BRIS GROUP

PANAMA

COMPANY FORMATION

CLIENT GUIDE 2026

Formation, territorial taxation, accounting records and annual maintenance

Professional company formation and ongoing corporate administration

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Panama Corporation at a Glance

For international clients, the traditional Panama corporate vehicle is the **Sociedad Anónima (S.A.)**, governed principally by Law 32 of 1927 and subsequent legislation. It is a Panamanian legal entity that may be used for international trading, consulting, holding, investment and other lawful activities, subject to licensing and tax rules applicable to the actual business.

Topic	Current position
Foreign ownership	A Panama S.A. may be owned by non-residents. Shareholders do not have to be Panamanian merely because the company is incorporated in Panama.
Subscribers	Law 32 provides for two or more subscribers to execute the articles of incorporation. Professional incorporators may act as subscribers; the beneficial ownership/share issue is organised separately after incorporation.
Directors	The articles must name at least **three directors**. The Public Registry manual confirms that directors may be natural or legal persons.
Officers	The corporation normally appoints President, Secretary and Treasurer or equivalent officers in accordance with its articles and corporate resolutions.
Resident agent	The company must maintain a Panamanian resident agent. The Public Registry's rules require the resident agent to be a lawyer/law firm qualified in Panama.
Registered domicile	The articles state the corporation's domicile and resident agent in Panama.
Tax principle	Panama applies territorial taxation: taxable income is income produced within Panama. Genuine foreign-source income can therefore be outside Panama income tax.

Key Benefits for International Clients

- 100% foreign ownership is possible for ordinary non-regulated activities.
- No general requirement for shareholders or directors to reside in Panama merely to own/manage an international company.
- Territorial taxation can result in **0% Panama corporate income tax on qualifying foreign-source income** where the income is not produced within Panama.
- Flexible share-capital structure; Law 32 requires the articles to state the capital/share terms but does not impose a general rule that the entire authorised capital must be paid into a Panamanian bank account at incorporation.
- Established corporate law and a long-standing Public Registry system.
- Beneficial ownership information is held in Panama's private beneficial-owner system rather than as an unrestricted public UBO register.
- A Panama corporation can hold investments and assets, enter international contracts and open bank/payment accounts subject to provider due diligence.

Incorporation Requirements

Topic	Current position
Company name	Must be distinguishable from existing names and include a word/abbreviation indicating corporate status, such as S.A., Corporation or Incorporated, in accordance with Registry practice.
Articles / Pacto Social	State the corporate name, purposes, capital/share structure, subscribers, domicile/resident agent, duration and at least three directors, together with the other particulars required by Law 32.
Shareholders	The beneficial owner(s) and intended share allocation are identified during the corporate-organisation/KYC process.
Directors / officers	Provide the proposed director and officer structure. At least three directors are required.
Resident agent	A Panamanian lawyer/law firm acts as resident agent and performs statutory/compliance functions.
Business activity	The intended activity and jurisdictions of operation must be disclosed for KYC/AML and beneficial-ownership purposes.
Regulated activity	Banking, securities, fiduciary, insurance and other regulated businesses require the relevant Panama authorisation and cannot be undertaken merely on the strength of ordinary company registration.

Share Capital & Shares

Law 32 requires the articles to state the amount of capital stock, the number and classes of shares and their par value (or the permitted no-par structure), together with the number of shares subscribed by each incorporator. The appropriate structure should be selected before filing.

Capital generally does not need to be fully paid at incorporation

For a standard international S.A., the authorised capital stated in the articles is not the same as a mandatory cash deposit. There is no general requirement that the full authorised capital be paid into a Panamanian bank account simply to incorporate the company. Any issued/paid shares and contributions should be properly documented in the corporate and accounting records.

Bearer shares remain subject to Panama's statutory custody regime. For ordinary international client structures, registered shares are normally preferable for banking, compliance and beneficial-ownership transparency.

Documents Required from the Client

- Certified passport or acceptable government-issued identification for each ultimate beneficial owner, shareholder and relevant director/officer.
- Recent proof of residential address.
- Full beneficial-ownership and share-allocation information.
- Detailed description of activities, countries of operation, expected clients/counterparties and transaction profile.
- Source-of-funds evidence and, where appropriate, source-of-wealth evidence.
- For a corporate shareholder: incorporation/constitutional documents, current ownership and management evidence and UBO KYC.
- Additional documents requested by the Panamanian resident agent under Law 23/AML and professional due-diligence requirements.

Before certification

Send scans to BRIS Group first. We will confirm the resident agent's exact certification, apostille or translation requirements before the client incurs certification costs.

Formation Process & Documents Received

1. Structure/activity review **2.** KYC/AML approval **3.** Name clearance **4.** Articles executed/filed **5.** Corporate organisation/share issue **6.** RUC and corporate file

Typical corporate file: registered Articles of Incorporation / Pacto Social; Public Registry particulars; initial shareholder/director resolutions; share certificate(s) and share register where applicable; director/officer records; resident-agent particulars; and corporate books/records appropriate to the structure. Certificates of Good Standing / Public Registry certifications, incumbency-style documents, apostilles and powers of attorney can be arranged separately.

Taxation - Territorial System & 0% Foreign-Source Income

Potential 0% Panama corporate income tax on qualifying foreign-source income

Article 694 of the Fiscal Code taxes income produced, from any source, **within the territory of Panama**. The DGI likewise states that income tax is payable by a person receiving income from activities carried out in Panama. Therefore, where a non-resident-owned Panama company genuinely conducts its business outside Panama and derives income that is foreign-source under Panamanian law, that qualifying foreign-source income is generally outside Panama corporate income tax and may result in **0% Panama income tax on that income**.

This is one of Panama's principal benefits for international business, but it is a **territorial-source rule**, not an automatic exemption merely because the shareholder is non-resident. The place where services are performed, transactions are completed, assets are exploited and the income-producing activity occurs must be considered.

Panama-source taxable income

Where income is taxable in Panama, the DGI publishes a general corporate income-tax rate of **25%** on net taxable income for legal persons. Special rules, withholding taxes, dividend/complementary taxes and sector-specific regimes can also apply depending on the facts.

A company with exclusively foreign-source income should still maintain the evidence needed to demonstrate the foreign source of its activities and income. Panama tax/information filing obligations must be assessed separately from the question of whether income tax is actually payable.

Accounting Records - Offshore / Asset-Holding Companies

Law 52 of 2016, as amended by Law 254 of 2021 and subsequent regulations, imposes accounting-record obligations on Panamanian legal entities, including entities that do not carry out operations perfected, consumed or taking effect in Panama and entities used exclusively as asset holders.

Topic	Current position
Accounting records	Maintain records and supporting documentation sufficient to determine the company's transactions, assets, liabilities and financial position.
Resident-agent declaration	The DGI confirms that resident agents of entities that do not conduct operations perfected/consumed/effective in Panama, and entities exclusively holding assets, are required to comply with the annual sworn accounting-record declaration regime.
Information to agent	The company must provide its resident agent with the information/documentation required under the accounting-record legislation and keep it updated.
Supporting documents	Bank statements, invoices, contracts, ledgers and other underlying evidence should be retained to substantiate the accounts.
Tax result	A 0% income-tax result on foreign-source income does **not** remove accounting-record obligations.
Authority access	The resident agent and company must be able to respond to lawful information requests by the competent Panamanian authorities.

Do not advertise 'no accounts required'

An international Panama company may have no Panama income tax on qualifying foreign-source income, but it still has statutory accounting-record and resident-agent compliance obligations.

Beneficial Ownership & Privacy

Panama operates a **Private and Unique System of Registration of Beneficial Owners** under Law 129 of 2020, as amended by Law 254 of 2021. The resident agent collects and files the required legal-entity and ultimate-beneficial-owner information.

Topic	Current position
UBO information	Includes identifying particulars such as name, identification/passport details, date of birth, nationality, address and the date beneficial-owner status was acquired.
Ownership/control	The implementing framework uses ownership/control criteria, including the 25% ownership/control threshold and other means of ultimate control.
Access	The system is private and is not an unrestricted public beneficial-owner database; access is reserved to authorised competent authorities under the legislation.
Updates	The legal representative/client must provide changes promptly to the resident agent so the resident agent can update the system within the statutory timeframe.
Public Registry	The articles/director information filed with the Public Registry should be distinguished from the private UBO system.

RUC, Annual Franchise Tax & Ongoing Compliance

The DGI states that a Panamanian legal entity must register in the **Registro Único de Contribuyentes (RUC)** within one month after registration in the Public Registry.

Topic	Current position
Annual Tasa Única	The DGI currently states that corporations pay **B/.300 (US$300) annually**.
Due date	Companies registered January-June: due by 15 July. Companies registered July-December: due by 15 January.
Late payment	The DGI currently states a B/.50 surcharge for late payment.
Three unpaid annual fees	The DGI states that after three unpaid Tasa Única periods the company's functions are suspended and rehabilitation carries a B/.1,000 penalty plus the applicable registry charge.
Resident agent	Maintain the Panamanian resident agent continuously and complete annual KYC/compliance renewal.
Accounting declaration	Comply with the annual resident-agent accounting-record declaration where the entity falls within the Law 52/Law 254 regime.
Beneficial ownership	Keep UBO information current in the private system through the resident agent.
Tax / information filings	Complete any DGI tax or information reports applicable to the company's actual activity and source of income.

Income-Tax Return: Important Distinction

The DGI's general rule requires a legal person that must pay income tax for itself or others to file its corporate income-tax return within three months after the end of its fiscal year. Separately, DGI guidance recognises reporting obligations for persons operating for profit in/from offices in Panama whose income is treated as foreign-source and who therefore do not have an income-tax-return obligation.

Practical approach for a purely international company

BRIS Group will coordinate with the Panamanian resident agent/accountant to determine the correct DGI filing position for the company's actual facts. The brochure therefore does not tell every foreign-source company that it must file a full income-tax return, nor does it tell every such company that no DGI filing is required.

Annual Maintenance Checklist

Topic	Current position
Tasa Única	Pay the annual US$300 government franchise tax on time.
Resident agent	Renew the Panamanian resident-agent service and complete updated KYC.
Accounting records	Maintain and provide the statutory accounting records/supporting documents as required.
Annual accounting declaration	Ensure the resident agent completes the required annual declaration where applicable.
UBO	Review and update beneficial-owner information.
Corporate records	Keep share register, directors/officers, resolutions and powers current.
Tax-source review	Confirm whether income remains foreign-source and retain evidence supporting the 0% territorial-tax position.
DGI filings	Complete the RUC, tax and/or information reports applicable to the company's facts.
Regulatory licences	Maintain any licences required for regulated activities.

How BRIS Group Supports You

Pre-incorporation review - Review the intended international activity, ownership, director structure and suitability of Panama.

Company formation - Coordinate name clearance, Pacto Social and Public Registry incorporation through Panamanian professionals.

KYC & beneficial ownership - Coordinate UBO, shareholder, director and source-of-funds due diligence.

Corporate administration - Assist with share issue, resolutions, directors/officers, powers and Registry changes.

Annual renewal - Coordinate Tasa Única, resident-agent renewal and good-standing maintenance.

Accounting compliance - Coordinate the records and resident-agent information required under Law 52 / Law 254.

Tax coordination - Arrange local professional review of foreign-source treatment and any DGI filings.

Documentation - Arrange Public Registry certificates, Good Standing, certified copies, apostilles and powers where required.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to Panama company incorporation and maintenance and is not a fee quotation. BRIS Group professional fees, Panamanian resident-agent/registered-office fees, Public Registry/notarial charges, annual Tasa Única, accounting/tax support, apostilles and optional services are quoted separately. Clients may request a tailored quotation based on the proposed structure and activity.

Client Preparation Checklist

- Three proposed company names.
- Detailed business activity and countries where services/trading will actually be performed.
- Names and ownership percentages of shareholders and ultimate beneficial owners.
- Proposed three or more directors and intended officers.

- Certified passport and recent proof of address for each relevant individual.
- Source-of-funds/source-of-wealth evidence.
- Expected turnover, currencies, banking and transaction profile.
- Preferred authorised share-capital/share structure.
- Corporate-owner documents where a legal entity will be a shareholder.
- Information supporting the intended foreign-source / 0% Panama income-tax position.
- Any banking, apostille, power-of-attorney or regulated-activity requirements.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute Panamanian legal, tax, accounting, banking or investment advice. The 0% treatment discussed above applies to **qualifying foreign-source income** under Panama's territorial system; it is not a blanket exemption based solely on non-resident ownership. The precise source of income and filing position must be reviewed for the client's actual activities.

Primary legislation / official material reviewed: Law 32 of 26 February 1927 on Corporations and the Public Registry's corporate qualification manual; Article 694 and Article 699 of the Fiscal Code and current DGI income-tax guidance; Law 52 of 27 October 2016 as amended by Law 254 of 11 November 2021 concerning accounting records; Law 129 of 17 March 2020 as amended by Law 254 concerning the Private and Unique Beneficial Owner Registration System; current DGI guidance on RUC, accounting-record declarations and Tasa Única.

Information reviewed: August 2026. Government fees, filing practice and tax rules may change and will be reconfirmed before incorporation or annual renewal.

PREPARED BY BRIS GROUP

Panama Company Formation - Client Guide 2026

Professional incorporation and corporate administration for international clients.