

## Panama Offshore Corporations

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### Panama Offshore Corporations | Main Uses

Due to the many advantages and characteristics, Panama is one of the leading Jurisdictions for setting up an Offshore Corporation. A Panama IBC (IBC as for: International Business Corporation) is an International Operating Company which is accepted in the worldwide banking and commercial community as a proven structure to carry on financial business transactions.

Panama Offshore Corporations may participate in any legal activity in Panama or the jurisdictions in which is desired to operate. This would include; professional services, family businesses, consulting companies, shipping companies, offshore manufacturing, online businesses, air transportation companies, licensing and sublicensing companies, small business companies, family businesses and so on. Below, you will find the some general usages of Panama Offshore Corporations.

#### 1. Vessels, Yachts and Ship Ownership:

Panama has one of the principal merchant marines in the world. A Panama Offshore Company can take title of ownership of a vessel; in this case, the incomes and dividends generated by the vessel outside of Panama will be exonerated from Panamanian taxes. In addition using a Panama Company to own a vessel provides an additional level of asset protection and privacy.

#### 2. Hold Real Property | Holding Company:

A Panama Offshore Corporation can take title of ownership of real state assets worldwide. Managing part of your wealth offshore will not only grant you financial privacy, it will protect your assets against, potential litigants and any possible potential business failure, insolvency or bankruptcy.

#### 3. Act as a Trading Company:

As the amount of worldwide exporting and importing increases, a Panama Offshore Corporation can play a part by performing the function of trading company. The Panama Offshore Corporation can use a second corporation as a fulfillment company to take orders from the customer and do invoicing. Profits would then be captured offshore and can go directly to an Offshore Bank Account.

#### 4. Leasing:

A Panama Offshore Company can enter into leases for real property interests and personal property, such as vehicles and equipment, worldwide.

#### 5. Tax Planning:

Any profit obtained from activities outside of Panama, such as transfers or acquisition of securities, management of bank accounts and investments, the transfer or sale of real property or chattels, and the dividends received from companies operating abroad, will be exonerated from Panamanian taxes.

#### 6. Privacy Tool | Asset Protection:

A Panama IBC can be used on behalf an Asset Protection Trust or Private Interest Foundation as a Privacy tool. It could indirectly manage the Trust or Foundation assets.

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## Panama Offshore Corporations | Advantages

- > There are not currency restrictions in Panama. The US dollar is the circulating medium.
- > It is not necessary to have a paid-in capital.
- > There are no requirements to file any reports with the Panamanian government regarding any offshore activities, except the annual government franchise tax to remain in good standing.
- > Taxation in the Republic of Panama is based to the territorial source principle. Therefore incomes obtained from operations performed abroad are not taxable under our law.
- > It is not necessary for the interested parties to be present in Panama for creating a Corporation.
- > The directors, shareholders and officers, may be of any nationality and resident of any country.
- > Meetings of directors and shareholders may be held in Panama or in any other country.
- > Share certificates may be issued to the bearer or in the name of its owner.
- > Neither the directors nor the officers need to be shareholders.
- > Shareholders identity not required to be registered at the Panama Public Registry.
- > The accounting books of the corporation may be kept within Panama or abroad.
- > Corporations conducting businesses Offshore (outside Panama) do not require a commercial license.
- > Competitive incorporation costs compared to other jurisdictions.
- > Incorporation time frame approximately five business days.

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## Panama Offshore Corporations | Details

### 1. Capital:

There is no minimum capital or time limit within the so called authorized capital has to be paid. The standard practice will specify an authorized capital of US\$10,000 divided in 100 common, voting shares at a par value of US\$100.00 each; or it may consist of 500 shares without par value. In both cases, shall be payable the minimum registration tax.

### 2. Shares:

- > The corporation has the power to create and issue one or more classes of shares, with designations and preferences. Privileges, voting powers, restrictions or requisites and other rights may be provided by the Article of Incorporation. The shares may have a nominal value but the corporation also may issue shares without par value.
- > According Panama Law, shares may be nominative or to the bearer.
- > Shareholders identity is not registered at the Panama Public Registry. Corporation Shares are always issued through private documents.

### 3. Shareholders:

The shareholders constitute the supreme power of the Corporation.

Shareholder's approval is required for: the amendments of the Articles of Incorporation; the sale, lease, exchange or disposal of capitals assets; the approval of mergers or consolidation agreements with other corporations and the dissolution of the corporation.

#### **4. The Board of Directors:**

The management, administration and business of the Corporation is administered and conducted by a Board of Directors, composed of at least 3 members of full age, of any nationality. The board of Directors has the absolute control and management of the affairs of the corporation.

It is not necessary for the members of a Board of Director to be shareholders. Additionally, if expressly authorized by the articles of incorporation, it is possible for directors to be represented at meetings of the Board of Directors through proxy holders, who don't need to be directors, and who must be appointed by public or private instruments, with or without power to substitute.

According our law, the Panama Corporations require a minimum of 3 Directors / Officers, they may be of any nationality and resident in any part of the world. Due to the fact that the names of the three Directors / Officers shall be recorded at the Panama Public Registry; some clients prefer to have an appointed nominee board and to control the corporation without disclosing the identity of the shareholders. Our Firm provides this service, in this case the 3 Directors appointed are from our staff and will not participate in any way in the corporation activities.

#### **5. Directors and Officers:**

Corporations must have a President, a Secretary and a Treasurer, who are elected by the Board of Directors. The standard practice is that the same persons are appointed as Directors / Officers. Example; Director-President, Director-Secretary and Director-Treasurer.

In absence of a provision to the contrary in the Articles of Incorporation or the by-laws, such officers may be replaced at any time by, resolution adopted by the majority of the members of the Board of Directors or shareholders.

Any minutes changing the Officers / Directors must be recorded at the Panama Public Registry to be legally binding.

#### **6. Registered Agent:**

Panama Corporations must have a Registered Agent in the Republic of Panama. According to our Law, the Registered Agent must be an Attorney in Panama or a Panama Law Firm.

The Registered Agent may be replaced by means of an amendment to the Articles of Incorporation.

#### **7. Books:**

When company operations are not performed in the Panama territory, our law requires only a Minutes Book and a Stock / Shares Register Book, which may be kept in any part of the world and can be kept also by electronic means.

#### **8. Annual Payments:**

The only payment that Panama Offshore Corporations are required to pay annually is the Annual Franchise Tax of US\$ 300.00. Additionally, our Firm fees for being the Resident Agent of the Corporations are US\$ 150.00 per year.

## Offshore Corporations | Incorporation Costs

Our total cost for the incorporation of a company in Panama, including its respective translations into English language duly authenticated and delivery of documents in your office is US\$950.

This cost includes expenses such as:

- Notaries fees
- Capital Registration Tax on the basis of authorized capital of US\$10,000.
- Resident Agent fee.
- Legal fees.
- Two certificates of shares issued to the bearer or nominative.
- Certificate of good standing of the corporation translated into English.
- Annual franchise tax payment of US\$250, for the first year of incorporation.
- All official documents with its English Translation and authenticated by Apostille.
- Courier expenses.

### Nominee Director Services:

Our law requires a minimum of 3 Director-Officers for the corporations. Said Directors can be appointed by the client, however, it is important to note that the identity of each Director-Officer of the corporation is stated in the company articles of incorporation and said information is public.

For more privacy, our Firm can provide Nominee Director Services. In this case we will appoint the 3 Director-Officers required by Law. This service has an additional charge of US\$300 (US\$100 for each director).

### General Power of Attorney in a Private separate Document:

When the corporation is formed by Nominee Directors, the client controls and acts on behalf of the corporation through a General Power of Attorney.

TOTAL INCORPORATION COST  
INCLUDING NOMINEE DIRECTORS + POWER  
OF ATTORNEY IN A PRIVATE DOCUMENT  
**\$1,350.**

TOTAL INCORPORATION COST IF CLIENT  
APPOINTS ITS OWN 3 DIRECTORS  
(PRESIDENT, SECRETARY AND TREASURER)  
**\$950.**

### Anniversary (Annual Payments):

In each anniversary of the date of incorporation you must pay US\$300 for the Annual Franchise Tax and US\$200 for our Firm Resident Agent fees. In case of Director/Officers appointed by our office, there is an annual fee of US\$100 for each one. There are no other fees payable.

TOTAL ANNUAL PAYMENTS INCLUDING  
NOMINEE DIRECTOR SERVICES  
**\$800.**

TOTAL ANNUAL PAYMENTS APPOINTING  
YOUR OWN DIRECTORS  
**\$500.**

In order for us to proceed with the incorporation, you must provide the following:

- 3 possible names of the corporation in order of preference.
- The name, address of the President, Treasurer and Secretary. (if you are going to appoint them)
- ID or Passport Copy of the Directors. (if you are going to appoint them)
- Your courier address and phone number where corporate documents shall be sent.
- The name and passport copy for our private files of the person that will be appointed for the general power of attorney.
- Inform if you require the corporation shares issued in nominative form or to the bearer form.
- To transfer the cost for the incorporation of the company to our Bank Account. The payment can be made also with Visa or MasterCard.
- [You can send the above information to: panamainc@matapitti.com](mailto:panamainc@matapitti.com)

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**Procedures Time Frame:**

Once we receive the confirmation that the funds were transferred to our account, we will send you the corporate documents by courier in approximately 5 business days.

Enquiries, order information or any further assistance, please email us at:  
[info@matapitti.com](mailto:info@matapitti.com)