



Panama Tax News

Law 309 of June 1, 2022, that creates the Special Economic Area of Aguadulce and the Harbor Multipurpose Terminal
June 2022

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Law 309 of 2022 creates the Special Economic Area of Aguadulce, located in El Salado, Corregimiento Barrios Unidos, District of Aguadulce, Province of Coclé for the development and operation of transactions, negotiations, and a wide range of commercial, agro-industrial, industrial, port, logistics, customs, tourism, import, export, real estate and services activities in accordance with the financial and demand conditions of the international markets.

In other respects, this Law provides as follows:

- Objectives of the Special Economic Area of Aguadulce:
 1. Have various companies that generate skilled and unskilled jobs and foreign exchange, which attract investments.
 2. Promote productive activities and economic growth throughout the region and facilitate the commercial development of all activities in the country.
- 3. Provide companies and investors with infrastructure, offices, warehouses, processing services, consultancies, tax, immigration, labor, customs and port benefits, complementary and convenient activities for the development of this area and the people who settle in them.
- 4. Install and operate systems for the production, harvesting and supply of water, sewerage, clean energy, telecommunications, treatment, management and use of solid waste, security and others that are required for operational purposes after coordination with the respective public entities.
- 5. Develop social, recreational, tourist, educational, residential, hospitals, hotels, among others, for the staff that works, their families and authorized persons.
- 6. Build and / or operate directly or subcontract the operation of ports, docks, roads, streets, roads, railways, or land loading and unloading, in accordance with current regulations and respective institutional coordination.
- 7. Install or support the installation of assembly and / or transformation industries of raw materials, electronic and electrical products, or the obtaining of industrial, semi-industrial or mineral or agricultural goods, such as salt and sugar, among others.
- 8. Promote the transfer of technologies and knowledge to obtain products of agricultural origin, fisheries, agribusiness, industry and minerals, through the establishment of research and knowledge transfer centers,



Panama Tax News

Law 309 of June 1, 2022, that creates the Special Economic Area of Aguadulce and the Harbor Terminal Multipurpose | June 2022

- together with higher education entities established or established in the country.
9. To have a multipurpose deep-water port terminal, which allows export, import, re-export, and distribution operations to the Special Economic Area of Aguadulce, Central America and the South American Pacific Ridge, as a Feeder Center of the Latin American Pacific Ridge with Asia and the world.
10. Have maritime and land infrastructure in Aguadulce, allowing to serve ships, both cabotage navigation and international navigation.
- Within the Special Economic Area of Aguadulce, the import, export and re-export, wholesale, of finished products and services such as:
 - Provisioning and other maritime services auxiliary to ships.
 - Products that depart by air from airports located in central provinces.
 - Products made by companies that manufacture finished products in the Special Economic Area of Aguadulce, provided that the products thus marketed are complementary to the products manufactured by them in this area, or are products manufactured by them elsewhere.
 - Products related to maintenance, repair, conversion of aircraft and related activities.
 - The logistics activity of transport.
 - Products related to oil-free zones operating within the Aguadulce Special Economic Area.
 - Companies that are installed within the Special Economic Area of Aguadulce may benefit from any of the special regimes established by Law for the operation of Headquarters of Multinational Companies (SEM), multinational companies for the provision of services related to manufacturing or operating companies and developers of agro parks.
 - In the Special Economic Area of Aguadulce, the importation of all types or classes of goods, products, equipment, and other goods in general of non-prohibited import will be allowed, provided that this merchandise is consigned to companies in the Area and so indicated by the corresponding shipping documents and said merchandise may be transferred and sold between companies in the Area.
- The Special Economic Area of Aguadulce will have an automated system to control the movement of goods, products, equipment, and other goods in general within the Area, as well as the transformations they have undergone.
 - All goods, products, equipment and other goods in general that are introduced into the Area may leave this area to:
 1. Export or re-export.
 2. The sale to visitors, passengers or crew in transit or bound for foreign countries that transit in any authorized port of the Republic and foreign ports and whose port of departure is the multipurpose port of Aguadulce.
 3. The sale to aircraft that use the

Panama Tax News

Law 309 of June 1, 2022, that creates the Special Economic Area of Aguadulce and the Harbor Terminal Multipurpose | June 2022

authorized airports of the Republic with destination to foreign airports.

4. The sale for its introduction into the Fiscal Territory of the Republic, after inclusion and payment, by all taxes and / or duties that are caused by the import and the tax on the transfer of movable tangible property and the provision of corresponding services, which must be recorded in the corresponding sales invoice, after customs clearance by a duly authorized customs broker.

- Foreigners who have invested an amount not less than \$300,000.00 USD in the venture capital of the company that settles in the Area, will have the right to apply for a permanent residence permit as an Investor of the Special Economic Area of Aguadulce before the National Migration Service and will have the right to remain in the Area for the term of two (2) years. After the expiry of the two-year period, the person in whose favor this residence permit has been issued shall have the right to establish his permanent residence in the Republic of Panama.

- Within the Special Economic Area of Aguadulce, the establishment of residences and the development of housing projects will be allowed.
- The companies of the Area must seek the exchange of knowledge transfer and the training of national personnel. The companies of the Area must present an annual report of the Panamanian workers, beneficiaries of the training programs with universities or official or private educational centers.
- The Executive Branch will grant a concession, through the corresponding entity in accordance with current laws, the construction, maintenance, and operation of the Aguadulce Multipurpose Port Terminal.
- This Law will be regulated by the Executive Branch within a period not exceeding ninety days, counted from Monday, June 6, 2022.

Panama Tax News

Law 309 of June 1, 2022, that creates the Special Economic Area of Aguadulce and the Harbor Terminal Multipurpose | June 2022

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Panama Tax News

Law 309 of June 1, 2022, that creates the Special Economic Area of Aguadulce and the Harbor Terminal Multipurpose | June 2022



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