

Panama: Modifications to the migratory category of friendly nations

June 3, 2021

Executive Decree No. 197 of May 7, 2021 (the "Executive Decree") was published in Official Gazette No. 29290-A of May 2021, which modifies and adds articles to the migratory subcategory of Permanent Resident as foreign nationals of specific countries that maintain friendly, professional, economic and investment relations with Panama ("Friendly Nations"), originally created by Executive Decree No. 416 of June 13, 2012.

In order to update the immigration regime and adapt it to the current needs of the country, the Executive Branch enacted the Executive Decree that will become effective 90 days after its enactment, that is, on August 18, 2021.

The main changes brought about by this Executive Decree are as follows:

1. The **Republic of Taiwan has been eliminated** from the list of countries whose nationals may apply for permanent residence as Friendly Nations.
2. Permanent residency will no longer be granted at the time of visa issuance. Thus, the process will consist of **two stages**:
 - First, provisional residence is granted for a period of two (2) years.
 - Once the two (2) years have expired, the interested party may apply for a permanent residence permit, complying with the same requirements demanded at the beginning of the provisional residence process, according to the reason for which he/she applied, with the exception of the payment of US\$250.00 for the migratory category application fee and the US\$800.00 corresponding to the repatriation deposit.
3. The reasons for applying for this permit have also been modified to the following:
 - **For employment reasons:** This implies that a letter of employment on letterhead, Public Registry Certificate and Notice of Operation of the employing company must be submitted. Additionally, the applicant and the employer will be obliged to process the work permit before the Ministry of Labor and Labor Development.
 - **For reasons of investment in real estate:** This implies that a Certificate of the Public Registry must be filed demonstrating the ownership of a real estate of a minimum value of US\$200,000.00 in the name of the interested party. The acquisition of the property may be financed by a local bank.

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