

PEREZ CASTILLO & ASSOCIATES

THE PANAMA ADVANTAGE

THE PANAMA BUSINESS AND INVESTMENT ADVANTAGE

The Republic of Panama, as a fully functioning sovereign nation for the last 100 years, and the maritime crossroads of the world since 1915, offers a wide and varied combination of benefits and advantages to many Business Owners and International Investors.

As the second largest tax-free commercial zone in the world behind only Hong Kong, and the largest in the Western Hemisphere, Panama is increasingly compared with the vigorous Asian trading and multimodal transport success stories, Hong Kong and Singapore, as the budding version in the Americas. Irrespective of such characterizations applied to Panama, the fact that as home to over 74 banks (one of the global centers including many of the major international money-center banks) that have presence and important operations in Panama, such international focus clearly speaks to the high level of confidence Panama now commands within world financial and business circles.

Obviously the use of the U.S. Dollar as it's legal currency, constitutionally imbedded confidentiality of business transactions guaranteed by law and rigorously supported by a sensible civil law court system, have long made Panama a highly viable and increasingly favored locale for the conduct of International Business activity as well as facilitating the needs of Individual Investors. There are no exchange controls or currency restrictions whatsoever in the Republic. For example, with regard to company formation, business income of any company (all Panamanian companies, irrespective of domestic or foreign ownership) that is derived from sources outside of Panama carries no income tax liability to the Panamanian government.

Similarly, bank account interest, regardless of whether the account is owned by an individual or a company structure, is totally free from domestic taxation as well. Panama corporations can be used to settle trusts and foundations, establish and own bank accounts or own real estate in the Republic. The law initiating the still current Corporate regime in the country has been in place for over 70 years – and has served as the model for many of the nations that have sought to replicate this country's template for the encouragement of International Business and Investment opportunity. The viability and popularity of these excellent features are further attested to by the fact that the republic presently has over 350,000 such registered Corporate entities.

Although Panama is a rigorous participant in the international war on money laundering and drug trafficking, only serious crimes that are lawfully proven in Panama courts related to these areas will cause banking and corporate confidentiality to be lifted. Otherwise, Panama provides the strictest banking and financial secrecy laws operative anywhere in the world. As a totally sovereign nation not under the governance or control of any nation anywhere within national borders of the Republic, and with the clearly stated desire to maintain

that posture, the country is positioned to exercise the maintenance of its important institutions with vigilant independence. Those seeking to achieve their business, financial and/or asset protection objectives in a legitimate manner, will find that Panama offers arguably the best infrastructure and legal environment in the world to address those needs.

In recent years, Panama has also added the utility of its excellent Foundation system as a companion mechanism to serve the financial planning and trust needs of domestic and international individuals and families. This mechanism, modeled on the historic Liechtenstein concept, offers the provision of a confidential and functional means of managing and protecting assets that are totally free of any Panama income tax liability whatsoever for qualified income.

For the purpose of offering further useful material on the Corporate and Foundation scenarios referenced above, as related to the possible service needs of prospective clients of Perez Castillo, we are happy to provide the descriptive Overview and full presentation of the controlling law for each regime which you will find at the relevant links identified on the Home Page. You may peruse them at your leisure here or may download in PDF format if you prefer. Either way, you are welcome to contact us directly with any questions about the contents or to make inquiries pertinent to using the services of our firm to create such structures and devise relevant strategies to deal with your particular requirements. We appreciate your interest and the time you have taken in this visit to our website. Possibly it is time for you to actively consider the potential of putting the "Panama Edge" to work for your situation.