

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 on Private Foundations, complemented by Executive Decree 418 of 1995; Law 4 of 9th January 2009 on Limited Liability Companies (S.R.L)*
- 2. Types of company:** *Corporations (Sociétés Anonymes); 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 up.*
- 4. Costs to incorporate, excluding government fees:** *Cost of incorporation depends on the service provider.*
- 5. Annual fees paid to authorities:** *For companies, USD300 (Annual Franchise Tax) Irrespective of the level of the authorised share capital. For Private Foundations, USD400, irrespective of the level of authorised share capital.*
- 6. Taxation rates applied to companies generally:** *No tax on any transactions on business activities carried on outside Panama; no tax on any foreign source income. Local income tax rate 25%.*
- 7. Who can incorporate:** *Two persons, either individual or corporate, of any nationality, usually lawyers of their staff members. One person in the case of Private Foundations.*
- 8. Minimum members:** *One.*
- 9. Registered office:** *Registered agent is compulsory, but registered office is not.*
- 10. Directors and secretary:** *Three directors minimum and three officers minimum (President, Secretary and Treasurer, either individual or corporate). One corporate council member is enough for Private Foundations.*
- (a) Must a director/ secretary be resident?** *No.*
- (b) Are Corporate Directors allowed?** *Yes.*

11. Appointee directors/ secretary possible?	<i>Yes; no nationality requirements.</i>
12. Meetings:	<i>Shareholders / board meetings - as established in the articles of incorporation. May be held anywhere in the world. No periodic meetings are required by law.</i>
13. Annual return:	<i>None for offshore companies and private foundations. Required only of companies operating inside the Panamanian territory.</i>
14. Accounts:	<i>Not for offshore companies.</i>
(a) Must financial statements of a company be audited?	
(b) Are annual accounts filed with annual returns?	<i>Not for offshore companies.</i>
15. Is migration of companies permitted?	<i>Redomiciliation of companies and Private Foundations to Panama is allowed. Redomiciliation out of Panama depends on the other jurisdiction.</i>
16. Must foreign companies administered locally be registered?	<i>If a foreign company will have commercial activities inside the Panamanian territory, then it must be registered before the Public Registry of Panama in order to obtain a local registration number and tax ID.</i>