

Panama Pacifico Special Economic Area

Law 41 of July 20, 2004, and its amendments establish the special regime of the Panama Pacifico Special Economic Area and constitute the legal framework that regulates the development of this strategic zone, located at the former Howard Air Force Base west of the Panama Canal.

Additionally, it provides for the creation of the Panama Pacifico Special Economic Area Agency, an autonomous entity of the Government of Panama responsible for implementing the special regime of this area by promoting, managing, supervising, and overseeing its comprehensive development. Among its key functions is attracting world-class operators and developers to foster the area's sustainable growth.

In this context, London & Regional Panama, as the Master Developer, brings its international experience in large-scale real estate projects. Its management has transformed the Panama Pacifico Special Economic Area into an integrated urban ecosystem, strategically combining residential, commercial, logistics, and technological zones. This multisectoral planning has established the Panama Pacifico Special Economic Area as a regional benchmark in economic and urban development with a focus on key sectors such as logistics, technology, financial services, and tourism.

In addition, the Panama Pacifico Special Economic Area boasts a strategic location with access to world-class infrastructure, including an international airport, high-speed digital connectivity, and a network of integrated logistics services. These features position it as a key regional trade, technology, and distribution hub.

To attract foreign investment and promote economic development, Law 41 of 2004 and its amendments, establish a comprehensive set of incentives for companies operating in the Panama Pacifico Special Economic Area, grouped into the following categories:

Tax Incentives:

- Exemption from direct and indirect taxes, fees, levies, and charges.
- Exemption from Commercial License Tax.
- Exemption from Stamp Tax.
- Exemption from property tax on commercial and industrial improvements, as well as from the Real Estate Transfer Tax, until January 1, 2030.
- Exemption from all taxes, fees, duties, levies, withholdings, or similar charges on payments to foreign creditors for interest, commissions, royalties, and other financial charges.
- Exemption from the Transfer Tax on Tangible Movable Goods and Services (ITBMS).
- Exemption from withholding tax on remittances or transfers abroad on payments for commissions, royalties, technical assistance services, or other concepts.
- Exemption from Income Tax for activities conducted exclusively within the area.

Municipal Regime: Tax exemptions for manufacturing, import, export, logistics, and telecommunications activities.



Special Customs Regime: Exemption from import duties on goods, equipment, and materials used within the Panama Pacifico Special Economic Area.

Labor Regime:

- Designed to provide operational flexibility:
- Companies may operate 24/7, with labor regulations allowing extended or night shifts without additional surcharges.
- Up to 10–15% of foreign workers are allowed. This percentage may increase for technical or specialized personnel.

Immigration Regime:

- Special visas are available for foreign employees and their immediate families, offering options for temporary or permanent residency.
- Tax exemption on imports of household goods up to US\$100,000.

Other benefits:

- Implementation of a one-stop shop ("ventanilla única") to streamline the process of establishing operations in the Panama Pacifico Special Economic Area, by integrating the coordination of 15 government entities in a single location, facilitating the issuance of immigration, labor, customs, and other permits.
- Companies registered in the Panama Pacifico Special Economic Area are granted the right to legal stability, ensuring that any legal changes enacted after their registration will not alter the applicable conditions for a period of ten (10) years.