

Fact Sheet

May 2019

Residency in Panama

General Overview

Panama has several programs which enable foreigners to obtain legal 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 and provisions for Visas and Permits in Panama are:

- Passport copy notarized by a Panamanian Public 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.
- USD 250.-- payment in favor of the “Tesoro Nacional” (National Treasury) for the immigration category application and USD 800.-- payment in favor the “Servicio Nacional de Migración” (National Immigration Service) for the repatriation deposit.
- Sworn statement over personal background.

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

Types of Permits

Below you will find a list of some of the most common types of permits available. Please note that in addition to the abovementioned general provisions, the applicants must comply with several specific requisites (depending on each of the below listed permits) which we will gladly provide upon request.

It is to note that these permits provide for permanent residence in Panama but do not grant tax domicile automatically. Obtaining tax domicile in Panama requires a few further steps of mostly administrative nature; however, this has to be verified on a case-by-case basis, taking into consideration the interested person's current tax domicile.

1. Friendly Nations Permit

This permit is available for citizens from a list of specific nations, i.e. Andorra, Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Ireland, Israel, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Monaco, Montenegro, Netherlands, New Zealand, Norway, Paraguay, Poland, Portugal, Republic of Korea, San Marino, Serbia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, United Kingdom, Uruguay and USA.

The key requisite for the applicant is to have a professional and economic tie with Panama. This requisite can be met by setting up a Panamanian Corporation. Another of the main requisites is the proof of economic solvency. This requisite is met by doing a deposit of at least USD 6'000.-- (plus USD 2'000.-- for each dependent) in a Panama bank account

2. Self Economic Solvency Permit

This permit is for persons who are willing to invest a minimum of USD 300'000.-- in real estate or in a fixed deposit of at least 3 years at a local bank with a general banking license in Panama. These funds must come from outside the country.

Kindly note that a variation of this permit is available, where a combination of investments in real estate and in a fixed deposit (as the one described above) is also possible given that the total amount invested is USD 300'000.-- 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.

3. 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.--.

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 and officer of the corporation. The corporation is required to have an initial list of five (5) Panamanian workers, working full-time 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 the application is 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 full-time basis and that the corporation is up to date in the payment of the social security quotas.

In this context, it is worth mentioning that Panama has a territorial tax system. This means 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.

4. Reforestation 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.-- and covering at least 5 hectares of reforestation 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.--.

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

5. 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 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.-- monthly. Considering the usual interest rates in Panama for a five (5) year fixed deposit (between 4% and 4.5%), the initial amount to be placed into such deposit would be around USD 215'000.--.

6. Retiree Permit

This permit is for retired persons with a minimum government or private pension of USD 1'000.--. If the applicant acquires a property (in Panamanian territory) in his name, valued at USD 100'000.-- or more, then the minimum pension amount would be reduced to USD 750.--.

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

ATU (Panama) SA

Torre Banco Panama – 15th Floor
Blvd. Costa del Este y Ave. La Rotonda
P.O. Box 0832-00429
Panama City
Tel. + (507) 271 5418/5857
Fax +(507) 271 0928
Emails : oliver.schmidt@atu-pa.com and alberto.crespo@atu-pa.com