

## Navigating the Corporate Landscape: Essential requirements for the incorporation of companies in Panama.

Given the different legal structures offered by the Panamanian legal framework, corporations have an advantage over the rest. This is due to three main factors: (i) shareholders' discretion, (ii) tax incentives, and (iii) quick incorporation.

Panamanian corporations are not necessarily used exclusively by large organizations; being such versatile and flexible entities, they also benefit new ventures in Panama and abroad.

We detail the previous points to consider now when incorporating a company as follows:

1. **Choosing a name for the company:** The first step is to choose a unique name that has not been previously registered in the country. The law requires that the name of the company include the words "sociedad anónima" or its abbreviation "S.A."

Verifying the availability of the name through the Public Registry of Panama is essential to ensure that the proposed name is not already in use.

2. **Define authorized capital:** The amount of capital stock that may be represented by bearer shares or registered shares must be defined. Different classes of shares may also be defined. However, the obligations and rights of each class must be specified.

Flexibility in the share capital structure allows entrepreneurs to tailor the company to their specific needs and financial strategies.

3. **Choose who will be the directors and officers.** Panamanian law requires the appointment of at least three directors responsible for managing the corporation, who must be different persons. The directors may be of any nationality and need not reside in Panama. In addition, they may be legal persons.

Likewise, officers known as president, secretary and treasurer of the corporation must be appointed, who perform essential functions within the corporation to be incorporated.



4. **Define the company's purpose and domicile.** The law requires that the corporation's objects be defined, which can be as broad as they are specific. Likewise, the corporation's domicile must be specified.
5. **Appoint a resident agent.** In Panama, appointing a resident agent who may be a natural or juridical person is mandatory. The resident agent's primary function is to act as an intermediary between the corporation and the local authorities. The resident agent is responsible for receiving legal notices and ensuring compliance with current regulations.

At Alcogal, we have extensive and specialized experience incorporating companies in Panama. Our in-depth knowledge of the Panamanian legal framework enables us to assist local and international entrepreneurs in every phase of the incorporation process. We are committed to ensuring that all legal regulations are rigorously followed, from selecting a distinctive name to assigning directors and adequately organizing the share capital. Our team of experts offers personalized and efficient guidance, optimizing the structure of your company to maximize tax and operational benefits and ensuring a solid foundation for your company's success and sustainable development. With Alcogal, excellence, and legal compliance are at the heart of every company we help create.