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Law that Increases the Number of Nationalities with Right to Request Residence in the Republic of Panama

During the last four years the Panamanian Government, seeking to offer foreign investors migratory stability, created immigration policies directed towards increasing foreign investment in Panama.


The existing immigration policies, up until 2012, prevented some companies from broadening their services because the hiring of expert foreign personnel in certain fields was limited by Article 17 of the Labor Code. According to the code, an employer cannot hire foreigners whose wages surpass 10 percent of the payroll of Panamanian employees, for as long as the employee does not acquire the status of permanent residence.

Therefore, taking into consideration the number of foreign nationals of certain countries that are subject to “*expatriation contracts*” by the headquarters of companies recently established in Panama, and the interest of many foreigners to establish new businesses

in Panama, the Government decided to create the migratory subcategory called “*Permanent Resident in the capacity of foreign national of specific countries that maintain friendly, professional, economic and investment relationships with the Republic of Panama.*” The category grants the foreigner the possibility of obtaining an indefinite work permit, without it being related to a specific company or the number of Panamanian workers hired versus foreigners.

Among the foreigners who may opt for this type of permanent resident (pursuant to the provisions of Article 2 of Executive Decree No. 416 of June 15, 2012, modified by Executive Decree No. 548 of May 14, 2013), are the nationals of: Great Britain and Northern Ireland, Germany, Argentina, Australia, Korea, Austria, Brazil, Belgium, Canada, Spain, United States of America, Slovak Republic, France, Finland, the

Netherlands, Ireland, Japan, Norway, Czech Republic, Switzerland, Singapore, Uruguay, Chile, Sweden, Poland, Hungary, Greece, Portugal, Croatia, Estonia, Lithuania, Latvia, Cyprus, Malta, Serbia, Montenegro, Israel, Denmark, South Africa, New Zealand, Hong Kong, Luxembourg, Liechtenstein, Monaco, Andorra, Marino, Taiwan and Costa Rica.

To obtain said residence permit, the foreigner must submit his/her passport with a minimum of six months before its expiration, a second identification document whereby he/she evidences his/her nationality, police record from his/her country of origin or of residence (U.S. citizens must submit a certification issued by the FBI). In the case of dependents, it is necessary to submit a certification that evidences the relationship, to have a bank account at a local bank with a balance not under four figures, a document certifying a domicile in Panama and all documentation evidencing the purpose for requesting the permanent residence pursuant to the economic or professional activity to be carried out in Panama. 

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