

## Overview

Although in Panama is possible to incorporate companies who are not required to keep company books, issue financial reports, or pay tax returns, it is also possible to incorporate those which, for taxing purposes, are known as 'tax compliant'.

## Benefits

- Panama is a dollarized economy but its companies can conduct business using any currency.
- It is possible to open bank accounts in local and foreign banks.
- It is possible to transfer money locally or internationally since Panama has no restrictions to do so, except the ones enforced to prevent money laundering.
- Tax on gains does not apply to operations performed outside Panama since they are considered as income generated from a foreign source.
- Strict confidentiality applies to the company's resident agent –a lawyer or a law firm– and its bank accounts.
- Panama is known for its political, social and economical stability.
- It is possible to register the company before Panama's Taxing Authority (DGI, for its Spanish acronym) to allow it to pay tax on gains –which can amount to 5% of the income generated from a foreign source or to 5% of the interest gained by the company's banking accounts– and it is also possible to obtain a Business License, which implies the company will have to pay an additional 2% tax applicable on the estate it owns.
- Panama has signed agreements with several nations in order to prevent double taxation, including Barbados, Czech Republic, France, Holland, Ireland, Israel, Luxembourg, Mexico, Portugal, Qatar, Singapore, South Korea, Spain, United Arab Emirates and United Kingdom.

## Requirements

- Comply with Know Your Client (KYC) and Compliance bylaws set forth by INTERNATIONAL LEGAL HUB
- Preferably appoint directors nominated by INTERNATIONAL LEGAL HUB
- Register the company before the ANIP.
- Obtain a Tributary Identification Number (NIT, for its Spanish acronym).
- Keep company books.
- Fill its tax returns before the 31 March deadline, for which the client can opt to use the accounting services provided by INTERNATIONAL LEGAL HUB

## Services Included Within the Incorporation Fees

- Drafting of public deeds.

- Paying first annual fees.
- Como un vehículo para invertir en plazos fijos, acciones, bonos u otros valores.
- Issuing share certificates.
- Keeping company books.
- Registering before the DGI.
- Obtaining the NIT.
- According to clients needs, obtaining a business license.
- Providing company's registered office, located at INTERNATIONAL LEGAL HUB
- According to clients needs, appointing nominal directors.

#### Services Included Within the Annual Fees

- Processing the payment of annual fees.
- Preparing mandatory financial reports.
- Filling tax returns before the DGI.
- Paying any pending fees.
- According to the client's needs, appoint nominal directors.