

World Class Logistics & Investment Infrastructure



Maritime Hub



Air Hub



Tecnology Hub



Financial Hub

Factors That Make Panama a World Class Logistics Center

LEADERSHIP, SAFETY AND CONVENIENCE

#1 In Logistics Infrastructure and
in Liner Shipping
Connectivity, in Latin America

Source: World Bank's Logistics Performance Index 2023,
and UNCTAD's Liner Shipping Connectivity Index (LSCI), 2023

#1 Open for Business in the
Americas

Source: US News 2023

#1 Most efficient in Latin America
to start a business

Source: Ease Doing Business 2020

#2 Financial System in Latin
America

Source: Global Competitiveness Index 2019

LEGAL STABILITY FOR INVESTMENTS

Law No. 54 of 1998 guarantees the legal stability of investments in Panama. It applies to investments at a minimum of \$2 million.

Benefits:

- Legal stability for investments unless they involve public or social interest concerns
- Tax regime stability at national and municipal levels
- Stability for customs processes derived from special economic regime laws





PANAMA CANAL

180 maritime routes
170 user countries
1920 ports connected
14080 transits in FY 2023
3% of world maritime trade

PORTS

152 ports and 54 countries
sending and receiving cargo directly
2 most active ports in Latin America
8.5 million TEUs
11+ shipping lines
5 of the top 10 region ports are in PTY

AIRPORT

88 destinations in **54** countries
133,084 annual operations
(commercial, cargo, general)
19 commercial airlines
50+ boarding gates
17.8 million passengers in 2023



DIGITAL HUB

6 Fiber optic cables pass through Panama.

+4 in 2025 and 2026

Google's
Curie cable

100% Of the regional internet traffic

97% Of the international voice traffic

90% Of data transmission

Virtually free of natural disasters

LEGAL FRAMEWORK:

Law No. 81 of 2019, regarding
Personal Data Protection



**THE BROADEST NETWORK OF
COMMERCIAL TRADE
AGREEMENTS IN THE REGION**

23	59	59%	+1.6B
Trade Agreements	Accesible Countries	Of the World's GDP	Potential Consumers

Panama is the ultimate destination for Multinationals to address global operations and the Latam Market

8.000
Jobs
Created

1.3+
Billion
Dollars to
the economy

180+
Multinational
Companies



Investment Regimes with Special Incentives



**Multinational
Company
Headquarters**



**Manufacturing
Services for
Multinational
Companies**



**Colon Free
Trade Zone**



**Panama
Pacifico**



**Free Trade
Zones**



**City Of
Knowledge**



**Qualified
Investor
Program
(Executive
Decree 722)**



**Panama Film
Commission**



The Special Regime for Multinational Company Headquarters (SEM) offers the fiscal, immigration and labor conditions to guarantee that companies can develop their operations from Panama and provide support services (Back office) to its related parties located throughout the world.

Its regulatory framework is contemplated in Law 41 of August 24, 2007.

180+
Multinationals registered by 2024

8,000 +
jobs created

More than
\$1.3 Billion
invested

“Key reasons behind Halliburton’s ongoing investment in Panama include its strategic geographical location and the Multinational Headquarter Law (SEM in Spanish) which helps make Panama a cost efficient location. In addition, Panama offers good quality of living and school options – making the country favorable for both Halliburton and its employees.”

- Francisco Tarazona, Vice President, Latin America **HALLIBURTON**

What are the Benefits of the MHQ Law:

- Legal Stability under Law 54
- Reduced 5% income tax rate for services rendered
- Exempt Dividend Tax
- MHQ & MSM companies are not subject to the payment of an Operation License Tax since they are not obliged to have a Notice of Operation
- The gain or loss in the transfer of shares issued by the company are subject to the capital gains regime, but a 2% fixed rate
- No Transfer Tax (ITBMS)
- Companies that hold an MHQ & MSM License will not be subject to the use of fiscal equipment
- Import Tax Exemption
- Foreign employees will be exempt from paying income tax, social security and education tax

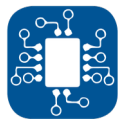
The Special System of the Multinational Corporation Headquarters is perfect for:



Logistics



R&D, Product Development



Electronic Processing



Design Construction Plans



Financial Management of the Business Group



Consulting, Marketing and Advertising Services for the Business Group



Regional Operations Management Administration

Companies registered under the Multinational Headquarters Law include:



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The EMMA/MSM regime in Panama offers tax and labor incentives to multinational companies that establish manufacturing operations and related services in the country, promoting foreign investment and industrial development.

- **Similar benefits to the MHQ regime.**
- **To be eligible for MSM, the Multinational must manage: \$75MM or more in total group assets or have at least 3 subsidiaries.**
- **Law No. 159 of 2020 establishes immigration permits for foreign workers that the EMMA company hires.**
- **Technology transfer: Access cutting-edge innovations and expertise.**

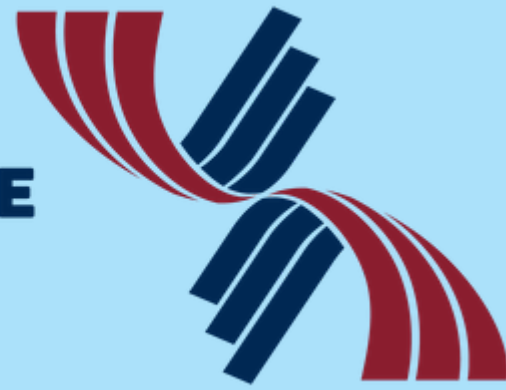
Activities permitted:

- Manufacturing
- Remanufacturing
- Assembling
- Conditioning
- Refurbishing
- Labeling
- Processing
- Maintenance & product repair
- Warehousing
- Laboratory analysis services and testing
- Product development, research and innovation
- Packing

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ZONA LIBRE DE COLON

Plataforma Logística del Comercio Mundial



The Colon Free Zone is the largest free trade zone in the Americas and the second largest in the world. The Free Zone has been the main commercial center for Latam and the Caribbean for over 75 years.

3,000+

comanies established

250,000+

buyers, business people and tourists hosted each year

7.3%

contribution to national GDP

\$11.4b+

worth of goods re-exported annually

DHL has been present in Panama for over three decades and currently employs more than 1,500 people. Panama's excellent connectivity as well as its strategic location are key factors behind DHL's ongoing investment”

- Kendall Vasquez, Head of Marketing & Sales 

Companies located in the Colón Free Zone can take advantage of the following benefits:

- Exemption from taxes on imports and exports
- Exemption from taxes on earnings from re-exports
- Income and sales tax incentives
- Tax exemption on capital investment
- Tax exemption on profit from operations abroad
- 5% capital gains tax
- 5% tax on dividends regardless of the source of income

Major companies located in the Colón Free Zone include:



The Colón Free Zone is perfect for:



Logistics Services



Import Re-exports



Sales, Commercialization & Distribution



Manufacturing, Refining and Processing of Goods



Panama Pacifico, near the Panama Canal, is a thriving commercial, residential, and tourism hub. Covering 2,005 acres, it offers warehouses, manufacturing areas, offices, and more. Panama Pacifico is the largest mixed-use development globally, asserting its world-class status.

250+
companies

8600+
jobs created

2000+
acres including an
international airport on site

Fiscal conditions within Panama including its use of the US Dollar and the Multinational Headquarter Law along with excellent connectivity, greater personal security and the widespread use of English within its labor force meant that Panama was an ideal location for Damco to invest in”

Within Panama Pacifico, companies can receive the following benefits:

- Commercial license, security and maintenance fees
- Dividend tax benefits
- Import / export taxes benefits
- Income tax benefits
- Tax on patents benefits
- Sales tax benefits
- Taxes on remittances or transfers abroad benefits
- Taxes to Transfer of Movable Property and the Rendering of Services (ITBMS)
- Visas of 3 to 5 years for investors and workers

Panama Pacifico is perfect for:



Logistics Services



Maritime and Aviation Services



Headquarters and Business Services



Manufacturing



High tech Manufacturing

Major companies located in Panama Pacifico include:



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Panama's Free Trade Zones foster economic growth by attracting companies, creating jobs, and promoting global trade. These zones can be located anywhere in the country and offer incentives for investment and innovation.

16
Zonas Francas

\$900m+
Invertidos

2000+
Empleos generados

Companies located in Panama's free trade zones can take advantage of the following incentives:

- Logistics, technology, assembly, manufacture, scientific research centers, education centers, general services, health specialist's centers and environmental services companies are exempt from income tax for foreign operations
- Dividend Tax rate of 5%, regardless of the source of the funds, and a complementary tax of 2% in cases where there is no distribution of income
- 0% tax and custom duties exemption for goods and services required for operation
- Exemptions of temporary transformation of products outside the zone
- Permanent residence visa for investors
- Short term visa as a trader for business in free zones
- Temporary permits for special activities: teacher, student

Panama's Free Trade Zones are perfect for:



Logistics Services



High tech Manufacturing



Manufacturing



Assembly



Higher Education



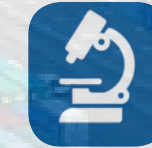
Services for Aviation Industry



Environmental Services



Environmental, Health and General Services



Scientific Research



Ciudad del Saber

With 120 and more than 200 buildings, Ciudad del Saber is a non-profit Panamanian institution that houses innovative enterprises, prestigious research centers, advanced academic programs and major international agencies and NGO 's.

5,000

people use the recreational, cultural, and corporate spaces daily

200

buildings in 120 acres

171

companies and international entities established

31

academic institutions established



Member of the International Association of Science Parks and Areas of Innovation

Affiliated activities within Ciudad del Saber are exempt from:

- Import taxes
- Taxes to remittances or transfers abroad
- Good and services transfer tax
- Its capital will be exempt from local direct taxes including taxes on patents and licenses
- Income taxes, if the organization produces, assembles or processes high-technology products

Major organizations located in Ciudad del Saber include:



Immigration and labor incentives including:

- Special visas for foreign employees of affiliate companies and for their families

Ciudad del Saber is perfect for:



Life Sciences



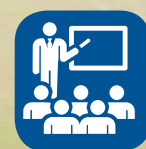
Global Services



R&D, Product Development



Environmental Management



Creative and Cultural Industries



Communication and Information Technologies



Business Management and Entrepreneurship



Human Development

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QUALIFIED INVESTOR PROGRAM

The Qualified Investor Program in Panama grants immediate permanent residency to foreign investors who invest a minimum amount in real estate, securities, or through a fixed-term deposit in a local bank, offering a fast-track path to residency.

Main Benefits Include:

- Under this decree, a qualified investor can automatically obtain **permanent residence** status in Panama within 30 days.

Types of Direct Investment Qualifying under Executive Decree 722:

1. Real estate investment or through a purchase agreement.

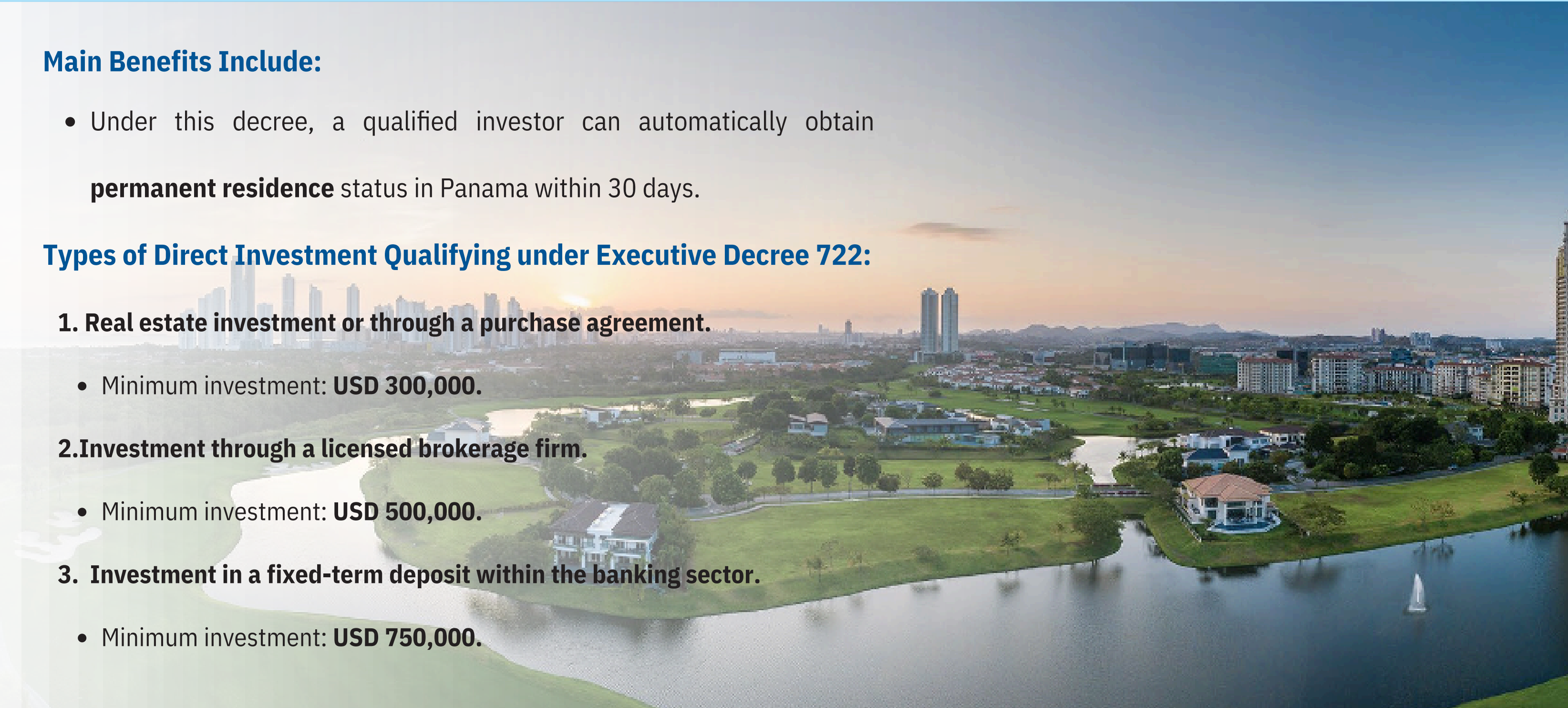
- Minimum investment: **USD 300,000.**

2. Investment through a licensed brokerage firm.

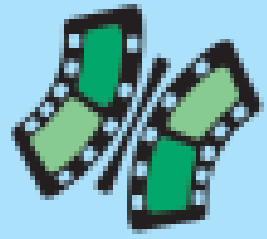
- Minimum investment: **USD 500,000.**

3. Investment in a fixed-term deposit within the banking sector.

- Minimum investment: **USD 750,000.**

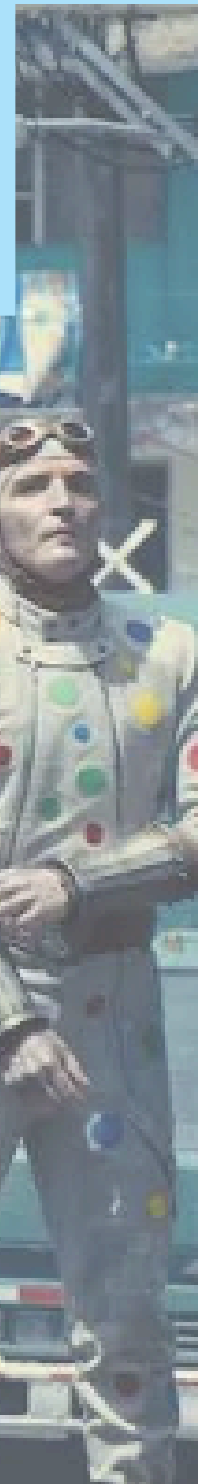


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Panama Film
Commission

The Panama Film Commission was created to promote and facilitate the production of audiovisual and cinematographic projects and contribute to the growth of the industry in the country.



Main Benefits Include:

- **Incentive: 25% cash rebate** : Up to 25% cash rebate on qualified local expenses for film and TV productions.
- Tax Exemption for Film Equipment in Customs
- One-stop shop for streamlined government procedures

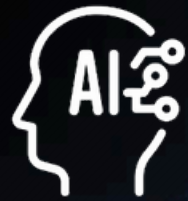
Other Benefits:

- Strategic location: Excellent air and sea connections.
- Skilled workforce: Growing community of film professionals.
- Year-round filming: Tropical climate with abundant sunshine.
- Safety: Relatively safe environment for production teams.
- Economic stability: Dollarized economy



Sectors with investment potential

- Distribution and Logistics
- Business Services and Digital Services
- Infrastructure, industrial tools and construction materials.
- High Technology Industries
- Energy
- Pharmaceutical



ARTIFICIAL INTELLIGENCE



BPO



CALL CENTER



CLOUD SERVICE



DATA CENTER



DIGITAL NOMADS



DIGITAL MEDIA



FINANCIAL TECHNOLOGY



R+D



SOFTWARE DEVELOPMENT



TELECOMS



CONTENT CREATION

GENERAL DIRECTOR OF INVESTOR SERVICES



SCAN FOR CONTACT



GOBIERNO NACIONAL
★ CON PASO FIRME ★
MINISTRY OF COMMERCE
AND INDUSTRIES

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