

**REPUBLIC OF PANAMA  
MINISTRY OF PUBLIC SECURITY**

**EXECUTIVE DECREE No.722**

**Issued on October 15, 2020**



That creates the sub-category of Permanent Resident as a Qualified Investor, within the category of Permanent Resident for Economic Reasons,

**THE PRESIDENT OF THE REPUBLIC**  
in use of his constitutional and legal powers,

**CONSIDERING:**

**That** section 14 of Article 184 of the Political Constitution of the Republic, states that among the powers exercised by the President of the Republic, with the participation of the respective Minister, is the power to regulate the laws required for their better compliance, without deviating in any case from their text or spirit;

That Decree Law No. 3 issued on February 22, 2008, regulated by Executive Decree No. 320 issued on August 8, 2008, amended by Executive Decree No. 26 issued on March 2, 2009, created the National Immigration Service, the Immigration Career and issued other provisions;

That the Decree Law No.3 of 2008, establishes in its article 14 that the Executive Body will regulate the migratory categories and subcategories, the procedure, the form and the conditions under which the permits and visas will be issued, in accordance with the principles of national security, health, public order and protection of rights and freedoms; in addition, article 15 provides that the Executive Body will regulate the conditions and requirements that must be met to apply to each of these migratory categories and may create other migratory subcategories;

That, furthermore, the sole paragraph of Article 20 of Decree Law No.3 of 2008, establishes that the Executive Body will proceed to review the existing regulations every two years with respect to the minimum amounts of investment that must be accredited by the foreigner who applies for the migratory category of Permanent Resident, in order to determine its adequacy to the national and global economy, taking into consideration the national interests;

That the Executive Body considers necessary to create the Sub-category of Permanent Resident as Qualified Investor within the category of Permanent Resident for Economic Reasons, for foreign persons in a position to contribute to the national development and promote the establishment of investments in the Republic of Panama,

**HEREBY DECREES:**

**Article 1.** Within the migratory category of Permanent Resident for Economic Reasons, the subcategory of Permanent Resident is created, as a Qualified Investor, by reason of having investment activities in the Republic of Panama.

**Article 2.** In order to demonstrate the purpose of establishing his/her residence according to this subcategory, the applicant must conduct in the Republic of Panama an investment for a minimum amount of five hundred thousand balboas (B/. 500,000.00) coming from a foreign source, which may be in a personal capacity or through a legal entity, in which the applicant is always the final beneficiary of the shares of the legal entity that holds the investment.

The Ministry of Commerce and Industries, through the Investment Promotion Department will certify to the National Immigration Service that the investment meets the required parameters,

and thus process the Permanent Residence Permit as a Qualified Investor. Such certification must include the detail of the investment and the general data of the person who holds the ownership thereof; which must correspond with the general data of the individual requesting the residence permit, either because the investment has been made directly in a personal capacity or indirectly through a legal entity of which the applicant is the sole final beneficiary of the shares of that legal entity.

This certification must be provided when expressly requested, in accordance with the type of investment detailed in Article 3 of this Executive Decree.

**Article 3.** To apply for the Permanent Residence Permit as a Qualified Investor, the applicant must prove to have made one of the following forms of investment detailed below:

- 1. In case of Real Estate Investment:** Any foreign person who invests the sum of five hundred thousand balboas (B/. 500,000.00), in the purchase of a real estate property in the Republic of Panama, which must be free of liens, will be eligible to apply for the Permanent Resident Permit as a Qualified Investor. In the event that the applicant proves that he/she has paid the liquid amount of five hundred thousand balboas (B/. 500,000.00) in a real estate property and this is of a higher amount than the required, he/she may finance the remainder through a mortgage loan with a local bank.

For applications processed through this type of investment, in addition to the requirements established in this Executive Decree, a certification of the Public Registry of Panama must be provided that accredits the ownership and, a certification of the National Authority of Titles of Lands that accredits the value of the real estate.

- 2. In case of real estate investment by means of a promise to purchase contract:** Any foreign person who invests through a promise to purchase contract for the acquisition of a real estate property, for the sum of five hundred thousand balboas (B/.500,000.00), made through a trust deposit managed by a local bank or trust entity, with license to operate in the Republic of Panama, shall be eligible to apply for the Permanent Resident Permit as a Qualified Investor.

For the applications processed through this type of investment, in addition to the requirements established in this Executive Decree, the following must be provided:

- a. Notarized copy of the promise to purchase contract of the property(ies) duly registered in the Public Registry.
- b. Provide original or notarized copy of the trust agreement in which it must be established that the total amount given in trust will be disbursed in partial payments related to the payment of the obligations assumed by the trustor, on the occasion of the promise to purchase contract executed with the real estate company.

If the sale is not completed, with the corresponding registration in the Public Registry, it will be understood that the requirements have not been met, which will consequently lead to the cancellation of the permit granted.

- 3. In case of investments made through a Brokerage Agency with a license approved by the Panama Stock Exchange Market Superintendence:** Any foreign person who makes one or more investments through a Brokerage Agency with a license approved by the Panama Stock Exchange Market Superintendence, for a minimum amount of five hundred thousand balboas (B/.500,000.00) in securities of issuers, which businesses affect the national territory, through the Panama Stock Exchange Market, and whose commitment is maintained for at least five (5) years from the moment in which said investment is completed, will be eligible to apply for the Permanent Residence Permit as a Qualified Investor.



For applications processed through this type of investment, in addition to those requirements established in Articles 2 and 3 of this Executive Decree, the following must be provided:

- a. Certification issued by the licensed brokerage agency approved by the Panama Stock Exchange Market Superintendence, stating the name of the investor, amount of the investment, the detail of the securities held, as well as the entity that holds the securities;
- b. Notarized copy of the resolution granting the license to the securities firm or brokerage agency where the applicant's investment account is maintained, issued by the Panama Stock Exchange Market Superintendence;
- c. Certification issued by the Panama Stock Exchange Market Superintendence in relation to the registration of the securities corresponding to such investment.

**4. In case of Investment by fixed-term deposit in the Banking Sector:** The foreigner who makes an investment by opening a fixed-term deposit(s), for a minimum amount of seven hundred and fifty thousand balboas (B/.750,000.00), in any bank with a general license authorized to operate in the national territory, and that such deposit has a minimum term of validity of five (5) years, shall be eligible to apply for the Permanent Resident Permit as a Qualified Investor. This deposit must be free of all encumbrances and liens.

For applications processed through this type of investment, in addition to the requirements established in this Executive Decree, the following must be provided:

- a. Notarized copy by the issuing bank of the fixed-term deposit certificate, indicating the holder, the amount and the term of the document;
- b. Bank Certificate stating the existence of the deposit, its holder, the amount, the term, and also indicating that it is free of liens and that the funds come from foreign sources.

**Article 4.** Foreigners who apply for a Permanent Resident Permit for Economic Reasons within the subcategory of Permanent Resident as a **Qualified Investor**, in addition to complying with the requirements established in all paragraphs of Article 28 of Decree Law No. 3 of 2008, with the exception of paragraph 4, must provide the following:

1. A payment of five thousand balboas (B/. 5,000.00) to the National Treasury, as fees for the application of the immigration process, and another payment of five thousand balboas (B/. 5,000.00) to the National Immigration Service as repatriation deposit, both proofs of payment must be provided together with the Permanent Residence Permit application as Qualified Investor.
2. If the application includes dependents, a payment of one thousand balboas (B / . 1,000.00) to the National Treasury must be made for each dependent, as fees for the application of the immigration process, and another payment of one thousand balboas (B / . 1,000.00) to the National Immigration Service as repatriation deposit, which must be provided with the application.
3. Banking, legal or financial documentation that demonstrates that the applicant has made the investment and that the funds used come from abroad, which must be proven by providing one of the following documents:
  - a. Letter issued by the bank abroad or a local bank, certifying the transfer or receipt, respectively, of the funds. If issued abroad, the letter must be legalized by a Panamanian diplomatic or consular mission in the Foreign Service or apostilled, in accordance with the Hague Apostille Convention.



- b. Bank statement certificate issued by the Foreign bank, duly legalized, or bank statement certificate issued by a local bank, with authentication stamps from the issuing bank, showing the transfer of funds transaction.
- c. Notarized letter, issued by the recipient of the funds, or original bank certification confirming the deposit or receipt of the transfer, in accordance with any of the forms of investment described in this Executive Decree, which certifies that the funds for the investment were transferred from a foreign account.

**Article 5.** In order to have the Permanent Residence as a Qualified Investor, it is necessary that the investment be maintained for a minimum period of five years. If the investment ceases or is no longer in existence before the fulfillment of this term, without being reinvested in the terms of this Executive Decree, will result in the official automatic cancellation of permanent residence granted by the National Immigration Service.

It will be the responsibility of the Ministry of Commerce and Industries, as stated in Article 2 of this Executive Decree, to submit confirmation of existence of the investment that supported the granting of permanent residence to the National Immigration Service. In accordance with the foregoing, said Ministry must submit to the National Immigration Service, annually and until completing the five-year period, proof that an investment is still being maintained in the terms provided in this Executive Decree, for which purpose it may request the qualified investor to provide any information that is necessary.

The National Immigration Service is competent to carry out administrative actions aimed at verifying the maintenance of the immigration conditions of the subjects regulated in this Executive Decree.

The Ministry of Commerce and Industries, in coordination with the National Immigration Service, shall develop the necessary inter-agency mechanisms for the faithful compliance with the provisions of this Executive Decree, as well as the monitoring to the investment made by the applicant.

The annual deadline for submitting each proof will start from the date the corresponding Permanent Residence Permit is approved.

In the case of a real estate investment by means of a promise to purchase contract, through a trust deposit, a certification issued by the trustee must be provided annually to prove the partial disbursements made to the account of the trust in favor of the real estate company.

**Article 6.** All investments made to qualify for a Permanent Resident Permit as a Qualified Investor will be subject to verification by the competent regulatory institutions, as appropriate.

**Article 7.** To address applications to the subcategory of Permanent Resident as Qualified Investor, a Special Processing Service Division will be implemented with the purpose to simplifying and facilitating all the procedures and steps, through a centralized attention point, in order to improve the services received, with the guarantee of a high level of security and transparency.

To this end, and in accordance with the provisions of Article 114 of Decree Law No. 3 of 2008, the Ministry of Public Security, through the National Immigration Service, will sign a Memorandum of Understanding with the Ministry of Commerce and Industries, in order to facilitate and receive the procedures referred to in this Executive Decree, through the Special Processing Service Division of the Ministry of Commerce and Industries.

**Article 8.** The application for a Permanent Resident Permit as a Qualified Investor must be resolved within a period not exceeding thirty (30) working days, starting from the time the application is received, through the Special Processing Service Division of the National Immigration Service.

**Article 9.** Applications under this migratory subcategory may be submitted prior to the entry into the national territory of the applicant and his/her dependents, through the applicant's special attorney, with the obligation that prior to the issuance of any immigration Id card, the process of affiliation in the Register of Aliens of the National Immigration Service is fulfilled.



**Article 10. (Temporary).** During the first twenty-four months after the entry into force of this Executive Decree, the investments due to reasons of real estate investment, directly or through promise to purchase contract, for the purposes of the Permanent Residence Permit as a Qualified Investor, may be for the sum of three hundred thousand balboas (B/. 300,000.00), in the purchase of a real estate property in the Republic of Panama, which must be free of liens. If the property has a higher value, the surplus can be financed through a mortgage loan granted by a local bank or financial institution. The amount with which the investment of the three hundred thousand balboas (B/.300,000.00) is made, must come from foreign sources.

Foreigners who, upon the entry into force of this Executive Decree, are in the process or have initiated the application for a Provisional Residence Permit due to their Economic Solvency for Investment in Real Estate in the year 2020, may apply to change their immigration status to the subcategory of Permanent Resident as Qualified Investor for Investment in Real Estate, provided that they comply with the requirements set forth in Article 4 of this Executive Decree.

**Article 11.** This Executive Decree shall come into force upon its promulgation.

**LEGAL BASIS:** Political Constitution of the Republic; Decree Law No. 3 of February 22, 2008; and Executive Decree No. 320 of August 8, 2008.

**BE IT HEREBY COMMUNICATED AND ENFORCED.**

**LAURENTINO CORTIZO COHEN**  
President of the Republic



**JUAN MANUEL PINO FORERO**  
Minister of Public Security