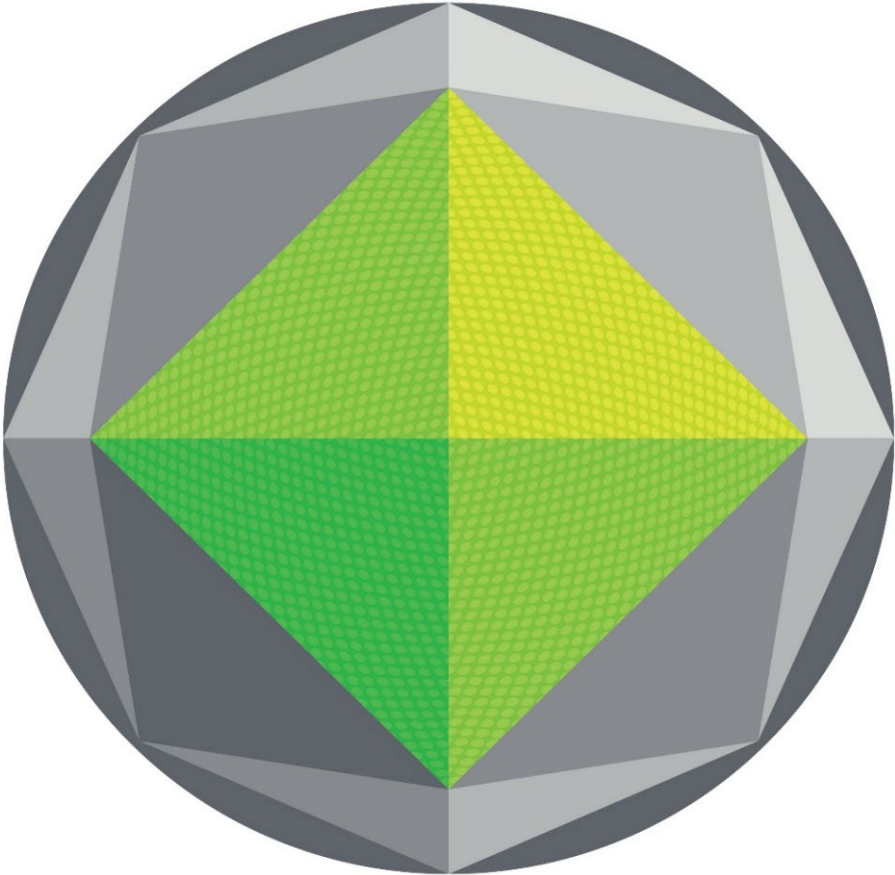


Deloitte.



Panama Tax News

February 2023

The establishment and operation of new free zones is approved.

According to Law 32 of the 5 of April, 2011, regulated by Executive Decree No. 62 of the 11 of April, 2017, free trade zones are defined as free enterprise zones, specifically delimited, within which all infrastructures, facilities, buildings, systems and support services are developed, as well as the operational organization and the administrative management that are necessary to establish, within these, companies from all over the world, whose activities are the production of goods, services, high technology, scientific research, higher education, logistics services, environmental services, services of health and general services.

The immediate objective of the free zones is to provide optimal conditions of operational efficiency and comparative advantages to guarantee established companies high levels of competitiveness in international markets. Companies located in free zones enjoy benefits such as tax residence, tax exemption, technological development,

access to candidacy for a business investor visa, among others.

Through cabinet resolution No. 7 of February 2023 and resolution No. 9 of February 2023, published in Official Gazette No. 29718-A, is imparted a favorable concept to the National Commission of Free Zones so that, through its Technical Secretariat, is issued the Operation License and Resolution of the registration in the Official Register, which authorizes the establishment and operation of two new free zones: TECH VALLEY FREE ZONE and the Astibal Free Trade Zone. Within the TECH VALLEY FREE ZONE, is expected the establishment of companies, with commercial activities made up of high-quality buildings and spaces, aimed at the service, technology and creativity sector, will promise complexes with first-world infrastructure in order to boost productivity. It will also include a logistics component with services local, regional and multinational companies, as well as auxiliary services. All of this is compatible with the area's

primary vocation, such as attracting foreign direct investment and job creation.

On the other hand, the Astibal Free Zone will strengthen the maritime and port sector of Panama, since ship repairs constitute, for any port, an activity with high added value and job creation. In addition, this implies the reopening of the Balboa Shipyard, allowing the generation of additional services such as berthing for repair tasks that entail complementary and additional activities that provide other benefits for the port area and contribute to the development of the local economy. Finally, this Free Zone will be the only one with access to the Pacific Ocean and the only facility that has three dry docks, with the necessary dimensions to serve Panamax and Neopanamax ships.

Contacts:

Michelle Martinelli

Partner Tax & Legal

mmartinelli@deloitte.com

Tel. +(507) 303-4100

Yira Cobos

Partner Tax

ycobos@deloitte.com

Tel. +(507) 303-4100

Desiree Esaa

Senior Manager Tax & Legal

desaa@deloitte.com

Tel. +(507) 303-4100

Juan Mendoza

Senior Manager Transfer Pricing

jumendoza@deloitte.com

Tel. +(507) 303-4100

Tania Aguilar

Senior Manager Tax

tanaguilar@deloitte.com

Tel. +(507) 303-4100

Katiushca Navarro

Manager Tax

kanavarro@deloitte.com

Tel. +(507) 303-4100

Marissa Gonzalez Ruiz

Manager Tax & Legal

mgonzalezruiz@deloitte.com

Tel. +(507) 303-4100

Juan Fábrega

Manager Legal

jufabrega@deloitte.com

Tel. +(507) 303-4100

Marilyn Fernández

Manager Tax

marifernandez@deloitte.com

Tel. +(507) 303-4100



tax@hand App

Download our tax&hand application and check tax news both from Panama and from different countries.

www.taxathand.com

Available for iOS & Android.





Deloitte refers to Deloitte Touche Tohmatsu Limited, a UK private limited liability company, its network of member firms and their related entities, each as a single and independent legal entity. See www.deloitte.com for more information on our global network of member firms.

Deloitte provides professional audit and assurance, consulting, financial advisory, risk advisory, tax and legal services related to our public and private clients from various industries. With a global network of member firms in more than 150 countries, Deloitte provides world-class capabilities and high-quality service to its clients, bringing the expertise needed to address the most complex business challenges. Deloitte's more than 330,000 professionals are committed to making a significant impact.

As used in this document, Deloitte Inc., which has the exclusive legal right to engage in, and limit its business to, the provision of auditing, consulting, tax consulting, legal, risk and financial advisory services respectively, as well as other professional services under the name of "Deloitte".

This presentation contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax or other advice or services.

This presentation is not a substitute for such professional advice or services, nor should it be used as the basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser. No representation, warranty or promise (either express or implied) is given as to the accuracy or completeness of the information in this communication and Deloitte shall not be liable for any loss suffered by anyone who relies on this presentation.

