

## Panama

### General

Flag of Convenience	Yes
IMO Conventions Adopted	All the principal IMO Conventions have been adopted
Age Limit	None
Size Restrictions	None
Ownership Requirements	There are no local ownership requirements however, a legal representative in Panama must be appointed

### Registration Documents

Documents Required:	<ul style="list-style-type: none"> <li>• A Deletion Certificate (if applicable)</li> <li>• Bill of Sale or Builder's Certificate</li> <li>• Power of Attorney (notarised &amp; legalised) appointing Panamanian legal representatives</li> <li>• Tonnage Certificate</li> <li>• Certificate of Survey for vessels 20 years or older from an approved Classification Society</li> <li>• Radio Licence</li> </ul> <p>All Safety Certificates</p>
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### Registration Fees

Registration	<p>Vessels up to 2,000GT: US\$ 500</p> <p>2,001-5,000GT: US\$ 2,000</p> <p>5,001-15,000GT: US\$ 3,000</p> <p>15,001 or more: US\$ 3,000 plus US\$ 0.1 for each additional GT to a maximum of US\$6,500.</p>
Annual	Annual Tonnage Tax is charged at US\$ 0.10 per NT or fraction plus an annual single rate (US\$ 850-3,000) and an annual inspection fee (US\$ 500-1,300) which varies according to the type of vessel.

### Parallel Registration

Parallel registration in or out of the Registry is permitted for a period of up to 2 years

### Approved Classification Societies

ABS, BV, CCS, DNV, GL, LR, NKK, PRS, RINA, RS, HRS, KRS, YRB

### Crew Nationality

No restriction on nationality but crew certification may be required

## JURISDICTION INFORMATION

### Introduction

The Republic of Panama has a land mass of approximately 76,900 sq km, is located between Costa Rica and Colombia, forms the narrowest and lowest portion of the isthmus that links North and South America. It is best known for the Panama Canal which joins the Caribbean Sea to the North Pacific Ocean and connects Central America to South America.

### Population

The population of Panama is approximately 3.3 million, about 52% of which reside in Panama City, consisting of mainly the Mestizos (70%) and a mix of West Indians, Caucasians and Indians. The dominant religion is Roman Catholicism.

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### Political Structure

Panama was a Spanish colony until 1821. In 1903, Panama broke an alliance with Colombia and became an independent republic.

There are three Branches of Government:

- The Executive Branch of the Government is at present composed of a President and two vice-presidents, elected by majority vote, for a five-year term. The Ministers of State are appointed by the President subject to approval by the Legislative Assembly.
- The Legislative Assembly is composed of legislators elected from the electoral districts for a five-year term.
- The Judicial Branch of Government consists of Supreme Court of Justice, five Superior Courts and three Courts of Appeal. The Supreme Court of Justice is presided over by nine judges appointed for a ten-year term.

An autonomous Electoral Tribunal supervises voter registration and all citizens over the age of 18 are required to vote.

### Infrastructure and Economy

The Colon Free Zone is located on the Caribbean side of the Isthmus of Panama near the Atlantic entrance to the Panama Canal. This Free Trade Zone is the second largest in the world after Hong Kong. Operations and transactions taking place in the Free Trade Zone are subject to a special tax treatment whereby imports from other parts of the world and re-exports to other countries are exempted from any import or export taxes imposed by Panama. Income earned from re-exports is taxed at specially reduced rates. Panama has the world's largest shipping registry and a well-established Banking centre. Economic growth will be bolstered by the Panama Canal expansion which began in 2007 and is expected to complete in 2014-15 at a cost of US\$5.3 billion. The project will more than double the Canal's present capacity enabling it to accommodate the modern super tankers that are becoming too large to transverse the existing transoceanic crossway. Without the expansion, it was anticipated that the Panama Canal would be forced to turn away approximately 37 per cent of the world's container ships by 2011. Other areas of economic activity are in agriculture, manufacturing, construction, transport, tourism and financial services.

### Language

Spanish is the official and spoken language. English is also spoken widely in urban areas and is used daily in commerce and international trade.

### Currency

United States Dollar.

### Exchange Control

None.

### Type of Law

Based on Spanish Civil Law with many Common Law influences, particularly regarding Company Law, which is based on the Delaware Model.

### Principal Corporate Legislation

Corporation Law No. 32 of the 1927 Commercial Code, Decree Law 5 of 1997 and Executive Decree 296 of 1997.

### Disclaimer

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