

PANAMA'S NEW MIGRATION LAWS

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Motivated by a desire to restructure and simplify our migration laws and their administering, the government of Panama has issued the Law Decree No. 3 of the 22nd of February of 2008, by which the National Service of Migration and the migratory career is created. Six months later, further specific dispositions were set out in the Executive Decree No. 320 of the 8th of August of 2008. These new set of laws streamlines the visa and residency application process and clarify how tourists and investors may enter and remain in our country.

The National Service of Migration

Broadly, the new migratory structure in Panama will be executed by the National Service of Migration, an entity that as in the past will be under the Ministry of Government and Justice. Its Director General will have broad powers, among them, coercive jurisdiction that will allow him or her to pursue repayment of amounts due and fines through an exceptional judicial proceeding that will be managed directly by the entity without the Court's intervention.

A Consulting Council of Migration is also created. Within this counsel, members of different entities and offices that have an active concern and involvement with Panama's migration policy and procedure will discuss and suggest policies and mechanisms to address migration issues. Immigration policy, however, remains in the hands of the Ministry of Government and Justice.

Types of Visas

The new regulation creates four general types of statuses with which a foreigner can legally enter and remain in the Republic of Panama: non-resident status, temporary resident status, permanent resident status, and foreigners under the protection of the Government of Panama. The categories reflect the purpose with which the visitor enters the country and in most cases can be changed after entering the country.

Non-Resident Status

A non-resident status will be used by those entering Panama for pleasure or recreation and can be granted for a maximum of ninety days. If they were granted less than ninety days in their entry document, an extension for up to the ninety day period can be requested. There are eight different types of non-resident status, detailed in the visa chart in Annex 2.

Tourism Card and Tourist Visa

In most cases, people will either enter the country for tourism either with a tourism card provided by the airline or requested at the airport if a visa waiver or any other agreement has been signed by their residence country and Panama, or with the application and granting of a tourist visa.

Tourist Visas can be requested and obtained from the National Migration Service or a Panamanian consulate by presenting a series of documents detailed in Annex 1 and the payment of a US\$50.00 fee.

Short Stay Visas

The short stay visas are a newly created category within the non resident status. It is designed to grant visitors who enter the country with a specific purpose, but without the intention to reside, a longer period of time to stay. Whereas with an ordinary tourist visa grants you a maximum of ninety days, short stay visas can be granted for up to a non-extendable period of nine months.

There are seven types of short term visas: for business, for visiting family, for researchers and scientists, for medical treatment, for merchants and investors through special laws, for international humanitarian assistance, and for the banking sector. It must be noted, however, that there is more paperwork and higher fees associated with the application for a short stay visa.

Changing your non resident status

People who enter the country with a non-resident status may initiate a proceeding through legal representation in order to change their migratory category to that of temporary resident or permanent resident. If time is needed to gather the documentation for this application, they may be granted a sixty day extension to file the necessary paperwork, so long as it is filed ten business days before their stay as a tourist expires.

Temporary Resident Status

A temporary resident status will be used by people entering Panama for work reasons, due to special policies, or for educational, cultural, humanitarian, or family regrouping purposes and who intend to stay for longer periods of time. This visa is authorized on a periodic basis, either for one year or two years at a time, and has a maximum time span of six years. Those who previously made use and benefited from the Cabinet Decrees 363 of 1970 and the Law 23 of 1977 regarding special visas for executives of international companies and merchants of the Colon Free Trade Zone will fall under this category and continue to retain the benefits granted by those laws.

The temporary resident status permits are classified based on the purpose of residency, of which there are seven, and further classified within each purpose based on what area or type of organization the temporary resident will affiliate himself with. The seven main purposes for which a temporary resident status may be granted are for work purposes, investment purposes, special policies, education, religious reasons, humanitarian reasons, and for family regrouping. The subdivisions in each are noted in the visa types table attached.

In order to apply for both the temporary resident status and the permanent resident status, common required documents, listed on Annex 1, must be submitted.

The specific requirements for each purpose and subdivision tend to prove that the applicant falls within the subdivision and purpose. So, for example, an applicant who wishes to be granted temporary residency based on being hired by a company under contract with the government must show the company's existence and permit of operation, his work contract with the company employing him, the contract between the government and his employer, his affiliation to the Social Security system, and a letter by the state entity responsible for the contract and its execution.

The specific requirements for granting an extension, on the other hand, tend to prove that the conditions under which the visa was granted persist and that the foreigner is up to date in his obligations to the Social Security system and with the government.

Temporary Residency Permits for Work Purposes

This type of permit is granted on a yearly basis for a maximum period of six years. Some noteworthy distinctions in the temporary residency permits for work purposes in the subdivisions of this permit are as follows:

- Foreign personnel hired by companies under contract with the government have to be of companies with a direct contract with the State. Subcontractors cannot solicit this visa type for their foreign personnel.
- Foreign personnel hired in management positions in a Colon Free Zone company must have a two thousand dollars (US\$2,000.00) monthly minimum salary.
- Foreign personnel hired by a private company within the Labor Code's 10% of ordinary personnel restriction or as experts or technical workers within the 15% of specialized personnel restriction must have a minimum eight hundred and fifty dollars (US\$850.00) monthly minimum salary.
- Foreign personnel hired by virtue of the Marrakesh Agreement, which allows foreigners to enter the country and work for companies that have less than ten Panamanian workers, must have a one thousand dollars (US\$1,000.00) monthly minimum salary.
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Temporary Residency Permits for Investment Purposes

This type of permit is granted on a two year basis for a maximum period of six years. There are two types of investors considered, those who invest in agriculture and those who invest in forestry. Both of these investors must make an investment of at least sixty thousand dollars (US\$60,000.00) and must increase their investment amount if they have dependants who wish to apply for a temporary residency permit as well.

Permanent Resident Status

The permanent resident status is granted to three types of foreigners: those who enter the country with the intent to settle down for economic and investment reasons, those who enter due to special policies, and those who enter for demographic and family regrouping purposes. After a permanent resident status is requested, a two year provisional residency permit and an identification document are granted. After this provisional period, if the soliciting party fulfills the requirements, permanent residency is granted.

Two things must be noted. First, those foreigners who previously made use and benefited from the Law No. 9 of 1987, regarding retirees and pensioners, will fall within this category and retain the benefits granted by those laws. Second, just as with the temporary resident status permits, common required documents, listed on the annex, must be submitted.

Permanent Resident Status for Economic Reasons

Three types of investors can be granted permanent residence: those who invest in forestry, those who invest in a macro-enterprise, and those who have personal economic solvency.

All of these types have minimum investment requirements. Investors in forestry must invest at least eighty thousand dollars (US\$80,000.00). Those who apply based on an investment in a macro-enterprise must hold corporate stock, be directors, and provide the corporation, which must have at least five Panamanian workers, with a minimum investment of a hundred and sixty thousand dollars (US\$160,000.00). Those who apply based on personal economic solvency must show an investment of at least three hundred thousand dollar (US\$300,000.00) in real estate or fixed term deposits or a combination of both.

In the special policies category, minimum investment requirements also apply. Retired annuity recipients need to prove a monthly income of two thousand dollars (US\$2,000.00) from a fixed term deposit account with a minimum five year period at the Banco Nacional or Caja de Ahorros.

Retirees and pensioners need to prove a lifelong monthly income of at least one thousand dollars (US\$1,000.00), which may be lowered to proof of seven

hundred fifty dollars (US\$750.00) if he can show he has bought real estate for one hundred thousand dollars (US\$100,000.00).

Investors in the special Panama-Pacific Area, in the processing zones for export (“Zonas Procesadoras para la Exportacion”) or in a call center (“Centro de Llamadas de Uso Comercial para la Exportacion ‘Call Center’”) need to show an investment of at least two hundred fifty thousand dollars (US\$250,000.00), whereas investors who apply based on their investment in the cinematographic industry need to show an investment of at least one hundred fifty thousand dollars (US\$150,000.00).

Under the Protection of the Government of Panama

The fourth category refers to foreigners who enter the country under the protection of the government of Panama. These include refugees, asylum seekers, people without a country and people under a statute for provisional humanitarian protection.

Administrative procedures still in process

The law states that all the administrative procedures that began under the previous laws will continue to be governed by those laws, except for the procedural means of impugnation.

The Foreign Registry

Among the new and fairly controversial aspect of the migration legislation is the creation of a database of information known as the Foreign Registry, which will contain the information of all foreign applicants for a temporary or permanent resident status. These foreigners will be assigned a permanent numeric assignation in this confidential database, whose information will only be revealed at the request of authorities involved in judicial or tributary investigations.

Foreigners will have an affirmative duty to inform the National Migration Service of any change in their domicile or information provided to the registry within thirty days of the change. Temporary or permanent residents who fail to do so will incur an administrative fine of a hundred dollars (US\$100.00), and if there are further violations, consequences include the cancellation of their permit and deportation.

The General Director of the National Migration Service has been appointed to further develop the forms and the information that must be submitted to the entity.

New IDs for Permanent Residents

The new legislation contemplates that all permanent residents in Panama will obtain a new personal identification document, different from the national identification document. This new foreign resident ID has to be approved by the Electoral Tribunal and obtained before February 22, 2009.

Multiple Entry and Exit Authorization

Aside from the four categories of visas and permits that we have already discussed, there is a separate fifth type of visa that is mentioned in the migration laws called the multiple entry and exit authorization. Referred to as the multiple visa as well, it is a type of visa that will be granted to non resident foreigners who wish to enter and exit an unlimited number of times during its validity period. This type of visa will be granted for a maximum period of five years based on the applicant's proven needs, but each stay in the country is still under the ninety day maximum period for non resident visitors.

It can be requested personally or through legal representation by providing the application form, the original and a copy of a valid passport that shows that their presence in Panama is valid, and by either showing that the applicant is a businessman or entrepreneur, or alternatively, the reasons for which a multiple entry and exit authorization is needed.

Effects of the New Legislation

Aside from changing the name of the entity in charge of migration, the new laws maintain most of the currently existing visa, makes allocations for those who are currently processing their legal status in the country. It also creates a clearer framework of options from which visitors and those wishing to reside in Panama can choose.

In anticipation of reducing the current problem with response time, the new law dictates that starting on February 23, 2009; the National Service of Migration will have a sixty (60) business day deadline in order to resolve visa applications. If there is no resolution, the application will be deemed approved in favor of the applicant.

Although all the changes prescribed in the new legislation have not yet been put into effect, several dispositions tend to ensure the improvement of the administrative process involved in visiting and residing in Panama. From the creation of the migration career and norms that seek to produce a more efficient migration officer, there seems to be a clear and growing concern for the migration policies and how they affect the development of Panama as a touristic and business destination.

If you have any further questions about how this legislative change will affect your legal status in Panama or your intentions to visit the Republic, please do not hesitate to contact us.

Annex 1

Common Requirements for a Temporary Resident or Permanent Resident Permit

Article 28 of Law Decree No. 3 of the 22nd of February of 2008

The application for a temporary resident or permanent resident permit must be presented to the National Migration Service through a legal representative in accordance to the established requisites for each category of visa or permit must contain the following common requisites, with the exception of those which can be applied to from abroad and those categories that apply by reason of education:

1. Copy of the passport duly certified by a Panamanian notary public, or with the certification of a diplomatic representation accredited in the country or the corresponding authority in the place of issue.
When deemed necessary for security reasons, the National Service of Migration can ask the applicant to certify the authenticity of the passport.
2. Certificate of criminal record in their country of origin or residence. In those countries where such a document is not issued, the interested party can submit a certification of a diplomatic or consular agent in his country of origin, accredited in the Republic of Panama, in which he certifies the inexistence of such a certificate, and a sworn statement made to a notary public in which the applicant certifies that he does not have a criminal record.
3. Certificate of good health issued by a licensed professional within three months prior to the presentation of the application.
4. Payment of two hundred and fifty US dollars (US\$250.00) to the National Treasury for the right to apply for a migratory category, and of eight hundred US dollars (US\$800.00) to the National Service of Migration as a repatriation deposit.
5. Sworn statement of criminal records.

All foreign documentation must comply with the requirements of legalization.

Requirements for a Tourist Visa

Article 17 of Executive Decree No. 320 of the 8th of August of 2008

The foreigner that fulfills the following requirements can apply for a tourist visa:

1. Duly completed visa application form;
2. Presenting the original and complete copy of the passport or travel document with a three month minimum validity;
3. Proof of air travel reservation with an itinerary that shows the continuation of the trip or an electronic ticket;
4. Copy of the identification document or residency card of the country where the applicant has his or her domicile;
5. Three photographs;
6. Payment for the migratory services to the sum of fifty US dollars (US\$50.00) at the moment of presenting the application to the National Service of Migration;
7. Proof of having the economic solvency for their support and maintenance in accordance to the duration of their stay in the country, and which may not be less than five hundred US dollar (US\$500.00) and will be shown through one of the following options:
 - a. Certified check or money order in the applicant's name;
 - b. Traveler's checks in the applicant's name;
 - c. Bank certification, with bank statements of the previous three months that show available funds;
 - d. Credit card with the statement of the previous three months that show available funds;
 - e. Income tax statements or its akin, of the last fiscal year;
 - f. Any other that proves their income and that is acceptable to the National Service of Migration;
8. Because of the activity they are engaged in, they may show:
 - a. If they are employees in a public or private entity: certificate of employment with a receipt of their last paycheck or accreditation as an independent contractor;
 - b. If they are pensioners or retired: document that shows the pension or the retirement benefits with its payment proof;
 - c. If they are independently employed: income tax statements of the last fiscal year;

- d. If they are students: a certification of the education center that shows the studies they are engaged in and the vacation period, if they are not in a vacation period, the time granted for travelling must be stipulated;
 - e. If they are economically dependant on another: sworn statement of a family member that is making himself or herself responsible for the travelling expenses and will provide support during the stay; certification of the familial relationship and proof of economic solvency;
- 9. Copy of the last permission that was approved by the migration authorities of Panama (if applicable);
- 10. Hotel reservation confirmation (if applicable);
- 11. Sworn statement of person inviting applicant (if applicable) in which case it may be done by:
 - a. Temporary or permanent residents or Panamanians present in Panama, attaching the following as is the case:
 - i. Authenticated copy of the personal identification of the national;
 - ii. Copy of the general personal information portion of the passport and of the identity document of the foreigner;
 - iii. Copy of the payment receipt for a public utility service in which the location of the responsible person's residence is noted;
 - b. Legal representative of public or private entities. In the case of public entities, a letter of invitation must be shown. If it is a private entity, the following documents must be attached:
 - i. Public Registry certification;
 - ii. Copy of the Notice of Operation;
 - iii. Copy of the operation key of the Colon Free Zone (if applicable);
 - iv. Copy of the payment receipt for a public utility service in which the location of the responsible company is noted;
- 12. If the previous numeral applies, those who invite the applicant and take responsibility, with the exception of public entities, must certify economic solvency through one of the following documents:
 - a. Bank certification;
 - b. Income tax statement with its corresponding certificate of good standing;
 - c. Employment letter with the last receipt from the Social Security Fund;
 - d. If they are to pay the expenses of the guest they must present a sworn statement where they assume their commitment to cover his maintenance during his stay and repatriation if it were necessary;
- 13. When the application is for a minor, it must be done through his parents or whomsoever has properly accredited guardianship by presenting his birth certificate and a sworn statement where the applicant grants authorization

to leave the country, detailing the length of the visit and the person who will be responsible during his stay in our country, as well as the source of monetary funds to cover his expenses.

Annex 2

REPUBLIC OF PANAMA TYPES OF VISAS	
Non Resident Migratory Category	<p><i>Tourist Visa</i></p> <ol style="list-style-type: none"> 1. Tourism card 2. Extension of Tourist Visa 3. Extension for change of Migratory Category Change <p><i>Passengers in Transit</i></p> <p><i>Sailors Visa</i></p> <p><i>Entertainment Workers' Visa</i></p> <p><i>Transient or Temporary Workers' Visa</i></p> <p><i>Domestic Workers' Visa</i></p> <p><i>Short Stay Visa</i></p> <ol style="list-style-type: none"> 1. Short Stay Visa for Business 2. Short Stay Visa for Visiting Family 3. Short Stay Visa for Researchers and Scientists 4. Short Stay Visa for Medical Treatment 5. Short Stay Visa as Merchants and Investors through Special Laws 6. Short Stay Visa for International Humanitarian Assistance 7. Short Stay Visa for the Banking Sector <p><i>Visa for Passengers and Crewmembers of ships with recreation or tourism purposes</i></p>
Temporary Resident Category	<p><i>Temporary Residency Permits for Work Purposes</i></p> <ol style="list-style-type: none"> 1. Foreign Personnel hired by the national government or autonomous or semi-autonomous entities 2. Foreign Personnel hired by companies under contract with the government 3. Foreign Personnel hired in management positions in a Colon Free Zone company 4. Foreign Personnel hired by private company within the 10% of ordinary personnel 5. Foreign Personnel hired as experts or technical workers within the 15% of specialized personnel 6. Foreign Personnel paid from overseas that do not have diplomatic status 7. Personnel hired as written, radio or international television correspondents and paid from overseas 8. Personnel hired by companies by virtue of the Marrakesh Agreement

Temporary Permit for Investment Purposes

1. Agriculture Investor
2. Forestry Investor

Temporary Permit for Special Policies

1. Foreign personnel hired by companies in the cinematographic and audiovisual industry
2. Ciudad del Saber Foundation
 - a. As Researcher at the Ciudad del Saber Foundation
 - b. In a teaching position at the Ciudad del Saber Foundation
 - c. As an executive or business person at the Ciudad del Saber Foundation
 - d. In a technician capacity at the Ciudad del Saber Foundation
 - e. As a student at the Ciudad del Saber Foundation
3. Foreign Personnel hired by the Panama Canal Authority
4. Personnel hired by the Panama-Pacific Area
 - a. Personnel hired in the Panama-Pacific Area that does not exceed the 15% of ordinary workers
 - b. Personnel hired in the Panama-Pacific Area that exceeds the 15% of ordinary workers
 - c. Foreigners hired as trusted personnel hired in the Panama-Pacific Area
 - d. Foreign personnel hired in the Panama-Pacific Area that do not exceed the 10% of ordinary workers
5. Personnel hired in trust positions, executives, experts and/or technicians in companies within the processing zones for export (“Zonas Procesadoras para la Exportacion”),
6. Personnel hired in trust positions, executives, experts, and/or technicians in call centers (“Empresas de Centro de Llamadas de Uso Commercial para Exportacion ‘Call Center’”)
7. Personnel hired as executives in international companies whose duties have their effects overseas
8. Personnel hired by the seat of multinational companies

Temporary Permits for Education Purposes

Temporary Permits for Religious Reasons

1. In the condition of religious person at the service of the Catholic and Orthodox Church
 - a. As a secular missionary at the service of the Catholic and Orthodox Church
 - b. As a student to be religious person of the Catholic and Orthodox Church
2. As an authority, minister, rabbi, pastor, leader or religious person of another denomination or religious association

	<p><i>Temporary Permits for Humanitarian Reasons</i></p> <p><i>Permit as Temporary Resident for Family Regrouping</i></p>
<p>Permanent Resident Category</p>	<p><i>For Economic Reasons</i></p> <ol style="list-style-type: none"> 1. Forestry Investor 2. Macro-enterprise Investor 3. Personal Economic Solvency <ol style="list-style-type: none"> a. Economic Solvency by Opening of a Fixed Term Deposit b. Economic Solvency by Investment in Real Estate c. Economic Solvency by Mixed Investment (Fixed Term Deposit and Real Estate) <p><i>For Special Policies</i></p> <ol style="list-style-type: none"> 1. Retired Annuity Recipient 2. Retirees and Pensioner 3. Permanent Personnel Hired by the Panama Canal Authority 4. Investor in the special economic Panama-Pacific Area 5. Permanent Personnel hired by the developer, the operator or by the agency of the Panama-Pacific Area within the 10% of ordinary workers 6. Investor in the processing zones for export (“Zonas Procesadoras para la Exportación”) 7. Investor of the call centers (“ Centro de Llamadas de Uso Commercial para Exportación ‘Call Center’”) 8. Investor of the companies in the cinematographic and audiovisual industry <p><i>For Demographic Reasons – Family Regrouping</i></p> <ol style="list-style-type: none"> 1. Married to a Panamanian 2. Dependants of Permanent Residents
<p>Multiple Entry & Exit Visa</p>	<p>Granted to non resident foreigners Allows unlimited entry and exit during its validity Maximum period of five years based on the applicant’s proven needs Each individual entry has a ninety day maximum period</p>