

LATIN AMERICA COMPARATIVE CHART ON EASE TO DO BUSINESS

2010

Economy	Ease of Doing Business Rank	Starting a Business	Registering Property	Getting Credit	Trading Across Borders
Colombia	37	24	51	61	97
Chile	49	69	42	71	56
Panama	77	27	65	30	10
El Salvador	84	123	46	43	63
Dominican Republic	86	107	112	71	36
Costa Rica	123	127	49	81	60
Brazil	129	126	120	87	100

Fuente: www.doingbusiness.org/Explore/economies/

Why Panama to establish your Regional or Headquarters Office

- Geographical strategic location.
- Law 41 of 2007 and its benefits.
- Lower living and operational cost for opening businesses.
- Easy logistic connectivity.
- Specialized labor force training
- Modern investment protection laws.
- International Schools
- Quality of life

Competitive Advantages of Panama

- International banking and financial center with world recognized laws regarding trust funds and private owned foundation.
- Connected to the world through five submarine fiber optic cables.
- Available areas next to the Panama Canal to establish business center.
- Panama has the largest port system in Latin America with private ports in both Atlantic and Pacific ocean and COPA's hub of the Americas with over 134 daily flights, 45 destinations in 24 countries.
- Free movement of capital.
- Center for technological research and development
- Investment Grade of BBB- with Positive Perspective (2010)
- Best credit access country in Latin America.
- Low risks of natural disasters.



These companies already chose Panama



Our Best Proof of Success!

TOGETHER MAKING PANAMA BETTER!



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PANAMA
MHQ
Multinational Headquarters

Panama...
the Ideal Location for your
Multinational Company



Panama

Is a country dedicated to the service sector that promotes international trade and has political, social and economic stability, and provides laws that promote and guarantee investment.

The national government, with the support of the private sector, created the Law N° 41 of August 2007, to provide the necessary conditions so the country could become an ideal destination for companies to be established in Panama.



What is a MHQ?

Multinational Regional Headquarter

- Headquarters of Multinational Companies are those that from Panama carry out operations or services to their Main Office, subsidiary or affiliate in other countries.
- A MHQ can be able to operate as a foreign company registered in Panama or as a panamanian company property of the multinational.



Activities that can be conducted by the MHQ for its own business group

- Management and /or administration of the operations in a specific geographic or global area, including strategic planning, business development.
- Logistics and/or warehousing of components or parts required for the fabrication or assembly of manufactured product by the company.
- Technical assistance to companies of the business group or to clients that have acquired products or services from any such companies.
- Financial management, including treasury services, of the business group.
- Accounting of an economic or corporate group.
- Issuance of plans which are part of the designs and/or constructions of the business activity of the group.
- Consulting, coordination and follow-up of marketing and advertising strategy for goods or services produced by the business group.
- The electronic processing of any activity including the consolidation of operations of the business group. These services include network operations.
- Support of operations, research and development of products and services of the business group.
- Any other service previously approved by the Executive.



MHQ Benefits & Incentives

Law 41 of August 24th of 2007, creates:

The Technical Secretary of MHQ;

- Receives and expedites MHQ License application, Visas y Certificates for the Executives and Dependants.

The MHQ Commission;

- Reviews all Multinational applications and recommends the issuance of the MHQ License, and the development of Law N°41.

Fiscal Benefits

Law No 41 provides several tax benefits:

Total Exemptions on:

INCOME TAX

- Since Panama has a territorial tax system, and the MHQ will be operating off shore, there is no taxable income.
- Executives are exempt of contributing to Social Security & Social Education payments when salaries are received from abroad.
- Household Goods Import Exemption when relocating for the first time to Panama.



Immigration Benefits

Visas issued to foreign personnel and to their dependants:

Permanent Personnel:

- Five year, renewable visa for management and dependents.

Temporary Personnel:

- Three months temporary visa, renewable once for activities related to the MHQ or it's group; technical, training or operational assistance.

Labor Incentives

- MHQ's can have as many foreign personnel in upper management positions as necessary.
- Work permit is not needed after an MHQ Visa is granted.