

# Requirements to Register in Panama Pacifico

Last week we published the first part of this series dedicated to the Special Economic Area of Panama Pacifico ("APP"), where we highlighted the tax, migration, labor, and legal stability benefits enjoyed by companies registered in this area (see [Ten Advantages of Registering a Company in Panama Pacifico](#)).

In this second part, we focus on which are the requirements to register in the APP.

In principle, any company can be registered in the APP, except for those companies that carry out activities prohibited by Law No. 41 of July 20, 2004, and the Resolution of the Board of Directors of the Panama Pacifico Agency No. 001-19 of January 30, 2019, among which we can highlight the following:

1. Import and re-export of finished products that leave the APP by air.
2. Import and re-export of wholesale finished products, carried out by companies that manufacture finished products in the APP, provided that the products thus marketed are complementary to the products manufactured in the APP or are products manufactured by them elsewhere.
3. Transportation logistics, as defined in numeral 1 of article 3 of Law 41.
4. Product showrooms that are marketed for international wholesale in other free zones or with special tax treatment for the Republic of Panama.
5. All those activities qualified as prohibited by the Constitution and the laws of the Republic of Panama.

However, certain activities are encouraged, such as:

1. Headquarters and services:
  - a. Headquarters of Multinational Companies (starting now, "SEM").
  - b. Capturing, processing, storing, switching, transmission, and retransmission of digital data and information.
  - c. Back office management.
  - d. Radio, television, audio, video, and/or data signals link.
  - e. Digital resources research and development and applications for use in internet networks.
  - f. Call centers.
2. Manufacture of high-tech products, components, and parts; or processing, manufacturing, and assembly activities of products, members, and features, using high-tech processes.
3. Logistics and distribution, including import, export, and re-export of goods and sale of merchandise not manufactured in the area.
4. Maritime and aviation sectors:
  - a. Services related to the aviation industry and airports.
  - b. Maintenance, repair, and refurbishment of ships.
  - c. Sale of products and services to ships, aircraft, and their passengers and crew destined for ports or airports abroad.
5. Filming industry.

These incentivized activities carried out by companies registered in APP, in addition to enjoying the tax benefits enjoyed by all companies in the area, are exempt from the following taxes:

1. Income tax.
2. Dividend tax.
3. Tax on remittance and transfers abroad.
4. Import tax and VA.



5. Property tax on commercial and industrial improvements as well as on the land and the corresponding improvements for 10 years, counted from January 1, 2019.

The requirements that must accompany the application for registration in the Panama Pacifico registry, which is done through the form provided by the APP, are the following:

1. Copy of the articles of incorporation and its amendments (for legal entities), or a copy of the identity card or passport (for natural persons);
2. Public Registry Certificate;
3. Copy of the identity card or passport of the directors, officers, legal representative, and attorneys of the requesting legal entity;
4. Complete the Registration Affidavit;
5. Copy of the lease agreement for space in Panama Pacifico;
6. Certification of permitted use (for the space) issued by the master developer;
7. SEM license or proof of the National Registry of Cinematographic Industry (if applicable);
8. If you are a company providing back-office management services, you must provide additional requirements.
9. Certificate issued by the Ministry of the Environment (detailing whether an environmental impact study is required);
10. Payment of registration fees.

If you want to know more about registering your company in the APP, in Alcogal we offer you advice and assistance with the registration process.