

Residency and Living

IN PANAMA

ALL FREQUENTLY ASKED QUESTIONS



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Dear reader,

I am pleased to present to you the 2023 edition of the book "Residence and Living in Panama. All Frequently Asked Questions." In this work, you will find a comprehensive and up-to-date guide on the processes and requirements necessary to reside and live in this beautiful Central American country.

In recent years, Panama has become a popular destination for expatriates thanks to its warm climate, constantly growing economy, and strategic location as a center for business and tourism. However, with the excitement of moving to a new country, it is common to have questions and doubts about how to do it effectively.

This text provides all the answers to the frequently asked questions that arise when considering Panama as a destination for living, working, or investing. From the procedures for visa and work permit applications to the requirements for starting a business or acquiring property, this work is a comprehensive guide for those who wish to establish themselves in Panama.

Additionally, special sections on life in Panama and places of interest for living, are included so that readers

can better acquaint themselves with the country they are considering as their new home.

"Residence and Living in Panama. All Frequently Asked Questions" is an essential tool for those who wish to explore the opportunities that Panama offers and successfully settle in this beautiful country. I hope you enjoy reading it as much as I enjoyed writing it.

Sincerely,

Giovanni Caporaso Gottlieb

Lawyer at Caporaso & Partners, Panama

Residence and Living in Panama

All Frequently Asked Questions

Residence in Panama offers numerous advantages, both for living and for making that country your business hub. In the guide "Residence and Living in Panama. All Frequently Asked Questions" you will find answers to all your doubts.

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How can I obtain residence in Panama?

Obtaining residence in Panama depends on your nationality, the amount of money you can invest, your profession, or if you are a pensioner, investor, or have another status.

What types of visas are available in Panama?

There are visas for Non-Residents, Permanent Residents, Temporary Residents, and others. Below you will find the complete list with a link to their requirements in Spanish (which can be translated through Google or view on our [website](#) the most common visa programs). Residence visas MUST be requested through a lawyer. Caporaso & Partners has extensive experience in assisting clients in obtaining residence in Panama.

Caporaso & Partners does not offer free consultations. On our website, you will find the best offers with details and costs. You can also request a [brief consultation](#) with the law firm for a cost of 50 EUR or its equivalent in other currencies.

The Immigration description for each visa only include what is required and the cost of immigration taxes. The National Immigration Service (when they respond) provides information only via [WhatsApp](#) chat.

Non-resident

1. [Tourist Visa Application.](#)
2. [Application for Tourist Visa Extension.](#)
3. [Extension Request for Change of Immigration Category.](#)
4. [Application for a Marine Visa.](#)
5. [Transient or Temporary Workers Visa Application.](#)
6. [Domestic Workers Visa Application.](#)
7. [Spectacle Visa Application.](#)
8. [Short Stay Visa Application.](#)
9. [Short Stay Business Visa Application.](#)
10. [Short Stay Visa Application to Visit Relatives.](#)
11. [Application for Short Stay Visa for Researchers and Scientists.](#)
12. [Short Stay Visa Application for Medical Treatment.](#)
13. [Short Stay Visa Application as Merchants and Investors by Special Laws.](#)

14. [Short Stay Visa Application for International Humanitarian Assistance.](#)
15. [Short Stay Visa Application for the Banking Sector.](#)
16. [Visa Application for Passengers and Crew Members of Ships for Recreational or Tourism Purposes.](#)
17. [Application for Visa Extension for Passengers or Crew in Transit.](#)
18. [Application for Transient Workers or Temporary Workers - Artists.](#)
19. [Multiple Visa Application.](#)

Permanent resident

For economic reasons:

1. [Macro-Company Investor.](#)
2. [Economic Solvency by Opening a Fixed-Term Deposit.](#)
3. [Economic Solvency for Investment in Real Estate.](#)
4. [Economic Solvency for Mixed Investment \(Fixed Term Deposit and Real Estate\).](#)

Special Policies:

1. [Retired Rentier.](#)
2. [Retired Pensioner.](#)
3. [Forest Investor.](#)
4. [Investor of the Panama Pacific Economic Area.](#)
5. [Permit for Workers of the Panama Pacific Area, within ten percent \(10%\) of the ordinary workers of a company, of the developer or operator.](#)
6. [Investor in Processing Zones for export.](#)
7. [Investor of Call Center for commercial use \(Call Center\) for export.](#)
8. [Foreigner of the Fullbright Educational and Cultural Exchange Program.](#)

Labor Reasons:

1. [As an employee of Aviation companies located in the Republic of Panama.](#)
2. [Foreign Personnel hired as an expert or Technician within 15% of ordinary personnel.](#)
3. [Foreign personnel hired by private companies within 10% of ordinary personnel.](#)

Demographic Reasons:

1. [Family Reunification as Married to National.](#)
2. [Dependent Family Reunification of Permanent Resident.](#)
3. [Family Reunification as a Foreigner with Panamanian Children.](#)

By Special Laws:

1. [Treaty of Friendship, Commerce and Navigation between the Republic of Panama and the Republic of Italy.](#)
2. [Foreign Nationals of Specific Countries that maintain Friendly, Professional, Economic and investment Relations with the Republic of Panama.](#)
3. [As a Professional Foreigner .](#)
4. [In Quality of Diplomat and Members of International Organizations of countries that maintain friendly diplomatic relations with the Republic of Panama, who have stopped providing their services in their respective positions.](#)

Religious Reasons:

1. [As a religious at the service of the Catholic and Orthodox Church.](#)
2. [In the capacity of authorities, ministers, rabbis, pastors, leaders or religious of other denominations or religious associations.](#)

Temporary resident

Labor Reasons:

1. [Foreigner hired by the National Government or Autonomous or Semi-autonomous entities.](#)
2. [Foreigner hired by companies under contract with the Government.](#)
3. [Foreigner hired as an Executive in companies in the Colon Free Zone.](#)
4. [Foreigner Paid from Abroad who do not have Diplomatic Status.](#)
5. [Personnel hired as correspondent for the international written, radio or television press and paid abroad.](#)
6. [Foreigner hired by companies under the Marrakech Agreement.](#)

7. [As a Sports Professional .](#)

Investment Reasons:

[Agricultural Investor.](#)

[Forest Investor.](#)

Special Policies:

1. [Foreigner hired by companies in the Film and Audiovisual industry.](#)
2. [Researcher at the City of Knowledge Foundation.](#)
3. [Teacher of the City of Knowledge Foundation.](#)
4. [Entrepreneur or Executive of the City of Knowledge Foundation.](#)
5. [Technician of the City of Knowledge Foundation.](#)
6. [Student of the City of Knowledge Foundation.](#)
7. [Foreigner Hired by the Panama Canal Authority.](#)
8. [Employee of a Company Subcontractor under contract with the ACP.](#)
9. [Worker of the Panama - Pacific Area in favor of foreigners hired by companies of the Panama - Pacific Area, the developer, the operator or the agency, to work as specialized personnel in](#)

technical aspects and/or in matters of administrative management, in a percentage that exceeds fifteen percent (15%) of ordinary workers .

10. Workers of the Panama-Pacific Area in favor of foreigners who work at the service of companies that have less than ten workers .
11. Worker hired in a position of trust, executives, experts and/or technicians in companies within free zones.
12. Worker hired in positions of trust, executives, experts and/or technicians in call center companies for commercial use for export "Call Center".
13. Permission of personnel hired as executive of international companies whose functions take effect abroad.
14. Worker hired by headquarters of multinational companies.

Educational Reasons:

1. Temporary Permission for Educational Reasons.

2. [Temporary Resident as a participant in educational programs of non-profit entities approved by the Ministry of Education.](#)

Religious Reasons:

1. [As a lay missionary at the service of the Catholic and Orthodox Church.](#)
2. [As a student to be religious of the Catholic and Orthodox Church.](#)

Family Reunification:

[Temporary Resident Permit for Family Reunification](#)

Others

1. [Requirements to request a Voluntary Return](#)
2. [Requirements for vehicle exemptions within the Department of Special Projects](#)
3. [Requirements for Refugee Procedures](#)

What are the requirements to obtain a residence visa in Panama?

Each residence visa has its own requirements, but the basic ones are:

1. Valid passport.

2. Second form of identification, such as a national ID card.
3. Entered the country legally.
4. Apostilled criminal record certificate, translate into Spanish from a Panamanian certified translator.
5. Sufficient funds to obtain residency in Panama according to the chosen program.

What is the process to apply for a residency visa in Panama?

Gather the required documents and other requirements and give power of attorney to a lawyer to obtain residency in Panama. The process takes a few days. We advise sending, by email, the required documents to our office before your arrival. This way, you can avoid losing your trip if you are missing something or do not meet the requirements.

What is the "Friendly Nations Program" and how can it help me obtain a residency visa?

The permanent residency program in Panama for friendly nations allows citizens of 51 nations with which Panama has good economic and political relations to apply for this type of residency. If you are a citizen of

one of these friendly nations, we can assist you throughout the process of applying for permanent residency. The immigration program for residency in Panama for friendly nations is one of the most sought-after programs, as it includes countries such as Andorra, Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Monaco, Montenegro, New Zealand, Norway, Netherlands, Paraguay, Peru, Poland, Portugal, Republic of Korea, San Marino, Serbia, Singapore, Slovenia, Spain, South Africa, Sweden, Switzerland, Taiwan, United States, and Uruguay. The residency program in Panama for friendly nations has been in effect since 2012, although it received an amendment in 2021. The Panamanian government requires several documents to demonstrate the nature and permanence of the employment contract. There are also options for investment in real estate or fixed-term deposits to obtain permanent residency. A provisional residency for two years is granted, and once this period has passed, permanent residency can be requested.

To obtain permanent residency in Panama through investment, there are two options: investment in real estate or a fixed-term deposit.

In the case of real estate investment, the applicant must demonstrate ownership of a property valued at a minimum of USD 200,000, which can be in their name or in the name of a legal entity in which they are a founder or ultimate beneficiary.

In the fixed-term deposit option, the applicant must deposit a minimum of USD 200,000 in a Panamanian bank. This deposit must have a minimum term of three years. The fixed-term deposit can be made in the applicant's personal name or through a legal entity in which they are a founder or ultimate beneficiary.

It is important to note that, according to Executive Decree 197 of May 2021, the National Migration Service grants a provisional residency for a period of two years to those who apply for the "Friendly Nations" program. Once this two-year period has passed, with the provisional residency, one can apply for permanent residency.

If you are interested in this program, we can assist you with the entire application process and provide guidance

to meet the investment requirements. The cost of the entire process and related documents is USD 2,500 USD. Do not hesitate to contact us for more information.

Can I get a residency visa in Panama if I am retired?

The visa program for retirees in Panama is one of the most comprehensive, secure, and fast in the world, and allows obtaining residence in the country. Any person with a minimum monthly pension of 1,000 US dollars can apply for this program. In addition to obtaining permanent residency, program members receive multiple benefits.

Panama has been named the best retirement destination in 2022 by the specialized magazine International Living. Six Latin American countries, led by Panama, are in the Top 10 of the ranking presented by the magazine. The elaboration of the list considered factors such as the ease of obtaining permanent residency, the cost of living, and the socio-economic conditions of each nation.

One of the immediate advantages is the possibility of obtaining various discounts, between 10% and 50%, on medical services, restaurants, entertainment, and public transportation. Program members also have tax exemptions to import a new car every two years and to

import household items with a value of up to USD 10,000.

Anyone in the world, regardless of age, can apply to the Panamanian retired visa program as long as they meet the requirements. The first requirement is to demonstrate that they receive a monthly lifelong pension for a minimum amount of USD 1,000 US dollars, certified by the entity that pays it and apostilled.

If the applicant made a real estate investment in Panama for a value exceeding USD 100,000, the minimum monthly pension can be USD 750. Other required documents are criminal records, a health certificate issued in Panama, a marriage certificate, and birth certificate of children, if applicable.

If you need help obtaining the documentation or do not meet the required pension amount, do not hesitate to contact us to find a solution.

If a person applies for the retired visa in Panama, they can include their family if they meet certain requirements. For each dependent person included, the applicant must receive an additional USD 250 monthly in their pension. If the pension does not reach that amount,

the person can make a deposit for the same amount in a bank located in Panama.

In the case of dependent children, the condition extends up to 25 years old and they can obtain a temporary residence permit until that age as long as they are studying. For those who are not studying, they will lose the right to remain in the country as part of the retired visa program after the age of 18.

In the case of a marriage in which both receive a pension, it can be combined up to reach USD 1,000. For example, if the husband receives USD 600 per month and the wife USD 400, both can apply for the retirement visa in Panama.

To apply for the retirement visa in Panama, it is mandatory to have the accompaniment of a Panamanian specialized lawyer or law firm like Caporaso & Partners. The person must register their passport with the National Immigration Service of Panama through their lawyer, submit the application to the retirement visa program and present the different payment certificates. The entire process is carried out by the lawyer.

Subsequently, the National Immigration Service will issue a provisional card and a multiple-entry visa with a

validity of between three months and one year. Later on, the person will receive a permanent residence card as a pensioner.

What tax benefits are there for retirees who have residency in Panama?

Retirees who have residency in Panama can enjoy several tax benefits. One of them is that they are exempt from paying taxes on income received from abroad, including pensions. Additionally, they can opt for a reduced rate of income tax in Panama, which is 15% for incomes over USD 11,000 per year.

They are also exempt from paying income tax on the interest generated by bank deposits in Panama, as long as the deposit is made through a personal account and not a commercial one. Additionally, they have the option to import personal goods, including a vehicle, without having to pay taxes.

Another important tax benefit is the exemption from the property transfer tax in the case of a retiree purchasing a property. This exemption only applies if the acquired property is used as a primary residence.

It is important to note that these tax benefits may be subject to changes in Panama's tax legislation and that

each case may vary. Therefore, it is recommended to seek the advice of a tax expert before making any decisions.

Panamanian nationals or foreign residents in the country who are 55 years or older in the case of women, or 60 years or older in the case of men, as well as all retirees and pensioners, are entitled to the following benefits:

1. 50% discount on the entrance fee for recreational and entertainment activities, such as cinemas, theaters, sports, and other public shows.
2. Discounts on public transportation, with a 30% discount for intercity buses, trains, boats, and ships, and a 25% discount on airfares from national and international companies.
3. Discounts on hotels, motels, and pensions, with a 50% discount from Monday to Thursday and a 30% discount on Fridays, Saturdays, and Sundays.
4. 25% discount on individual food consumption at any restaurant, except for food stands that do not require a commercial license to operate.
5. 15% discount on fast-food establishments with national and international franchises.

6. 15% discount on dental and optometry services, and a 20% discount on fees for general medical consultations and medical and surgical specialties.
7. 20% discount on fees for technical and professional services.
8. 20% discount on the price of all prosthetics, devices, and aid accessories.
9. Insurance companies that include illness risk in their policies must adjust their prices to pass on these discounts to policyholders who are 55 years or older in the case of women, or 60 years or older in the case of men, as well as retirees and pensioners.
10. 50% discount on expenses or closing commission in personal and commercial loan transactions made in banks, financial institutions, and credit institutions.
11. Exemption from paying the surcharge or levy of the Special Interest Compensation Fund (FECI) in personal and commercial loans.
12. 15% discount on the maximum interest rate allowed by law in personal and commercial loans.

13. 1% discount on the interest rate in mortgage loans for own housing when the person reaches 55 years if female or 60 years if male, or if retired or pensioned.
14. Freeze on property tax when the home is the person's only property.
15. Exemption from paying the appreciation fee on the property that constitutes the person's only home.
16. 50% discount on passport fees.
17. 25% discount on monthly billing for electricity consumption up to 600 kWh.
18. 25% discount on the fixed charge for telephone service when the account is in the person's name, is residential, and refers to a single phone.
19. 25% discount on the rate for water consumption up to B/.30.00, when the account is in the person's name, is residential, and refers to their home.
20. Additionally, properties owned by retirees and pensioners' associations also enjoy these discounts on electricity, water, telephone, post office box, appreciation fee, property tax, and other benefits granted to nonprofit associations, as provided by the laws of the Republic.

Where is the best place to live in Panama?

Recommended places, besides Panama City, include Coronado, Chitré, Las Tablas, Boquete, Bocas del Toro, Santa Fe, and El Valle de Antón. Each one has unique characteristics and variable costs of living.

For example, Coronado has great beaches, a golf course, and shopping centers, and can cost between USD 1,400 and 2,000 per month for a couple. Boquete, in the mountains, has lush nature and is home to a large expatriate community, with a cost of living of around USD 2,000 per month.

Can I work in Panama if I have a residency visa?

In order to work in Panama legally, you need a visa that allows you to apply for a work permit. This permit is the document that authorizes you to carry out paid activities in the country. Two different documents must be obtained: a visa or residence permit, which is applied for at the Immigration Service, and a work permit, which is managed by the Ministry of Labor.

It is important to note that the work permit can only be applied for if the residence visa has been approved.

You cannot search for work in Panama with a tourist visa, as this visa is granted for short stays and does not

authorize work. If you are a foreign professional interested in working in Panama, you can explore the job market during a short visit to the country with a visitor visa or a tourist card, but you must apply for the residence visa and work permit once you have found a job.

It is important to note that you must return to your country of origin before the stay deadline marked in your passport to avoid legal problems.

Here are the most popular and effective visas for foreigners who want to work in Panama:

- Visa for citizens of friendly countries in Panama: Since 2012, Panama grants temporary residence and indefinite work permit to citizens of several nations with which it maintains friendship and cooperation ties. The citizens who enjoy this privilege are nationals of 50 different countries.
- Visa for citizens of Italy in Panama: Since 1966, Panama has granted permanent and indefinite residence to citizens of Italy, a nation with which it maintains friendship and cooperation ties.
- Visa for foreign professionals in Panama: This visa is reserved for foreign university professionals who

prove their status with a bachelor's or undergraduate degree, master's or doctorate. Professionals cannot practice any of the professions limited to exclusive exercise by nationals according to the Constitution of Panama.

- Visa for 10% foreign payroll in Panama: All Panamanian companies can have a maximum of 10% of the regular payroll occupied by foreign personnel. Some types of work visas are included in this legal stream.
- Visa for 15% foreign payroll in Panama: Only 15% of the labor payroll of companies in Panama can be constituted by qualified foreign personnel as "expert" or "specialized technician". Any foreigner who meets this definition could benefit from the sponsorship of a Panamanian company to obtain the corresponding visa.
- Employees hired under the Marrakech Convention: This permit may be requested by foreigners who enter the country to work in companies with fewer than ten Panamanian employees. The beneficiary will be a temporary resident for the duration of the contract.

Note that most of these visas require the sponsorship of a company, which means that the applicant must have a job offer and the support of a company for the processing of the residence permit. It is recommended to review the section on Panamanian visas for more details.

Here are five tips for finding a job in Panama:

1. Prepare your resume carefully.
2. Make a list of your skills and connect with employment agencies.
3. Build a network of contacts.
4. Prepare for the interview, as they are becoming digital.
5. Apply for a work visa, but do not share information about your immigration status until after getting the interview.

How can I renew my residence visa in Panama?

To renew a visa, it is necessary to request an appointment for attention from the National Immigration Service of Panama, which is done exclusively through the website www.migracion.gob.pa. To do this, you must access the "Online Migration" section, then the

"Applications" subsection, and finally the "Visas" menu. Another option is to make the request through a lawyer in Panama.

Can I bring my family with me if I have a residence visa in Panama?

Not automatically. A visa for family members must be requested.

Which countries do NOT need an entry visa to Panama?

Argentina, Austria, Belgium, Bolivia, Brazil, Chile, Costa Rica, Cyprus, Denmark, Egypt, El Salvador, Finland, France, Germany, Greece (Hellenic Republic), Guatemala, Honduras, Hungary, Israel, Italy, Luxembourg, Nicaragua, the Netherlands (Netherlands), Paraguay, Poland, Portugal, Singapore, Spain, Switzerland, the United Kingdom of Great Britain and Northern Ireland, Uruguay, the Vatican (Holy See).

What types of businesses can I establish in Panama as a foreign resident?

Foreign residents with a valid work permit can establish any legal business in Panama, except for those reserved for nationals such as lawyers, doctors, or retail businesses. Some professions in Panama are reserved

for nationals, meaning that foreigners cannot practice them. This limitation is established in Article 20 of the Constitution.

Below is a list of professions and careers that only Panamanians can practice:

Accounting, Agricultural economics, Agricultural engineer, Agricultural sciences, Agronomist, Agrostologist, Architectural engineer, Barber and cosmetologist, Botanist, Chemical engineer, Civil engineer, Construction foreman, Dental assistant, Dentistry, Dietician, Electrical engineer, Economics, Forestry, Geological engineer, Horticulture, Industrial engineer, Laboratory technician, Law, Mechanical engineer, Medical assistant, Medicine, Mining engineer, Nursing, Nutrition, Pharmacy, Physiotherapy, Plant genetics, Plant pathology, Security agent, Soil science, Speech therapy, Surveyor, Therapist, Veterinary and similar professions.

In theory, no foreigner who has graduated in any of these careers can legally work in the country under this provision.

However, currently, the National Immigration Service of Panama seems to have some flexibility for certain

professions, especially in the engineering field (except for civil and forestry engineering), where there is a possibility of obtaining the Foreign Professional Visa.

Article 20 of the Constitution of Panama states that Panamanians and foreigners are equal before the law, but the law may, for reasons of work, health, morality, public safety, and national economy, subject certain activities to special conditions or deny their exercise to foreigners in general. Likewise, the law or authorities, according to the circumstances, may take measures that affect exclusively the nationals of certain countries in case of war or in accordance with what is established in international treaties.

What is something that I should invest in Panama?

This is the million-dollar question. I always advise my clients to invest in something they know. Most people who invest in Panama prefer to do it in services or real estate. The field of services is very wide, as is the real estate field. Import and export is a good business, offering services to ships in transit, cleaning and maintenance of appliances, and many more.

Before investing in real estate in Panama, there are at least two things you should consider. While investing in

real estate can be profitable, it is also risky if you do not do due diligence. It is important to research and obtain advice from specialized lawyers before investing in one or several properties.

1. It is essential that you carefully review the prices you find on online platforms. While online search is convenient, the sale price shown in advertisements is not always the final price. The seller may hide costs to attract attention. Before signing any contract, it is important to verify taxes and any debts associated with the property.
2. You should be cautious when evaluating prices offered by developers of new real estate developments. Make sure to carefully read the contract, as there are often abusive clauses and hidden costs and fees. Additionally, it is important to carefully analyze the risks and benefits of the property in question before deciding.

Talk to the developer and make sure to obtain accurate information on construction timelines. Additionally, it is important to consider other additional costs associated with the investment. It is essential to have a lawyer specialized in real estate negotiations like Caporaso &

Partners, to accompany you in the process and provide advice in case of doubts or problems.

Finally, pay attention to the bank and/or registration fees that you will need to pay to complete the real estate investment.

What are the factors that make Panama an attractive country for investments?

Panama has several factors that make it an attractive place to invest:

- **Political stability:** Since 1989, Panama has maintained a democratic and stable government without facing civil unrest or political instability. Panama is highly politically and socioeconomically stable, making it a "Safe Haven". Additionally, due to the importance of the Panama Canal as an international maritime route for trade, the country has special treaties with the United States for protection in case of war or an attack on Panama. It is the safest country in Central America and attracts expats from around the world.
- **Economic growth:** Despite the global financial crisis, Panama's economy has experienced steady growth since 2005, with low inflation, a low unemployment

rate, and a constantly growing GDP. The GDP growth in 2022 was 9%.

- **Accessibility:** Panama has direct air connections to over 100 major international cities around the world. The Tocumen airport is the largest air hub in Latin America.

Panama offers various attractive and secure investment opportunities such as:

1. Certificates of deposit (CD) from Panamanian banks.
2. National government bonds.
3. Investments in reforestation.
4. Rental properties.
5. Oceanfront properties.
6. Agricultural lands.

It should be noted that foreigners cannot acquire properties in borderlands.

What other advantages do I have investing in Panama?

- **Easy to start a business:** It is easy to establish a business in Panama. To form a Panamanian

anonymous society, it only takes about 5 business days, plus additional days for apostilles and preparation of internal documentation. Once the company is established, an online commercial operations permit is processed, and a small installation/tax fee is paid. It is also possible to establish a business in your personal name as a sole proprietor, and the commercial operations permit, in that case, costs only USD 15. Municipal taxes are usually very low, depending on the type of business and the municipality in which it operates.

- Tax benefits: For those doing business in Panama, the tax structure is relatively simple. The sales tax on products or services is only 7%, compared to the 17-21% sales tax in most countries in the region. The corporate income tax is only 25% on net income after expenses, and dividends are taxed between 5 and 10%. Panama has a territorial tax system, so only income generated within the territory of Panama is taxed by the Panamanian government. In addition, there are several tax-free special economic zones that allow companies to import, assemble, manufacture, provide services, and export products or services with reduced income tax rates.

- Foreign investment protection: The Civil Code, Constitution, and Foreign Investment Law of Panama guarantee that foreigners have the same rights as Panamanians regarding property, investments, and trade.
- Currency stability: Since 1903, Panama has adopted the US dollar alongside the local currency, the "Balboa". Both currencies are legal tender in the country, although the Balboa only has coins, not bills. All local bank transactions are generally quoted in Balboas, while international transactions are quoted in US dollars.

What is the cost of living in Panama for foreign residents?

The cost of living in Panama, like anywhere in the world, depends on your lifestyle. That's why it's difficult to say how much it costs to live in Panama.

- Monthly cost estimate for a family of 4: USD 3,584
- Monthly cost estimate for a single person: USD 1,822

The cost of living in Panama ranks fourth in Latin America (17 countries evaluated).

The cost of living in Panama is higher than in 58% of countries in the world (ranked 33 out of 77 countries evaluated).

Housing cost

If you're looking for an apartment to rent in Panama, you should keep in mind that the price varies depending on the number of bedrooms. On average, a two-bedroom apartment can cost around USD 1,000 per month, while a one-bedroom apartment costs approximately USD 650 per month. However, if you're looking for the most economical option, renting just a room is the best alternative, as you can find options for around USD 350 per month.

Cost of basic services

It's important to note that basic services such as electricity, gas, and water are usually included in the rental price, but you will have to pay separately for internet service, which ranges from USD 30 to USD 60 per month depending on the speed you desire. Additionally, for an additional cost of USD 20 per month, it's possible to have cable TV.

Transportation cost

To use the metro or the bus, you will need to purchase a rechargeable card, which costs 2 dollars. The price for using the metro is 0.25 dollars, while the price for boarding the bus is slightly more expensive, at 0.35 dollars. As for taxis, it's important to note that the cost is calculated per number of passengers. For example, a trip with one passenger could cost around 2 dollars, while with 2, the price will increase to 2.50 dollars. If you need to go from the city center to the airport or vice versa, the taxi price ranges between 25 and 30 dollars, with Uber between 18 and 25.

Cost of food

If you are an adult with an average appetite and prefer to cook at home, you should budget around USD 300 per month to cover your food expenses. However, eating out is more expensive, as a dinner at a restaurant can cost from USD 8 to 300 per person.

These are some online supermarkets where you can see prices:

www.superunico.com

www.superextra.com

www.merkapp.com

www.super99.com/home-delivery

www.ribasmith.com

www.pricemart.com/site/pa/es (this one requires membership)

What housing options are available for foreign residents in Panama?

Hotels, aparthotels, apartments and houses for rent (see reference prices at www.encuentra24.com/panama-es/bienes-raices), Airbnb (although it is prohibited by law). You can also buy a property with just your passport.

How can I get a driver's license in Panama if I am a foreign resident?

To homologate your driver's license in the Republic of Panama, interested parties must present documents duly certified in the country of origin and apostilled. Additionally, they need to have a migratory status in the country and take visual and auditory exams.

They can also obtain a driver's license by passing the theoretical-practical tests established by the ATTT (Land Transit and Transportation Authority), presenting proof of

blood type issued by authorized laboratories, undergoing visual and auditory exams administered by the Sertracen concessionaire, and taking a training course.

Foreigners over 18 years old with a valid residence in Panama, who wish to obtain for the first time a driver's license of type "A", "B", "C" and "D", must comply with the following requirements: certify the valid foreign license, certify and apostille the document, present the migration card and passport, present the blood type issued by authorized laboratories, perform visual and auditory validations at the branch, be in good standing with the ATTT, and pay a fee of USD 40.00 in cash at the ATTT cash registers located in Sertracen branches where the procedure is carried out. It is important to mention that licenses to drive public passenger transportation are not granted to foreigners, as it is required to be Panamanian according to Article 113, subparagraph b.1. of the Transit Regulation.

What school options do I have for my children?

Panama offers a wide selection of high-quality private schools for foreigners moving to the country. These private schools are among the best in Central America and offer a quality education comparable to schools in North America.

It is recommended that foreigners enroll their children in private schools in Panama, as public schools have too many students. Additionally, they lack adequate resources and amenities, and can be unstable in terms of teaching staff. Also, schedule options are usually limited, as most schools only offer morning or afternoon classes.

Most private schools in Panama have a single admission fee ranging from USD 1,000 to USD 12,000 per student, and some offer discounts for large families.

The school year follows either the American calendar from September to June or the Panamanian calendar from March to December. All schools close during Carnival, Holy Week, Christmas, and New Year's. The best schools offer a solid curriculum and follow the International Baccalaureate program. They also hire native English-speaking teachers who receive high salaries. Many private schools in Panama have pools, sports facilities, and modern classrooms with advanced technology. Most private schools in Panama offer door-to-door transportation services.

Students from all over the world attend private schools in Panama, including Asia, Europe, North and South

America. There are also language-focused schools such as Japanese, French, Chinese, and English schools, as well as religious schools such as Jewish, Catholic, and Muslim schools.

Although most private schools are located in Panama City, new international schools are opening outside the city, such as in the Pacific coastal town of Coronado and in Chiriqui.

Here's a list of options:

- Balboa Academy: Accredited private school in Panama and the US. Offers classes in English and Spanish from pre-kindergarten to 12th grade. Located in Clayton, Ciudad del Saber, Building No. 129. www.balboaacademy.edu.pa
- Boston School International: New and prestigious school offering high-quality education. Believes that technology is the key to success and their teachers are the inspiration for tomorrow's international citizens. www.bostonschoolpanama.com
- Colegio de la Salle: Christian school founded in 1975 as an educational institution. Their main concern is the integral formation of each student, respecting their free development of their personality within the

concepts of Christian ethics. The school year runs from March to December. www.lasalle.edu.pa

- Colegio de Panamá: Accredited elementary and high school. Offers its own transportation service and is in Costa Sur, East of Panama City. www.elcolegiodepanama.edu.pa
- Colegio Javier: Well-ranked Catholic school in Panama. Offers education from pre-kindergarten to 12th grade in a mostly bilingual environment. www.javier.edu
- Colegio San Agustín: Has about 2,000 students from pre-kindergarten to 12th grade. The school is in Costa del Este and the school year runs from March to December. All classes are taught in English and graduates are accredited by the Ministry of Education of Panama. www.colegiosanagustin.edu.pa
- Colegio Episcopal en El Carmen (CEP): Bilingual school with a good reputation. In high school, students can learn French or Japanese as a second language. Excellent after-school activities such as debate club, dance clubs, soccer, ecology club, school newspaper, and folklore. www.cep.edu.pa

- Istituto Italiano Enrico Fermi: Has focused on teaching its students how to learn, fostering their passion for research, developing pride in their work, helping them nurture their adaptability, and motivating them to seek excellence. For preschool students, a minimum age of three (3) years is required for the maternal level, four (4) years for pre-kindergarten, and five (5) years for kindergarten, all completed before April 1st. www.fermi.edu.pa
- International School of Panama: a school that offers classes from Pre-Kinder to 12th grade. They provide classes for students with learning difficulties and special education programs. Students with special needs are considered for admission to ISP on an individual basis depending on their needs. www.isp.edu.pa
- King's College: a popular private school among expatriates and local families. It offers early childhood education, nursery and receptions, and the complete secondary cycle according to British customs. www.panama.kingscollegeschools.org
- Knightsbridge Schools International Panama: an IB (International Baccalaureate) school based in

Panama Pacific development. Open to students aged 2 to 18, it offers a rigorous academic program that focuses on developing the strengths of each student, encompassing their talents and individuality.

www.knightsbridgeschools.com

- Oxford International School: a well-respected private school. The school is located in the Bella Vista district in Panama City on Via España. It has over 900 students and the school year runs from March to December. Classes are taught in English and Spanish. www.ois.edu.pa

What medical insurance options do I have in Panama?

There are many options, including hospitals that offer health plans. In Panama, health insurance is a personal and family protection option in case of medical emergencies. With this coverage, you can receive care in private clinics or hospitals that offer the latest medical and technological advances.

Typically, insurance companies offer 4 plans: copay, deductible, coinsurance, and out-of-pocket maximum. It is recommended to choose a plan with an appropriate copay or deductible, as if you make frequent claims, it

can increase your premium or modify copay levels when you renew the policy. It is suggested that the deductible not exceed 5% of your annual gross income or 20% of the value of a savings fund over USD 10,000.

Insurers limit coverage for certain services to a percentage and establish a maximum payment to cover expenses. Once you have reached the limit, the company will cover 100% of the expenses. Be sure to read the contracts carefully!

Here is a list of insurance companies:

1. ACERTA Insurance Company, Inc.

www.acertaseguros.com/accidentes-personales

2. Aseguradora Ancón, S.A.

www.asegurancon.com/products/salud

3. ASSA Insurance Company, Inc.

www.assanet.com/seguro-de-salud

4. AXA Assistance Panama www.pcabp.com.pa/en

5. International Insurance Blue Cross & Blue Shield of Panama www.iseguros.com/salud.html

6. International Touristic Medical Service of Panama, S.A. (ITMS) www.itmslatam.com

7. MAPFRE Panama www.mapfre-asistencia.com
8. MERCANTIL Insurance
www.mercantilseguros.com.pa
9. PALIG (Pan American Life Insurance Group and private client) www.palig.com/pan-american-private-client
10. Quántico www.quanticoservicios.net
11. SAGICOR Panama www.sagicor.com/es-pa
12. Seguros VIVIR www.segurosvivir.com.pa
13. Worldwide Medical Assurance, LTD.Corp.
www.wwmedicalassurance.com

There are also hospitals and clinics that offer medical plans:

National Hospital www.hospitalnacional.com

Santa Fe Hospital www.hospitalsantafepanama.com

Conclusion

Remember that laws and regulations may change, so it is always important to verify up-to-date information and consult with the National Migration Service or a specialized lawyer like Caporaso & Partners.