

PANAMA

1. Company law:	Law 32 of 26 February 1927 on Corporations, complemented by Decree Law No. 5 of 2 July 1997; Law 25 of 1995; Executive Decree 418 of 1995, Law 4 of 9 January 2009.
2. Types of company:	Corporations (Societés Anonymes with Limited Liability); Private Foundations; Limited Liability Companies (S.R.L). (a) Type of company preferred for International transactions: Corporations and Private Foundations (b) Shareless companies; Not requested by clients for carrying out international transactions.
3. Capital requirements:	No minimum paid-in capital and no time limit in which capital must be paid.
4. Costs to incorporate, excluding government fees:	The cost of incorporation depends on the service provider but could range from USD 750-USD 1.500.
5. Fees paid to authorities to Incorporate:	USD 60 for a minimum capital of USD 10.000, plus first year Annual Franchise Tax of USD 300, plus USD 75 notarial expenses.
6. Annual fees paid to authorities:	USD 300 (Annual Franchise Tax) irrespective of the level of the authorised share capital. For Private Foundations, USD 350 (First Annual Franchise Tax) and USD 400 as of the second year, irrespective of the level of the authorised capital.
7. Taxation rates applied to companies generally:	No tax on any transactions or business activities carried on outside Panama; no tax on any foreign source income, local income tax rate 25% (a) The taxation of companies in 2(a); As above
8. Method of Incorporation:	Notarial protocolisation and registration of articles of incorporation/foundation charter in Public Registry.
9. Who may Incorporate – are local professionals required?	Two persons, either individual or corporate, of any nationality, usually lawyers or their staff members. One person in the case of a Private Foundation. (a) Are ready made/shelf companies available? Available for immediate delivery. Company name, directors, officers and foundation council members can be changed in three to five working days. Special government acceleration fee obtains the change in a few hours.
10. Length of time to incorporate:	Two to four working days

11. Minimum number of members:	One
12. Directors and secretary:	<p>Three directors and three officers minimum (they can be the same); either individual or corporate. A president, treasurer and secretary are required. One corporate council member or three individual members is enough for Private Foundations.</p> <p>(a) Must there be a resident director/secretary? No (b) Are Corporate Directors allowed? Yes (c) Is a local registered agent required? Yes (d) Are “shadow” directors required to be registered? No. It is the shareholders who act as the highest decision-making body.</p>
13. Amount of fees payable to appointee directors/ secretary:	Varies from USD500 to USD800 per year (three directors/three officers).
14. Annual Meetings:	Shareholders/board meetings – as established in the articles of incorporation. May be held anywhere in the world. No periodic meetings are required by law.
15. Is an annual return filed with details of directors and members?	Not for offshore companies and Private Foundations. Required only for companies operating inside the Panamanian territory.
16. Accounts:	<p>(a) Must financial statements of a company be audited? Not for offshore companies.</p> <p>(b) Are annual accounts filed with annual returns? Not for offshore companies.</p>
17. Are there any exchange control or other financial restraints?	No exchange control. Panama’s currency is the US dollar and US coinage circulates freely.
18. Is migration of companies permitted?	Redomiciliation of companies and Private Foundations to Panama is allowed. Redomiciliation out of Panama depends on the new jurisdiction. Companies and Private Foundations remain effective in Panama if not dissolved in Panama.
19. Must foreign companies administered locally be registered?	Not for offshore companies. Foreign companies can be registered to operate locally and obtain a local registration number and tax ID.

20. Are protected cell companies permitted?	No
21. Are civil-law type foundations possible?	Yes, Panamanian Private Foundations.
22. Are common-law foundations possible?	No. Panama is a Civil Law jurisdiction.
23. Can LLCs be formed?	Yes
24. Are regulators empowered to request the production of:	(a) Information on the identity and background of beneficial owners and officers: No (b) Accounting information on companies: No
25. Can such information be exchanged with other jurisdictions?	Panama has recently signed Double Tax Agreements (DTA) with the following countries: Spain, Barbados, Czech Republic, South Korea, United Arab Emirates, France, Israel, Italy, Luxembourg, Mexico, Netherlands, Portugal, Qatar, Singapore and Ireland. Also, a Tax Information Exchange Agreement (TIEA) has been signed with the following countries: United States of America, Denmark, Finland, Greenland, Ireland, Faroe Islands, Norway and Switzerland.
26. Any amendments to company law over the last 12 months?	Yes, related to the Annual Tax, the reactivation of companies that have been voluntarily dissolved and the recognition of the split up of companies.
27. Anticipated amendments to company law in 2013:	Immobilization of bearer shares.