

## CHAPTER IX: IMMIGRATION LAW

Most foreigners enter Panama, first, with a Tourist visa or a Tourist card, which allows them to stay in the country for a 90-days period; said cards are renewable for 90 days more, at the discretion of the Immigration and Naturalization Department. U.S. citizens and citizens of European and Latin American countries are allowed to enter Panama with a tourist card, which can be obtained through almost all airlines including Panama in their flying itineraries, while the tourist visas are issued by the Panamanian Consuls. All foreigners staying in Panama for more than 90 days shall be registered at the Immigration and Naturalization Department. All foreigners authorized to reside in Panama will need a re-entry permit when leaving the country temporarily and said permit may be valid for one or more trips.

Under Panamanian Immigration Laws, different kinds of visas may be granted to aliens who want to settle in Panama under resident status. Most common among businessmen are:

- **The Immigrant Visa**, suitable for those intending to reside permanently in Panama while doing business or engaged in working relations, and also granted to those married to a Panamanian;
- **The Temporary Visitor's Visa**, for those applying as technicians, experts, students, or any other alien category aiming a transitory stay in Panama; and
- **The Special Temporary Visitor's Visa**, known also as the “**executive visa**”, suitable for personnel of international companies and banks who receive a monthly salary of at least US\$1,000.00, from sources located outside the Panamanian territory.
- **The Tourist Pensioner Visa**, for those receiving a pension of at least US\$500.00 per month; and the **Retiree Visa**, for those receiving a monthly income of at least US\$750.00, coming exclusively from interests earned on five-year time deposits accounts held at the *Banco Nacional de Panamá*.

Besides special requirements for each type of visa, the following requirements shall be fulfilled for aliens applying for **any Panamanian visa**:

- Power of Attorney granted to a local attorney.
- The application shall include:
  - i) Name of the applicant;
  - ii) Place and date of birth;
  - iii) Nationality;
  - iv) Name, nationality and domicile of the parents of the applicant;
  - v) Place and date of expedition of the applicant's passport;
  - vi) When any check shall be issued: number, amount, date of issuance, issuing bank;
  - vii) Applicable law.
- Good health certificate issued no more than three (3) months prior to the date of application, indicating that the applicant is physically and mentally sound and fit. This document shall include the signature and seal with the names, codes and numbers of the doctor and of the

technician concerned.

- Certificate of good conduct issued by the Police Department or other competent authority of the applicant's place of residence (only if the applicant has resided continuously in Panama for less than five years).
- Current passport of the applicant, with a validity of at least six months and relevant copies thereof.
- Four (4) passport-size photos for the applicant and each dependent.
- If applicant comes with his/her **spouse** and **dependants**, it shall be submitted the **same documents** asked to the applicant, including, but not limited to, record certificate of the spouse and the legal aged (18)dependents, financial liability statement regarding spouse and dependants, as well as marriage and birth certificates, accordingly. In addition to the required minimum salary or investment for each visa, the solicitant shall cover the amount of US\$100.00 per dependant.
- Foreigners planning to work for a Panamanian local company will also require a work permit from the Panamanian Ministry of Labor and Social Development.
- Sworn Statement (affidavit) on personal background (provided by the Immigration and Naturalization Department).

Note:

- All documents shall be originals or duly authenticated copies (by means of the international Apostil or by a Panamanian Consul), translated into Spanish by an authorized public translator.
- Once all the documentation is presented and in order, the Department of Immigration shall issue a provisional permit to the applicant for a period of three months, renewable for additional three month periods, until Immigrant visa is issued. It usually takes about five (5) to seven (7) months to obtain the Immigrant visa.

The special requirements for each kind of visa are:

### **1. Immigrant Visa**

Immigrants are aliens who may voluntarily choose to establish their domicile in the national territory and, consequently, have met the requirements as set forth in Immigration laws. The domicile of the immigrant shall be accredited with the personal identity card or with the Provisional Permanent Permit.

The two most convenient types of Immigrant Visa for doing business in Panama are the Investor's Immigrant visa and the Immigrant visa for persons with an income of their own. Besides, a foreigner married to a Panamanian is able to obtain an immigrant visa under this status.

Note: The following apply for all types of Immigrant Visa:

- The cost of the permit is US\$ 15.00, for a three-month card, and US\$50.00 for a one-year card, plus stamp taxes.
- When issued under provisional terms, they are valid for one year; when issued under permanent terms, they entails permanent residence privileges and the right

to obtain and bear a **cédula de identidad personal**, or personal identity card (Panamanian I.D.), as well as the right to apply for Naturalization.

- The Immigration and Naturalization Department reserves the right to investigate whether the proof of investment or economic solvency is authentic.
- Together with the solicitant, it can apply the spouse, the parents and the minor single children. Exceptionally, and only when supportive documents are submitted, the respective visa can be granted to the under-25's single children who do not have children and who are students due to alimony obligation; and those minor who are subject to tutelage, guardianship, or have been adopted by the solicitant.
- Submission of the following documents is a must:
  - i)A certified check for US\$ 500.00, to the order of the “Ministerio de Gobierno y Justicia” (Ministry of Government and Justice), which serves as a Repatriation Deposit. Investors in newly established companies are exempted from this requirement. In case the dependants (spouse, parents, etc.) apply separately, it shall be paid US\$500 per over 12's dependant;
  - ii)A certified check for US\$100.00 (plus US\$100 per dependent) to the order of “Tesoro Nacional” (National Treasury).

#### a) **Immigrant Investor Visa**

In addition to the above mentioned requirements, processing of this visa requires:

- Certification issued by the Panamanian Public Registry stating the name of the concerned Company, duration, legal representative, capital stock (the minimum capital stock issued shall be US\$100,000 per investor), and position of the applicant as an Officer or Director of the new company.
- Applicant's legal share ownership (stating issued and fully paid shares owned), which shall be accredited by the endorsement of a Certified Public Accountant (adding his/her registry number and identification number).
- Original and copies of Shares Certificate belonging to the applicant.
- Copy of receipt of the paid payroll taxes corresponding to the last three months, authenticated by **Caja de Seguro Social** (Social Security Agency), if the business is already in operation, with a minimum of three Panamanian workers, and Certificate of Good Standing issued by **Caja de Seguro Social**.
- Income Tax Return of the company, with the respective original receipts of payment; if copies are presented they must be authenticated by the Ministry of Economy and Finance.
- Copy of the Commercial or Industrial License authenticated by the Ministry of Commerce and Industries (Ministerio de Economía y Finanzas).
- If the investment is in Colon Free Zone, certificate issued by the General Manager.
- Affidavit signed by the applicant before a Panamanian Notary Public on the relevant information of his/her investment.
- Proof of the investment by means of any of the following documents:

- i)Purchase agreement of real estate or movables registered in the Public Registry or City Hall.
- ii)Commercial invoices accompanied by inventory issued by the company's Certified Public Accountant.
- iii)Customs statement.
- iv)Statement of the company's commercial activity issued by Colon Free Zone.
- v)Rental agreement of company's offices.
- vi)Proof of payment of I.T.B.M.S. (purchase and service tax) to the Ministry of Economy and Finance (Ministerio de Economía y Finanzas).
- vii)Copy of deposit receipt of the amount invested, authenticated by the bank.
- viii)Copy of water, electricity or telephone bill.
- ix)Any other document capable to prove the investment.

The investment shall fulfill the following requisites:

- The foreigner shall bring his/her own capital from abroad. An alien that obtains internal or local financing in Panama to establish his/her business shall not be recognized as a foreign investor. For this purpose, the applicant may request his local bank to certify that the deposit submitted as reference came from abroad and that he/she is the bearer of the deposit account.
- The capital shall not be invested in any commercial, industrial or financial activity related with retail business or with any other activity exclusively reserved to nationals.
- The amount of capital to be invested by the applicant shall not be inferior to US\$100,000.00.

It is also possible to apply for an immigrant visa in the capacity of **small business investor**, with the same requirements as the normal business investor above detailed, except for the fact that the minimum capital to be invested in the company is US\$10,000.00 and payment of Registration Deposit is not required.

When applying for the permanent stay permit, it is permitted to change the migratory status, but exclusively from investor to annuitant, forest investor or worker authorized by the Labor Ministry.

Note:

By means of Resolution No. 10386 DNMYN of October 31st, 2003 the Immigration and Naturalization Department introduced changes and additional requirements for issuing Immigrant Investor Visas. In brief, the **small business investor visa** is now named **mini enterprise investor visa** and the minimum invested capital is B/.40,000.00, and the **investor visa** is now named **small business investor visa** and the minimum invested capital is more than B/.150,000.00.

#### **b) Immigrant Visa Issued to Annuitants**

This type of visa is granted to foreigners whose financial circumstances allow them to

live upon an income derived from their own estate.

The Department of Immigration has set a minimum of US\$100,000.00 as a guarantee of the financial standing (solvency) of the concerned applicant. The Department of Immigration has the authority to increase or reduce the amount required in order to verify the financial circumstances of the applicant.

For this type of visa, the applicant shall maintain a minimum of US\$100,000.00 deposited in a local bank in Panama for an initial period of one (1) year, corresponding to the provisional visa period. When the alien applies for the Definite Permanence in the country, he will have to demonstrate that the US\$100,000.00 deposit (will be) kept in the local bank for an additional year.

This visa does not imply making investments in Panama, but only to keep the corresponding deposit in the bank.

In addition to the above mentioned requirements, processing of this visa requires:

- Copy of the certificate or contract of deposit authenticated by the issuing bank, or copy of the deposit authenticated by the corresponding bank, attesting to the fact that the deposit of US\$100,000.00 have been kept in the said local bank for the period of one (1) year.
- Letter issued by the local bank acknowledging that the applicant has indeed placed a US\$100,000.00 deposit for the term of one (1) year, as attested by a Certificate of Deposit.

When applying for the permanent stay permit, it is permitted to change the migratory status, but exclusively from annuitant to investor of minimum US\$100,000.00.

#### **a) Immigrant Visa when Married to a Panamanian**

This type of visa is granted to foreigners married to a Panamanian spouse. In addition to the above mentioned requirements, processing of this visa requires

- Marriage certificate issued by the Civil Registry within no more than six months before presentation of the application.
- Birth certificate of the Panamanian spouse, issued by the Civil Registry.
- Photocopy of current personal identity card of the Panamanian spouse, duly authenticated by the Panamanian Civil Registry.
- Letter from the Panamanian spouse accepting economic responsibility for the foreign spouse.
- Proof of economic solvency:
  - i) Whether the Panamanian spouse is working and the solicitant is a dependent: either contract of work including the last Social Security receipt (“ficha de Seguro Social”), or income tax return including its tax payment receipt (whether photocopies are presented, these must be authenticated by the Ministry of Economy and Finance).
  - ii) Whether the solicitant is working and the spouse is a dependent:
    - Resolution issued by the Ministry of Labor and Social Development authorizing the solicitant to work in Panama. In case the permit has not been issued at the time of presenting the visa application, he should either submit a certification of said ministry indicating that

the permit is being processed, or a simple photocopy of the power of attorney and application addressed to said Ministry. Nevertheless, upon the respective work permit being approved, it would be necessary to present this to the Immigration and Naturalization Department in order for the visa application to continue its process.

-Contract of work or offering letter to the applicant.

- Whether the solicitant is abroad, the Panamanian spouse shall prove the cohabitation of at least six months after marriage ceremony under singularity, stability, and continuity condition. This circumstance may be proven by means of witness, letters, photos, photocopies of contract for public services, lease, contract of purchase of real estate, or existence of children.

Both the solicitant and the spouse must go to a marriage interview to be held at the date to be indicated when presenting the application at Visa-1 Section.

## 2. Temporary Visitor's Visa

The law provides for a temporary visitor's visa to any alien who wishes to stay in the country for a specified period of time.

The most important types of temporary visa are the temporary visa for technicians and the special temporary visa (otherwise known as the business executive visa).

Note: For both visas, presentation of the following documents are necessary:

- Certification of status as student or banking reference is required for legal aged 18 dependants when they are younger or older than 26 years old respectively.

### a) Temporary Visa for Technicians

This visa is issued for a person pretending to provide services as a specialized worker or as a technician for a period of time of one (1) year, renewable yearly, for up to five (5) years.

This category of visa requires presentation of the following special documentation:

- A certified check for US\$100.00 plus \$100.00 per dependant to the order of the "Tesoro Nacional" (National Treasury).
- Copy of the resolution issued by the Ministry of Labor, indicating that the person is able to work in the National Territory (Work Permit), or certification issued by the said ministry that the permit is being processed, or photocopy of power of attorney and petition before said ministry of work permit. In order to obtain this work permit before the ministry the person shall provide the following documentation:
  - i) If a **technician**, he/she shall present documents attesting to the corresponding professional competence (copies of diplomas, certificates, "curriculum vitae", reference letters from previous employers, etc., duly authenticated by a Panamanian Consul or by means of the international *Apostil*).
  - ii) If an **expert**, he/she shall present several letters with professional references (covered by the *Apostil* or duly authenticated by a Panamanian Consul) from previous employers who might attest to his/her capacity.

- Original of contract of work executed with the company that requires his/her technical or expertise services. The minimum salary shall be US\$500.00 plus the monthly sum of US\$100.00 for each of his/her dependents.
- Copy of the company's commercial license or Certificate of Public Registry.
- Letter from the company indicating that the person is actually working in said company, or retained under contract by the company.

**b) Special Temporary Visitor's Visa**

Aliens who are business executives wishing to reside in Panama and whose salaries are not derived from Panamanian sources, may apply for a Special Temporary Visitor's Visa.

The special requirements to apply for a Special Temporary Visitor's Visa are as follows:

- Letter from, or work contract executed with, the company's borne (main) office abroad which shows evidence that:
  - i)The person applying for a visa is an executive officer working for a foreign business and that his/her salary does not come from Panamanian sources.
  - ii)That the applicant earns a monthly salary that is no less than US\$1,000.00, plus the monthly sum of US\$100.00 for each of his/her dependents.
  - iii)That the company concerned agrees to repatriate the applicant as soon as the working relation will be terminated.
- Document equivalent to the certificate of the Panama's Public Registry, issued by the corresponding foreign authority, attesting that the company is currently established abroad; unless a certificate issued by the Panama's Public Registry shows that the company in Panama is an affiliate of the foreign parent company, in which case the equivalent certificate becomes unnecessary.
- Local banking references of the company or of the applicant when the company is not established in Panama and does not have banking references.
- Certification issued by the Regional Administrative Office of Internal Revenues in Panama.

Note: Under this type of visa, the following privileges are granted:

- A complete and single duty exemption on household goods for family or personal use up to the amount of US\$3,000.00;
- Exemption from deposit, encumbrance or immigration fee concerning the issuance of the Special Temporary Visitor's Visa.
- Articles for family or personal use and which may have been imported under duty free statute, may not be sold, rented, given in guaranty or judicially auctioned without paying the corresponding customs duties. However, in the case of articles for domestic or personal use, the aforesaid taxes shall not be subject to payment if the sale is made after a three (3) year period as of the date of importation.

**3. Tourist Pensioner and Retiree Visas**

The law establishes the following categories of persons that may apply for this type of

visa as follows:

- Those aliens retired or pensioned by foreign governments or companies or international organisms.
- Aliens who have their own income and are retired from their private activities and who earn from their own sources an income.

These visas entail the following privileges:

- One total import duty exemption on household goods for personal or family use, for up to US\$ 10,000.00.
- A total exemption, once every two (2) years, of a motor vehicle for personal or family use.
- Exemption from payment of any deposit, encumbrance, or immigration fee concerning the application for the Tourist Pensioner Visa.
- Right to a Special Panamanian Passport when the applicant is a retiree living with his/her own income. This does not entitle any recognition of the Panamanian nationality whatsoever.

Special requirements for the Tourist Pensioner and Retiree Visa:

- One (1) duly authenticated (by Notary) photocopies of passport if the applicant is a pensioner and two (2) duly authenticated (by Notary) photocopies if the applicant is a retiree living with his/her own income.
- Reliable, duly authenticated document attesting to the following:
  - i) The applicant status of pensioned by a foreign government, an international organization or foreign private enterprise;
  - ii) That the applicant receives a monthly income of no less than US\$500.00, plus the monthly sum of US\$100.00 for each of his/her dependents, and enclose voucher or receipt of payment of said pension;
  - iii) If the applicant is pensioned or retiree from a private enterprise, he/she shall present documentation from the corresponding authority showing that said enterprise is operating abroad;
  - iv) If the applicant is a retiree living with his/her own income, then he shall present, from the outset of the process, a certification issued by the *Banco Nacional de Panamá* demonstrating that the interested party earns a minimum monthly income of US\$750.00, exclusively derived from interest on a time deposit, free from any and all encumbrances or guaranties whatsoever, and that said time deposit is for a term not inferior to five (5) years, and photocopy of the time deposit certificate authenticated by the *Banco Nacional de Panamá*.
- Whether the applicant is pensioned: (1) additional set of photocopies of all the documentation presented. Whether the applicant is a retiree: two (2) additional set of photocopies.