

IFZA PANAMA FACT SHEET

GENERAL INFORMATION

Company type	Sociedad Anónima (S.A.)
Timeframe for company formation	4 – 6 weeks
Governing corporate legislation	Companies using the S.A. structure are governed by Law 32 of 1927 and registered with Panama's Public Registry. IFZA Panama operates under the applicable free-zone framework overseen by the Ministry of Commerce and Industry.
Legislation	International business and free-zone framework
Legal system	Civil Law
Corporate taxation	Companies may benefit from exemptions from corporate income tax, import duties and VAT/ITBMS, subject to applicable rules. The annual tasa única applies, each company receives a RUC, and dividend distributions are subject to 5% tax or a complementary 2% tax where dividends are not distributed.
Accessibility of records	Upon registration, the company directors' name will appear in the register, available for public inspection.
Time zone	GMT -5
Currency	Panamanian balboa, United States dollar (PAB, USD)

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SHARE CAPITAL

Standard currency	USD
Standard authorised capital	USD 10,000
Minimum paid up	USD 1

SHAREHOLDERS, DIRECTORS AND COMPANY OFFICERS

Minimum number of Shareholders	1
Minimum number of Directors	3
Resident agent in Panama	Yes
Requirement to appoint Company Secretary	Yes

ACCOUNTING REQUIREMENTS

Requirement to appoint auditor	No
Accounting records requirement	Yes
Beneficial ownership requirements	Yes
Requirement to file annual return	No



DOCUMENT REQUIREMENTS

A certified copy of your passport, a certified copy of proof of domicile dated less than three months, a curriculum vitae, the last 3 months' bank statement, passport photograph of the company's legal representative, bank reference letter.

INCORPORATION FEES

Initial set-up and first year	USD 8,000
One Visa	USD 1,300

POST-INCORPORATION DOCUMENTS

By-Laws, Share Certificates, Register of Shareholders, Tax Registration Number (RUC), and applicable IFZA Panama company licensing documentation.

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GOOD TO KNOW

Panama is strategically located between North and South America and provides access to a regional market of more than one billion consumers. Its position around the Panama Canal, combined with international air and maritime connectivity, makes the country particularly attractive for international trade, logistics, regional headquarters and cross-border services.

COUNTRY INFORMATION

Located in Central America between North and South America, the Republic of Panama is bordered by Costa Rica to the west, Colombia to the southeast, the Caribbean to the north, and the Pacific Ocean to the south. The country's capital and largest city is Panama City, home to the entrance of the Panama Canal. Once a Spanish colony, Panama broke away from Spain in 1821 and joined a union of Nueva Granada, Ecuador, and Venezuela named the Republic of Gran Colombia. When Gran Colombia dissolved in 1831, Panama and Nueva Granada remained joined, eventually becoming the Republic of Colombia. With US backing, Panama seceded from Colombia in 1903, allowing the Panama Canal to be built between 1904 and 1914. Today, Panama is one of the most well-known and recognised offshore jurisdictions worldwide thanks to its high level of confidentiality and highly efficient registry.

POLITICAL STRUCTURE

Panama's politics take place in a framework of a presidential representative democratic republic, whereby the President of Panama is both head of state and head of government, and of a multi-party system. Executive power is exercised by the government. Legislative power is vested in both the government and the National Assembly. The judiciary is independent of the executive and the legislature. For all people national elections are universal and mandatory for all citizens 18 years and older. National elections for the executive and legislative branches take place every five years. Members of the judicial branch (justices) are appointed by the head of state. Panama's National Assembly is elected by proportional representation in fixed electoral districts, so many smaller parties are represented.

ECONOMY

The economy of Panama is a fully dollarized free market economy with a history of low inflation. It is based mainly on a well-developed services sector that accounts for nearly 80% of its GDP. Services include the Panama Canal, banking, tourism, the Colón Free Trade Zone, insurance, container ports, and flagship registry, medical and health, and other business. The country's industry includes, manufacturing of aircraft spare parts, cements, drinks, adhesives, and textiles. Also the leading exports for Panama are bananas, shrimp, sugar, coffee, and clothing.

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POPULATION

According to a census conducted in July 2014, the population of Panama is approximately 4.1 million. More than half the population lives in the Panama City–Colón metropolitan corridor, which spans several cities. Panama's urban population exceeds 70%, making Panama's population the most urbanized in Central America. The culture, customs, and language of Panama are predominantly Caribbean Spanish and the population can be broken down into the following demographics: 65% Mestizo (mixed white, Native American), 9.2% Black/mulattoes, 6.7% White, and 12.3% Native Americans.

LANGUAGE

Spanish is the official and dominant language of Panama with approximately 93% of the population speaking it as their first language. Many citizens, however, speak both English and Spanish, in addition to native languages, such as Ngäbere (a native language spoken by the indigenous Ngäbe people of Panama and Costa Rica).

POPULATION

4.1 million (2014)

LANGUAGE

Spanish

COMPANY FORMATION INFORMATION

Incorporation Timeframe	4 - 6 weeks
Business activities of IFZA Panama	Consulting and advisory services, Holding and investment activities, International trading and distribution, E-commerce and digital services, Marketing and business management services, Intellectual property ownership and licensing, Procurement and sourcing activities.
Post-Incorporation Documents	By-Laws, Share Certificates, Register of Shareholders, IFZA Panama Operating License, Tax Registration Number (RUC).

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NOTES

* Subject to the constraints of the due diligence procedure.

** Documents must be provided for every person related to the company.

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