

REPUBLIC OF PANAMA

FEATURES OF PANAMA CORPORATIONS

BUSINESS TRANSACTIONS

- Panama corporations may engage in any lawful business in any country and may carry on transactions in whatever currencies they choose.

TAXATION

- Full exemption from taxation for any business activity or transaction carried out outside Panama.

AUTHORISED CAPITAL / SHARES

- Nominative or bearer shares at owner's option.
- No paid-in capital is required.
- No Minimum or maximum capital requirements.

DIRECTORS, OFFICERS AND SHAREHOLDERS

- Shareholders, directors and/or officers can be either corporate entities or natural persons.
- Initial or ongoing changes in directors and/or officers need to be filed at the Panama Registry.
- The directors may grant special or general powers of attorney.
- Neither the directors nor the officers need be shareholders.
- Shareholders, directors and officers may be of any nationality and may be residents of any country.
- Shareholders and directors may hold their meetings in any country and may attend such meetings by proxy or by any electronic means (phone, fax, etc).

ANNUAL FILING

- No requirement to file annual returns or financial statements; no requirement to hold annual general meetings of shareholders or directors.

INCORPORATION AND ADMINISTRATION

- Excellent availability of company names for incorporation.
- The words "Corporation", "Incorporated", "Societe Anonyme", or "Sociedad Anonima", or the abbreviations "Inc." or "S.A.", may be used in a company's names.
- Incorporation documents may be drafted in any other language together with their Spanish translation.
- Speedy incorporation procedure and simple ongoing administration.
- Incorporation procedure takes from 3 to 4 days,
- The Panama Registry is equipped with modern sophisticated computer equipment, which heightens speed and efficiency in the processing of documents.
- Shelf companies are available.
- Registration of vessels and ship mortgage is available.

RECORD KEEPING

- The accounting books, records and minutes of the company may be kept in any place or country at the directors' choice.

REGISTERED OFFICE, CORPORATE SEAL AND LEGALISATION

- Registered Office in Panama is required.
- Corporate seal is optional.
- Use of Apostille should documentation need to be legalised. Legalisation via a Consulate is also available for some countries.

COSTS AND FEES

- Reasonable formation and maintenance costs and fees.

REDOMICILIATION

- Foreign companies can be redomiciled to Panama.

USES OF A PANAMANIAN CORPORATION

- Holder of bank accounts, fixed deposits, investment plans and any other financial or commercial title.
- Owner of the shares of other companies or legal entities.
- Owner of apartments, houses, buildings, vessels and any other movable or immovable property or goods.
- Manager and promoter of international business transactions.
- International leasing of vehicles, machinery, vessels and others.
- Adequate instrument for borrowing or lending money, paying or receiving commissions, royalties or others.
- Marketing and promotion of products and services.
- Other commercial and financial activities.

HIGHLIGHTS OF THE REPUBLIC OF PANAMA

- Excellent corporation law.
- Flexible company law.
- No taxes levied on offshore and banking transactions.
- No exchange control regulations.
- Political and economic stability.
- Serviced by major world airlines.
- Excellent hotel accommodation.
- Excellent worldwide communication facilities.
- Skilled personnel.
- No capita! gains, income or any other kind of tax.
- Conveniently located close to the largest Latin American markets.
- This country is one of the most important Financial Centres of the region with many international banks.
- Panama is one of the major gateways for trade investment and finance into Latin America.

SOCIAL AND ECONOMIC INDICATORS

Location:	Latin America, joining North & South America.
Area:	77,082 square kilometers.
Population:	2,960,784 (July 2003 est.)
Climate:	Tropical
Official Language:	Spanish (official), English
Government:	Constitutional Democracy.
Living Standard:	High
Banking:	International banking centre. Major worldwide banks operate from Panama.
Legal Tender:	Balboa (at par with U.S. Dollar which is the only paper currency in Panama).
Industry:	Financial Services, Panama Canal, Colon Free Zone and Tourism.