed in all the ports that will be authorized or certificated to conduct import and export customs operations, the only premises

authorized are the certified sea facilities of the port of Roatan and the airport of the Municipality of Roatan. The Regulation will rule the periodic or extraordinary operation of other premises located within the territory of the Free Tourist Zone in case they are needed and when control and operation facilities are authorized.

ARTICLE 42: EFFECT: This Law will come into effect twenty (20) days after its publication in the Official Newspaper La Gaceta; the day after this Law comes into effect, the Administrative Commission will be formally installed.

Issued in the Municipality of Roatán, Department of Bay Islands, during the session held in the premises of Coral Cay, on the nineteenth of November of the year two thousand and six.

ROBERTO MICHELTTTI BAIN

PRESIDENT

JOSE ALFREDO SAAVEDRA PAZ

SECRETARY

GONZALO ANTONIO RIVERO

DEPUTY SECRETARY

To the Executive.

Therefore: Execute it.

Tegucigalpa, December 29th 2006.

JOSE MANUEL ZELAYA ROSALES

PRESIDENT OF THE REPUBLIC OF HONDURAS

RICARDO MARTINEZ

Minister of Tourism