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# Now is the time for Panama

In recent days, the renowned Forbes magazine published an article by Peter Lane Taylor entitled "[Panama is Finally Having Its 'Moment.' That Could Change Latin American Real Estate and Hospitality Forever](#)".

The article exposes the situation of Panama vs other countries that historically have garnered the attention of investors and pensioners to establish themselves there. It lists the different advantages that the country has gradually built against its neighbor and natural direct competition: Costa Rica. The author explains that, as in a baseball game, Costa Rica is already in the bottom of the ninth inning, and Panama is still in the first inning and the sky is the limit.

Forbes' story is built on the real experience of a young investor looking in Latin America for the place where he will start his new beach hotel chain. He narrates that after half a dozen trips exploring the entire country, he fell in love with everything Panama had to offer. Costa Rica was too expensive and too developed already. Land ownership in countries like Nicaragua is complicated and less secure. Mexico, despite its excellent beaches in both the Caribbean and the Pacific, is somewhat complex due to its large territorial extension.

Panama presented itself as the best candidate with some of the best beaches in the world, a stable currency and democracy, first-world infrastructure, and right in the middle between North and South America. His analysis of the country's advantages did not end there, as he continues comparing the cosmopolitan city of Panama with that of Miami: A modern city with a robust banking and legal services offer, that has successfully managed to attract the main transnational corporations and businessmen of the region who, for years, identified Panama as a country to protect their assets from the next dictator or devaluation of their currency.

Panama offers several incentives to attract foreign investors, including:

1. **Colon Free Zone:** A tax-free zone where companies can import and export goods without paying tariffs.
2. **Industrial Free Trade Zone:** A special area for the setting up industrial companies with tax incentives and reduced tariffs.
3. **Special Economic Zone (EEZ):** A special zone in which companies can operate with reduced tax and tariff incentives, and greater freedom to import and export goods and services.
4. **Special investment regimes:** Offers tax and tariff incentives for specific projects in areas such as tourism, real estate, renewable energy, among others.
5. **Free Trade Agreements:** Panama has free trade agreements with several countries, allowing companies to access a broader customer base and reduce trade costs.

In addition, the Republic of Panama offers several types of investor visa, such as:

1. **Macro Company Investor Visa:** requires a minimum investment of \$160,000.00 in a business in Panama.
2. **Permanent Residency as a Qualified Investor:** Requires a minimum investment of \$500,000.00 in real estate or shares in



the Panama Stock Exchange; or, an investment of \$750,000.00 through a fixed-term deposit investment that has a minimum term of validity of five (5) years.

3. **Provisional Residence for economic reasons**, which is subdivided into two types:

- a. **Friendly countries:** Nationals of Argentina, Brazil, United States, Chile, Canada, Costa Rica, Mexico, among others can apply. It requires:
  - an investment in a real estate property for the sum of \$200,000.00; or
  - to open a fixed term deposit for the sum of \$200,000.00; or
  - to prove that the applicant has a work offer.
- b. **Economic Solvency.** Requires completion of one of the following:
  - investment in a real estate property in the sum of \$300,000.00; or
  - to open a fixed term deposit in the sum of \$300,000.00; or
  - combine the above cases, for example, 150,000.00 in a real estate property plus 150,000.00 in a fixed-term deposit.

4. **Permanent Residence as a Retiree or Pensioner:** It is granted to the foreigner who is retired or pensioned by a foreign government, international organizations or private company. The applicant must have a minimum monthly pension of \$1,000.00. In case of having a property in personal capacity in Panama for a sum greater than \$ 100,000.00, the pension may be for a minimum of \$ 750.00.

5. **Free Zone Investor Visa:** requires a minimum investment of \$160,000.00 in a business within a free zone in Panama.

In **Alcogal** we have an expert team of panamanian lawyers who in addition to providing first level advice are also passionate about their country. We are convinced that the time of Panama is now and that is why we want to support foreigners and nationals to establish their next investment safely in our country.