

Residency in Panama

General Overview

During the past 20 years, Panama has developed into one of the top countries to move to and live. This tropical country offers just the right combination of elements which makes it an attractive place for businessmen, investors, retirees, and tourists alike.

Labeled as the “Hub of the Americas”, its privileged location provides an ideal and strategic advantage for multiple sectors especially in the logistics, trading, and transportation industries. Due to its geographical position, countless paradisiacal beaches, fascinating rainforests, and magnificent mountainous regions are spread across the country and as near as a one-and-a-half-hour drive from the Metropolitan Area.

Panama also enjoys one of the most stable political, social, and economic environments in Latin America which ultimately results in a consistent and solid jurisdiction. It is a relatively affordable country full of opportunities and a democratic balanced government. Its tax system is “territorial” meaning that income tax is only levied on income generated from domestic commercial activity within Panama. Foreign source income, generated outside Panama, is 100% tax exempt.

Often defined as a “cultural melting pot”, its rich cultural diversity has forged it into a friendly and welcoming place for foreigners and families to settle in and start a new journey. The country has accredited international schools which will facilitate the integration of the younger family members to their new community.

There are several residency programs which enable foreigners to obtain Panamanian residency. Most of these programs have been created to promote foreign investments in the country which benefit its local economic environment.

The general requisites for most Immigration Visas and Permits in Panama are:

- Passport copy notarized by a Public Panamanian Notary, or enclosed together with a certification of the accredited diplomatic representation in the country or of the correspondent authority in the place where it was issued. If deemed necessary by the National Immigration Service, for security reasons, they may demand the applicant to certify the authenticity of the passport.
- Criminal record certificate from the country of origin or residence. In those places where such documentation does not exist, a certification by a diplomatic agent or consulate from the country of origin (accredited in the Republic of Panama) which attests the non-existence of said documentation must be provided. In addition, a sworn statement before a notary public in which it is affirmed that the individual does not possess a criminal record must be presented as well.
- Health Certificate issued by a certified professional expert in Panama. The certificate must be issued in a period not exceeding three (3) months prior to application.
- Sworn statement over personal background.

It is to note that all documents issued abroad must be duly legalized with Apostille.

Types of Permits

The most common types of Permits available are described in this information sheet. Please note that in addition to the above-mentioned general provisions, the applicants must comply with several specific requisites based on the Permits of preference. We will gladly provide additional information upon request. Furthermore, we will guide you in choosing the permit that best suits your needs. Together with our Panamanian network, we will walk you through the entire process and support you with everything that you will need to relocate to Panama including but not limited to obtaining a real estate property, opening of a bank account, and the structuring of your worldwide assets for asset protection and wealth preservation.

1. Friendly Nations Permit

This permit is only available for citizens from a list of specific countries. Among these “Friendly Nations” you can find Argentina, Brazil, Canada, Chile, Costa Rica, France, Germany, Japan, Liechtenstein, Mexico, Monaco, Portugal, Republic of Korea, South Africa, Spain, Switzerland, United Kingdom, Uruguay and USA. We will provide you with the complete list of countries upon request.

The key requisite for the applicant is to have a professional and economic tie with Panama. This can be fulfilled by setting up an “offshore” Panamanian Corporation until August 2021. After, August 5th, 2021, the “professional and economic tie” would only be met by being employed by an “onshore” Panama Corporation or with the purchase of a real estate property of a minimum of USD 200'000.00.

2. Qualified Investor Permit

This is the newest type of permit designed for foreign investors which was enacted by Executive Decree No. 722, of October 15th, 2020. The permit is processed within 30 days and the applicant can choose among three (3) investment options:

- Option 1 – Real Estate: Invest a minimum of USD 300'000.00 in real estate property in Panama. The property purchased by the investor must be held by the investor for a minimum of five (5) years. After October 15th, 2022, the minimum investment amount will be increased to USD 500'000.00.
- Option 2 – Panama Stock Market Securities: Invest a minimum of USD 500'000.00 in securities on the Panama Stock Market through a licensed Panamanian securities brokerage firm for a minimum of five (5) years.
- Option 3 – Panama Bank Fixed Time Deposit: Invest a minimum of USD 750'000.00 in a fixed time deposit at a bank which has a general banking license in Panama for a minimum of five (5) years.

3. Self-Economic Solvency Permit

This permit is for persons who are willing to invest a minimum of USD 300'000.00 in real estate property or in a fixed time deposit of at least three (3) years at a bank which has a general banking license in Panama. These funds must come from outside the country.

A variation of this permit is available, where a combination of investments in real estate and in a fixed time deposit (as the one described above) is also possible given that the total amount invested is USD 300'000.00 or greater. It is an attractive bundle since it deals with two important factors when moving into a country: providing a place to reside and facilitating the opening of a bank account to cover the living expenses.

4. Macro-Business Investor Permit

This permit is interesting for persons wishing to invest in a macro-enterprise which is a Panamanian corporation with a minimum capital of USD 160'000.00.

The applicant must prove the source of its investment, as well as the payment of the required minimum capital. In addition, the applicant must be the sole shareholder of the corporation. The corporation is required to hire at least five (5) Panamanian workers, working full-time, paying social security, and earning a wage not inferior than the minimum established by law for each region of the country, specifying the position or activity that each one of them performs.

Once approved, the applicant will receive a Provisional Residence Permit for one (1) year. To maintain the Provisional Permit as well as to obtain the Definitive Permit, it is crucial to prove that the business exists, that the investment continues, and that Panamanian personnel is hired on a fulltime basis and that the corporation is up to date in the payment of the social security quotas.

5. Forestation Investor Permit

This permit is for persons that would like to invest in reforestation or forest plantation activities authorized by the "Autoridad Nacional del Ambiente" (ANAM). The investment should be of at least USD 80'000.00 and covering at least 5 hectares of reforestation/forest plantation land.

The investment can also be made on behalf of a legal entity. If this is the case, up to two (2) persons may apply to the permit as long as each one made a minimum investment of USD 80'000.00.

This permit is definitely an interesting choice for pro-environmental persons seeking to be a benefactor to Panama and the planet as well.

6. Private Income Retiree Permit

This permit is designed for retired persons but there is no age requirement for the person who wants to retire. It requires a minimum of a five (5) year fixed time deposit (free of any tax or guarantee) that must be made exclusively in the "Banco Nacional de Panama" or the "Caja de Ahorros" which should yield at least USD 850.00 monthly. The initial amount to be placed into such deposit would depend on the interest rates in Panama at the time for a five (5) year fixed deposit.

7. Retiree Permit

This permit is for retired persons with a minimum lifetime government or private pension of USD 1'000.00. If the applicant acquires a property (in Panamanian territory), valued at USD 100'000.00 or more, then the minimum lifetime pension amount would be reduced to USD 750.00.

Panama offers several benefits and discounts for retired persons ("jubilados") like 25% off in restaurants and in domestic and international airline tickets. Furthermore, the age to be considered a "jubilado" in Panama is 55 years for women and 60 years for men.

Contact Information

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