

## Panama

1. **Advantages**
  - Low annual fees
  - Flexible Company law
  - Speedy Incorporation time
  - No capital gains tax
  - There is no requirement to file annual returns or financial statements
  - There is a sophisticated banking and financial system
  
2. **Disadvantages**
  - No access to Double Taxation Agreements
  - Proof of beneficial ownership is difficult for lack of Public disclosure requirement.
  
3. **Company Status**

Panama Corporation Law 32 of 1927, Decree Law 5 of 1997 and dispositions of the Code of Commerce.
  
4. **Corporate legislation**

Based on Spanish Civil Law with many Common Law influences, particularly regarding Company Law, which is based on the Delaware Model.
  
5. **Company Name**

Certain words are prohibited, e.g. Bank, Insurance, Fiduciary, Trust, among the more common. The name may be in any language, but it must include a word or an abbreviation, which indicates that it is a corporation, such as "Sociedad Anónima" ("S.A."), "Corporation" ("Corp."), "Inc." etc. The word "Limited" or its abbreviation "Ltd." may be used if followed by "S.A", "Sociedad Anónima", "Corp"
  
6. **Time taken to incorporate**

1-2 days
  
7. **Are shelf companies available?**

Yes
  
8. **Usual minimum capital**

The standard authorised share capital is US\$10,000 divided in to 10,000 shares par value of US\$1.00 each. The minimum issued capital is either one share of no par value or one share of par value.
  
9. **Capital Duty**

Registration fee of US\$60 for capital of US\$10,000. Sliding scale operates above this level. Government tax at incorporation is US\$250
  
10. **Minimum number of shareholders**

One

- |  |   |
|--|---|
| 11. <b>Are bearer shares/shares of no par value possible?</b>  | Yes / Yes   |
| 12. <b>Directors: minimum number / corporate directors allowed / location</b>  | Three/Yes/No restrictions. Panamanian companies are also required to appoint a minimum of three officers (president, secretary and treasurer) who may also be the directors.  |
| 13. <b>Secretary: mandatory / corporate secretary allowed / location</b>   | Yes/Yes/No restriction.   |
| 14. <b>Is there a requirement for a Registered Office / Registered Agent?</b>  | No / Yes  |
| 15. <b>Is any information required by the authorities prior to incorporation or prior to tax status being granted?</b> | By presentation of the proposed corporation's signed Articles of Incorporation before a Notary Public who creates a Public Deed for registration at the Public Registry   |
| 16. <b>What information is available on the public file?</b>   | Articles of Incorporation, which contain the name and address of the Registered Agent, Register of Officers and Directors and their addresses, Domicile. Any changes to the Articles of Incorporation must be recorded in order to affect third parties.  |
| 17. <b>What documents must be kept at the Registered Office?</b>   | The Registered Office concept does not exist in Panama. The company will have a domicile for purposes of applicable law and jurisdiction of incorporation. The board of directors will generally have ability to decide that corporate books such as the Share Register, Minutes and Accounting Books may be kept in any place in the world |
| 18. <b>Corporate books &amp; seal</b>  | Panama corporations may, although they are not bound to, adopt a seal and regulates its use.  |
| 19. <b>Are accounts required / filed?</b>  | No / No.  |
| 20. <b>Is an annual return required?</b>   | No  |
| 21. <b>Where are meetings to be held?</b>  | No restriction  |
| 22. <b>Annual fees payable to the government: Tax / Annual Return Filing Fee</b>                                       | US\$300   |
| 23. <b>Are there any exchange controls?</b>  | None  |
| 24. <b>Double tax treaties</b>   | None  |