



PANAMANIAN COMPANY INCORPORATION.

Excelling as a tax planning instrument, Panamanian corporations are widely known and used throughout the world. Panamanian corporations offer many tax benefits when used as Offshore Corporations or IBC's, as called in other jurisdictions.

Panamanian corporations can also be used for establishing local business, within the Republic of Panama.

Established as an offshore corporation, Panamanian corporations are also commonly used as the perfect asset protection tool since Panamanian corporations can function as a holding company or own assets kept anywhere or real estate property located in any country without having to pay taxes in Panama for those properties held outside.

A great advantage Panama laws offer Panamanian Offshore Corporations (IBC's) is the possibility of developing tax-free offshore activities, since Panama has a territorial tax system.

Panamanian corporations thus serve businessmen, investors, or foreign companies for making savings on tax payments.

An offshore corporation may open bank accounts in, or outside Panama and own property located outside Panama without having to pay taxes in Panama for this.



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BENEFITS AND ADVANTAGES OF PANAMANIAN OFFSHORE CORPORATIONS

- 1) No obligation to pay income tax when its income is obtained from a source outside Panama. So, no income tax will be paid for offshore operations or activities.

According to Panama Tax Laws, no income tax is paid for the following corporate activities:

- a) Invoicing the sale of goods and merchandise through a Corporation's office in Panama at a price greater than the one invoiced to the corporation in Panama for the same goods or merchandise if those products or goods stay out of Panama.
- b) Directing, through a Corporation in Panama, transactions that will become effective, consummate, or perfect outside Panama; and
- c) Distributing dividends and participations from Panamanian Corporations or other juridical persons when income is not produced in Panama, including the above-mentioned situations.
- d) Stockholders may be Panamanians or foreigners and may even be Panamanian or foreign corporations.
- e) No nationality or residence requirement for the Panamanian corporations' Directors and Dignitaries
- f) Meetings of the stockholder's assembly or the Board of Directors may be held anywhere in the world and can be held via telephone, fax, email or any other electronic method.
- g) Corporate assets or capital of a Panamanian corporation may be kept outside Panama.
- h) Panamanian corporations may have any licit objectives and carry out any commercial or industrial activity. Corporate objectives do not need to be explicitly expressed in the Articles of Incorporation, while Panamanian Law on Corporations allows having general corporate objectives.
- i) One person alone can be owner of 100% of the corporate stocks comprising the entire corporate capital of a Panamanian offshore corporation, after its incorporation and registration.

INCORPORATION OF PANAMANIAN CORPORATIONS

Panamanian corporations may be incorporated from 3 to 5 business days.

For the incorporation of a Panamanian corporation, Law 32 of 1927 requires the celebration of an agreement between two or more persons of legal age (Panama legal age – 18 yo), who are required to subscribe at least one corporate stock, each, without consideration to their nationality or domicile. This agreement, called Articles of Incorporation, must be done before a Notary Public in Panama, who transcribes it in a Public Deed. The Deed must then be inscribed or registered in the Public Registry. To facilitate this incorporation process, usually two persons from our Law Firm in Panama would sign the required agreement and after registering the corporation, these two persons issue and sign a resignation to all their rights and interests in the corporation as subscribers of the Articles of Incorporation.



The Articles of Incorporation will reflect the terms and conditions agreed and, after its registration in the Mercantile Section of the Public Registry, this document will be effective against third parties as well. Law No. 32 of 1927 on Corporations, in many aspects, works only as a secondary source of rules.

As ordered by law, the Articles of Incorporation must, at least, contain the following information:

- a) Name of the Corporation
- b) Name and domicile of the subscribers of the corporation
- c) Corporate objectives
- d) Corporate Capital (a description of the amount, if the corporation has par value or non-par value stocks, number of stocks, distribution, classes, etc.)
- e) Duration of the corporation, which can be perpetual.
- f) Name and complete address of directors and dignitaries
- g) Name and address of the Resident agent

CORPORATE CAPITAL OF PANAMANIAN CORPORATIONS

Panamanian corporations are not required to have a paid capital to be valid after its incorporation and these corporations may issue nominative or bearer stocks. When corporate stocks are issued to the bearer, share in the corporate capital corresponding to those stocks issued to the bearer is presumed paid.

Any kind of person, a natural person or other corporation or company can become a holder or owner of the corporate stocks, with no need for having legal residence or being present in the Republic of Panama. Any nominative stock may be issued in favor of more than one person.

TAX BENEFITS OF PANAMANIAN CORPORATIONS

Panamanian Corporations are subjected to a territorial tax system, a regime that only requires payment of taxes for operations done or considered done within the territory of the Republic of Panama. Under Panamanian Tax Law, commercial operations executed, taking place, or taking effects outside Panama will be considered offshore and are not taxable, without considering that these operations may be managed or directed from an office located in Panama. Except for the annual corporate tax in the amount of USD\$ 300.00 that all corporations must pay, and if not, there is a USD\$ 50.00 overcharge for each year due and a USD 300.00 fine for delays of two or more annual tax payments, but beyond these there would be no other tax obligations for Panamanian offshore corporations.

CORPORATE ANNUAL TAX IN PANAMA

For corporations registered between January and June, June 30 of each year, will be the deadline for the annual tax payment, while for corporations registered between July and December, December 31 will be the deadline for paying annual corporate taxes. For this purpose, registration date is that of the inscription in the Public Registry, as written in the stamped seal at the end of the Articles of Incorporation.

Our fees:

INCORPORATION – USD\$ 1,500.00 + Courier fees + Taxes/VAT/IVA (7%).

Nominal Directors available for USD\$ 300.00 per Director (3 Directors: USD\$ 900.00 – unlimited signature documents during the year, attend calls for confirmations, etc. – does not include W8, FATCA or CRS related documents signatures, due to the risk, this signatures that require a previous process and review, will be charged separately) this is a yearly rate that is paid along with the incorporation of the company and then with the annuity.



Company Annuity:

- USD\$ 500.00 Registered Agent.
- USD\$ 300.00 Governmental annual rate.
- Registered office and address service (if required)
- Director services (if required)
- Accounting services (if required)

What does our Corporate kit include?

1. Pacto de Incorporacion – Incorporation Public Deed which would be the equivalent of the Certificate of formation/incorporation in other jurisdictions.
 2. Subscribers resignation letter.
 3. Register of Directors.
 4. Register of Officers.
 5. Minutes of a meeting of the Directors issuing the first shares.
 6. Registers Shareholders.
 7. Share Certificates.
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If you decide to move forward with the incorporation of the Company, please read below:

I _____ with ID No. _____ hereby declare under oath severity that I agree, understand the information provided and would like to move forward with the proposed service.

Signature.

WHAT WOULD WE NEED? – Checklist

- ☐ Choose a name
- ☐ Choose the directors
- ☐ Collect passport or ID copies from the Directors, Shareholders and Beneficiaries. These documents must notarize. If you are in the State of Florida Notarization can be provided by our team. (extra fees applies).
- ☐ Collect a proof of address from the Directors, Shareholders and Beneficiaries. These documents must notarize. If you are in the State of Florida Notarization can be provided by our team (extra fees applies).
- ☐ Complete due diligence form. (Will be provided by our team)
- ☐ Make the payment for the service.
- ☐ Sign registered office and address contract (if necessary)
- ☐ Sign nominee director agreement, affidavit and waiver (if necessary)

Thank you for trusting us!

Kimberly Pauch
CEO - MANAGER



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