

# **Representative Office in Panama**

## **Why an office for an offshore?**

Offshore constructions typically do not have a strong track record for providing substantial ties with the jurisdiction of incorporation. However, today's world in many cases requires a stronger commitment in terms of presence and connection to the respective country:

- Users and providers that deal with classifications such as active NFFE under FATCA and similarly under the CRS rules will have gained an understanding of these requirements
- People seeking official tax residency and respective proof of that – in particular if their chosen destination provides more than offshore industry and tourism - also do think about it

People that would like to expand their business into one of the fastest and steadiest growing economies of the world will appreciate the wide range of options that Panama offers - which can always be adjusted to their needs. This also and in particular applies when starting a new business.

## **Why choose Panama?**

Panama has always been labeled the “Hub of the Americas” as it is the bridge connecting North and South America. Its location provides access to both the Atlantic and the Pacific Ocean making it a strategic spot for logistics and distribution in the entire Region. The Canal and its recent expansion as well as the expansion of its airport and the extension

of ports and logistic centers adjacent to these major hubs played a major role in the economy of the country and the development of businesses using these platforms.



Panama enjoys a very positive economic environment defined by sustainable and steady growth. The Canal, the various infrastructure projects, and using USD as currency, have all been important factors which helped to maintain the economic growth over the last several years. From 2010 until 2015 the country had a GDP Growth of 7.5% on average. Last year it led Latin America, Central America, and the Caribbean and the projections for this year expect Panama to keep the lead in the region.



## Panama Company Formation

Set-up your Panama company through ATU (Panama) SA. We will make the arrangements at the Registry to incorporate the company and provide you with all services you need.

The Panama Company is a very flexible animal and apart from its easy handling there is no corporate tax for services you provide outside of Panama. For more information on Panama Companies please review our Corporation Factsheet.

### Office in Panama



This factsheet deals with the possibilities of having an actual office in the country. There are plenty of new office buildings and warehouse possibilities in Panama. Nevertheless, many of these options might not be suitable for a company that wants to have a first connection, has its business entirely or in most parts outside of Panama,

or wants to develop into its own office at a later stage. For these situations, we are happy to provide examples of economic and short term office space in Costa del Este, the fastest growing business district of Panama City. Please note that ATU (Panama) S.A. is also located in Costa del Este since 2012.

The following examples using ABC S.A., a hypothetical Panamanian company, can be adapted in various manners. Furthermore and with the exception of Model 1 (pure virtual office), all options include access to a fully equipped coffee / kitchenette room of very high standards free of charge. Meeting rooms can also be reserved at an additional charge.



### Model 1 (Basic Virtual Office)

This model is based on a non-physical office offering telephone services (Panama telephone number with receptionist and email message of the received calls - according to personalized instructions in Spanish or in English) and a Panama address where ABC S.A. may receive correspondence. It suits a Company that is looking to have a “virtual” presence in Panama only limited to the aforementioned customized services.

USD 250 (per month) plus taxes

## Model 2 (Special Virtual Office)

This model differs from Model 1 as it goes beyond the “virtual” part and offers the possibility to use a physical office five (5) days a month in Panama (blocks of 8 hours per each day subject to availability. Monday – Friday from 08:00hrs – 17:00hrs).

This model suits a Company that is looking to have a slight presence in Panama and that may have a representative traveling to Panama several times a year – e.g. start up phase of a new business.

ABC S.A. still has its Panamanian telephone number / receptionist and a Panama address but the representative of the company or someone else chosen by the company does have five (5) days of access per month to a flexible physical office of approximately 11m<sup>2</sup>. This office itself will usually vary. Therefore, a combination with Model 4 might be sought in order to store documents / folders etc.

USD 400 (per month) plus taxes



## Model 3 (Regular Office)

This model provides ABC S.A. with a private office in Costa del Este with 24/7 access. This includes telephone service as described above and Internet.

This model suits a Company which is looking to add more substance to Panama and that may also be considering employing part-time or full-time employee(s). Panama fiscal residence is granted if there is a certain connection to the country with indicators such as physical presence and employee(s).

ABC S.A. will have its own private office of 10m<sup>2</sup>. Documents and equipment can be kept in the office which is locked. There is no limit on working spaces / employees etc.

Pricing depends on the size of the particular office:

An office of about 10 m<sup>2</sup> would cost USD 1'200 (per month) plus taxes

An office of about 16 m<sup>2</sup> would cost USD 2'000 (per month) plus taxes



## Model 4 (Working Station)

In this model, ABC S.A. has a fixed small work space with access to the same 24/7. Again, this model includes telephone service and Internet.

This model suits a company that is interested in a small personalized space (i.e. like the cubicle in the picture below) and which might have a part time or full time employee to work every now and then in Panama. As it also includes a small cabinet which can be locked with an own personal key it is a rather cheap option to store a few folders and documents.

This model could also be combined with Model 2 if privacy for a couple of days of work in Panama and storing possibilities (in a restricted way) need to be combined.

USD 400 (per month) plus taxes



## Conclusion

Panama is a business place which changes and reinvents itself constantly – on top of very solid grounds due to its location, infrastructure and trading possibilities amidst a favorable regulatory and tax regime.

These couple of options about setting up this type of an office to put a first real step into Panama do serve as illustrations how one could start using this interesting and prospering jurisdiction in a different manner. These examples can obviously be enhanced, combined with other possibilities or adapted in various ways, in which your imagination is probably the only limitation.

Please do note that ATU (Panama) SA does not own or rent any office space directly but will help you to facilitate the organization of such office space with local providers.

Should you require any further information, please contact us at any time:

ATU (Panama) SA

T +507 271 54 18    F +507 271 09 28

[www.atu-pa.com](http://www.atu-pa.com)    [info@atu-pa.com](mailto:info@atu-pa.com)