

Panama

(fees quoted are exclusive of VAT)

The Republic of Panama is located in Central America and forms the narrow strip of land that links North and South America. Panama is famous for its Canal which joins the Atlantic and Pacific Oceans. The currency is the US Dollar. The official language is Spanish and English is the second most widely spoken language.

Panama's Corporation Law 32 of 1927 can offer the following advantages:

- Full exemption from all taxation on activities carried on outside Panama;
- Competitive incorporation and ongoing fees;
- Complete business confidentiality and privacy;
- Standard wide objects clause that enables companies to carry on any activity.

Requirements:

The following are the basic requirements for incorporation of a Panamanian IBC.

- Once the name for an IBC has been chosen it requires approval by the Companies Registry, which can take about 2 or 3 days.
- The name of the corporation can be in any language and must include one of the following corporate suffixes:
 - Inc;
 - Incorporated;
 - Corp.
 - Corporation;
 - SA.
- The word "Limited" may not be used as an ending as this is used for a different corporate entity governed by a separate law,
- Readymade companies are available;
- The documents for Panama offshore incorporations are filed with the Mercantile Registry and the names and addresses of the directors are a matter of public record;
- All Panamanian companies should have a registered office and agent in Panama.
- The minimum requirement is three directors and three officers (President, Treasurer and Secretary – the three directors may also act as the officers if desired).
- Directors and officers may be corporate entities or individuals of any nationality and resident in any country, and meetings of directors may be held in any country.
- The details of the directors and officers must be recorded at the Public Registry. Nominee officers and/or directors can be provided.
- The standard authorised capital is \$10,000 divided into 100 shares with a par value of \$100 each. Higher authorised share capitals will be charged a capital duty by the Panamanian government. Par and non-par value shares, voting and non-voting shares, as well as various other categories and classes of shares are allowed.
- Only one shareholder is required who can be of any nationality and resident in any country. Nominative or bearer shares are available. Bearer shares do not need to be held by a custodian. Shareholder information is not kept on public record but maintained by the Registered Agent. Nominee shareholders can be provided.
- The details of the beneficial owners of the corporation are not required to be recorded in the Public Registry.
- A book of minutes should be kept, but may be kept anywhere that the directors choose.
- No Annual Returns and Accounts need to be filed with the Authority, unless the company has business activity in Panama.
- There is no requirement for Annual General Meetings of the Shareholders and/or Directors.

Taxation:

With the exception of the “annual franchise tax,” which is not an income tax, Panama corporations with no income arising from operations within the territory of the Republic of Panama are not subject to taxation in Panama. Companies having their anniversaries of incorporation between January and June must pay annual franchise tax before June each year, and companies having their anniversaries of incorporation between July and December must pay before December each year. There is a late payment penalty as well as administrative costs for late payment.

Fees	
Incorporation/Ready Made Company (to include Annual License Tax, Registered Office / Agent fees for the first year	£1,100
Annual costs thereafter:	
Registered agent and registered office	£350
Annual Tax	£150

Nominee Services Available	
Panamanian Directors if required, per person	£260 per annum
Non-resident Nominee Director, per person	£300 per annum
Non-resident Nominee Shareholder	£175 per annum
Non-resident Nominee Secretary	£125 per annum

Whilst the appointment of directors of a Panamanian company will appear on public record, Panamanian law makes no provision as to disclosure of details of shareholders once incorporation has taken place. Consequently, provided that nominees are used for incorporation, shareholders will remain anonymous.

Maintenance Services:

Fees will be charged for any additional services on a time-spent basis. Additional charges apply for courier and notarisation / apostille.

PLEASE NOTE WE REQUIRE ALL CLIENTS TO SATISFACTORILY COMPLETE OUR DUE DILIGENCE REQUIREMENTS AND COMPLY WITH THE MONEY LAUNDERING REGULATIONS 2007.