

Is it safe to invest in Panama?... Yes

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After seeing the opportunities here visitors often ask if it is safe to invest in Panama, being understandably nervous about investing in foreign countries. Are there laws which protect foreign investment here? Yes, and also laws which provide benefits for investing in Panama.

Panama's Constitution Article 44 guarantees the protection of private ownership of real property and private investments: "... Private property is guaranteed as long as it is acquired in accordance with the law by natural person or legal entity."

Panama's Civil Code regulates general contracts and states that Panama law applies equally to nationals and foreigners. Panama has also enacted numerous pro-business laws which attract foreign investment.

Law 54 of 1998 clearly states that foreign investors have the same rights as nationals in Panama. Here is an English translation of that law:

"Article 2. Foreign investors and the enterprises in which they participate, have the same rights and duties as national investors and enterprises, with no other limitation than those established in the political Constitution and the law, including those that refer to the freedom of trade and industry, and export and import. Furthermore, the freedom to dispose of the profits obtained in their investments, the freedom to repatriate their capital, dividends, interest and profits produced by their investments and the freedom to commercialize their production is guaranteed hereby to said investors.

Article 3. Property rights for investors have no limitations other than those established by the political Constitution and the law."

In essence, foreign investors in Panama and the businesses in which they participate have the same rights and duties as national or local investors and enterprises. Article 10 of Law 54 also provides stability in that foreign investors are guaranteed that all legal, tax, customs, municipal and labor rules will remain identical to those in force at the time of the investment registration for 10 years.

Panama is a business-friendly country. The business infrastructure in Panama is the best in Latin America and the Caribbean. Panama's international banking center, one of the largest in the world, offers a variety of financing options and top quality banking services. Starting up a new company is fast and easy. Company start-up costs are low. Local labor, construction, commercial rentals, utilities, real estate, and cost-of-living are all low in comparison with North America and Europe.

Corporations from all over the world can register as a foreign corporation doing business in Panama or as subsidiaries of large multinational corporations.

The only limitations for foreigners pertain to certain professions which require aliens to become citizens including medical and veterinarian doctors and lawyers. Other professions require foreigners to have legally resided in Panama for at least 10 years including real estate brokers and insurance brokers.

Panama welcomes and protects foreign investors by treating them equally as its citizens and offers ten years of business stability.