

# Panama Removed from the European Union's High-Risk Countries List – What's Next?

It is important to begin this analysis and reflection by giving a standing ovation to the tireless efforts of government agencies in leading the process to meet the requirements set by the evaluating Commission. This, along with Panama's removal from the Financial Action Task Force (FATF) grey list about two years ago, brings some relief from the pressure many regulated entities face in strictly and consistently complying with all requirements. These achievements are not coincidental but the result of years of technical work, inter-institutional coordination, and the country's commitment to meeting international standards.

We must also credit this accomplishment to every individual working in the compliance departments of regulated entities. Their tireless efforts to ensure that carefully designed policies and procedures were properly implemented, accurately documented, and that risks were assessed and mitigated before entering any business relationship, have been essential. This is, at its core, what true compliance management looks like.

However, this is not the end. It's not just about being removed from a high-risk list or checking off a compliance checklist it's about moving forward, continuing to establish frameworks that allow for full traceability of clients' transactions. As a country, we must remain committed to implementing policies and signing agreements that support our macroeconomic objectives key to attracting foreign investment and legitimate business that creates jobs and leads to better opportunities for Panama. At the same time, we must not neglect the importance of enforcing proper controls on transactions carried out in or through our country. All these efforts indirectly contribute to maintaining Panama's position as a hub for investment opportunities.

How do we achieve this? Through cross-departmental training in legal, accounting, and financial matters, so that compliance and business staff who may not be familiar with these disciplines can effectively trace the transactions presented to them. This would allow critical information from different areas of the organization to be integrated. We often build walls between departments; however, openly sharing information within interdisciplinary groups can help identify risks and develop an appropriate, effective, and sustainable mitigation strategy.



This is not the time to let our guard down in light of the country's recent achievements, but rather a moment to stay one step ahead by strengthening collaboration between government and regulated entities. A joint effort would lead to clearer and more specific government compliance requirements, lower compliance costs, and more streamlined business processes ultimately helping to attract new clients and increased foreign investment. Compliance with international standards by the country, and with national regulations by regulated entities, are not mutually exclusive from Panama's economic development; we must work in close partnership to achieve our macroeconomic growth.

As Manager for the Compliance Department at Alcogal, we reaffirm our commitment to continue driving forward solutions that are aligned with our clients' businesses. We remain a strategic partner that, without losing sight of your commercial objectives, always acts in compliance with local and international regulations, understanding that this is the only way to build sustainable and lasting relationships.



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