

Big Law Redefined Podcast - Immigration Insights Series Episode 9

Kate Kalmykov ([00:10](#)):

Hi everyone and welcome back to the Immigration Insights Podcast. I am Kate Kalmykov, your host, co-chair of the Global Immigration and Compliance Group at Greenberg Traurig. Today, we have a fascinating topic. We're going to be talking about permanent residency in Panama and the ways you can obtain citizenship. We have here today Albalira Montufar from Morgan & Morgan. She's an expert in this area of law and thank you so much for joining us.

Albalira Montufar ([00:43](#)):

Thank you. Thank you, Kate, for inviting me. Thank you for having me. I'm excited to share all the residency options in Panama.

Kate Kalmykov ([00:50](#)):

Yes, and we're excited to hear about them. You and I work frequently on this for our clients and we are getting so many inquiries. So the Golden Visa and Citizenship by Investment Programs, Residency by Investment Programs, I think worldwide, have really boomed in the last 15 years. Obviously, I work a lot on the EB-5, which is the way to come to the US and get residency by investment. But our clients have also done the Portuguese Golden Visa program, which has gone through a lot of changes in the last three to four years, and as a result, has sort of decreased in popularity. Spain recently announced that they're going to be phasing out their Golden Visa program after the first three months of 2025. Saudi Arabia has introduced a Golden Visa program. The UAE has one, Turkey has one, the Caribbean islands have citizenship by investment programs, and of course, Malta has a citizenship by investment program, which has been challenged recently by the European courts, and we're all sort of watching that case with interest.

([01:59](#)):

But we are getting a lot of inquiries about how to get residency in Panama, particularly from American clients just looking for a backup residency option or actually looking to relocate. And Panama obviously is super close to the US. Historically, we've had very close ties. It's a beautiful country and I'm sure you've seen an increase in the number of applications you've been filing, correct?

Albalira Montufar ([02:28](#)):

Absolutely. We've seen an increase of applications and an interest also from Americans within the last month. Well, actually within the last decades, but specifically within the last month, there has been definitely a clear increase of US clients.

([02:54](#)):

And basically, the options that we share with them are four. One is our Golden Visa, which is the qualified investors program. That category is the fastest way to obtaining permanent residency in Panama right now. So it is granted in approximately two months. And there, you can have permanent residency. And we have a-

Kate Kalmykov ([03:25](#)):

[inaudible 00:03:25] amazing compared to other countries, including the US. That is super-fast.

Albalira Montufar ([03:32](#)):

Yes, yes, absolutely. And the treatment for those that opt to have this residency is special as well. So we have a special office that takes care of all these investors. So timing and everything related to this program, which is pretty new, it is from 2020, it is made for having Panama as this second residency and what we call a red carpet visa or a golden visa.

[\(04:18\)](#):

For this program, we have three different avenues. One is real estate, the second one is securities, and the third one is time deposit. So the first option being the real estate option, we have two different avenues. One is the final purchase and the other one is a promise to purchase. The minimum amount for this option is of \$300,000. So it is important to have into consideration that for the promise to purchase option, it has to be carried out with a trust in Panama. So that is the only difference from the final purchase.

[\(05:07\)](#):

Then we have the option of securities. For the securities option, you need to have a brokerage firm in Panama and the minimum amount is 500,000. So it goes higher, as we go into the other option. The other option, which is the time deposit is the highest amount, which is \$750,000 in a time deposit in Panama as well. That is the, as we say, this is our golden visa.

[\(05:40\)](#):

It is important to mention that the investment in Panama has to be maintained for five years, this investment specifically for the qualified investors. So basically, you have the option of permanent residency, but you need a greater time to keep that investment.

[\(06:06\)](#):

So the second option that we have, we mentioned qualified investors, right? So the second most popular option that we have for US clients specifically is the friendly nations category. The friendly nations category was created in 2012, so it's a category that has been very consistent. And we now have, the requirements that we have is for \$200,000 either in a time deposit or a real estate property. So when you compare it to the qualified investors, it is definitely a lower amount. And it also needs to be maintained for only three years, not the five years of the qualified investors.

Kate Kalmykov [\(06:52\)](#):

So this is a personal property that someone can buy or can it also be commercial?

Albalira Montufar [\(06:58\)](#):

It can also be commercial. It can definitely be an apartment, a house, land, or a commercial property. And it can also, it can be anywhere in Panama.

Kate Kalmykov [\(07:14\)](#):

Anywhere in Panama. And for example, if someone wants to use it as their vacation home and can they rent it out when they're not there? Can they also make money off of it?

Albalira Montufar [\(07:25\)](#):

Yes. Yes, absolutely. In fact, many of our clients decide to do that because they don't have any limitation by law to live in that property. So they buy the property and then they rent it out, and that's absolutely legal.

Kate Kalmykov ([07:45](#)):

And I'm assuming, of course, that if someone comes from the friendly nation category, that probably the bulk of the applications you're seeing are going to be at that \$200,000 amount. And if people are coming from categories that are not friendly nations, then I'm still assuming the real estate option, which is at 300,000, is the most popular. At least that's what we see in other golden visa categories, including in the US where people can invest less, they tend to want to do that.

Albalira Montufar ([08:15](#)):

The friendly nations category is not only for US national, there is a list of 50 countries that Panama considers friendly and that can apply to this specific residency option. But yes, those that are not in that list, then they can opt to have this qualified investors. Or, like we see with many of our clients, they decide even when having the nationality that can apply for friendly nations, they go directly to the red carpet or the golden visa because it is a faster way to obtain permanent residency.

([08:50](#)):

And having permanent residency means having the time where you have the right to apply later on for citizenship. So it will depend on each case. Nationality is one thing that will lead you to the friendly nations category, but like I said, it will depend on the family. It will depend on when they want to apply to citizenship, if they want to, or if they want to work. We need to definitely analyze each case and then we decide which option is better.

([09:37](#)):

If the qualified investors or the friendly nations or other programs, like for instance, we have the US short-stay visa, the stay visa for US nationals would be the correct translation, which is also a residency option that is pretty new. And there, you are granted with a one-year residency, this is not permanent. This is not a way to have permanent residency, but it is a way to be in Panama for a long time because it is granted for one year, but it can be extended up to five times. So in the end, it is not a short-stay visa. Those US nationals that want to come to Panama and don't want to invest a lot of money and have the feeling of the country first can also opt for this option first.

([10:34](#)):

We have a fourth option that I wanted to mention, which is the pensioner visa. It is very popular with US nationals. And with this category, then what it is establishing the law is that the applicant must have a pension granted for a lifetime of at least \$1,000 monthly.

Kate Kalmykov ([10:58](#)):

Understood. So with any of these options, obviously we have the principal applicant and who can join them?

Albalira Montufar ([11:07](#)):

Yeah, that's very important because in other countries, you have the larger family that can apply as dependents, and in Panama, no. In Panama, you can have spouses, children under 18, which is our legal age here. And above 18, up until 25, children can apply as dependents if they're single and if they are in full-time study. So children, spouses, parents. And disabled children, they don't have an age limitation. But we don't have uncles here, for instance, or in-laws. Those don't qualify here as dependents and they will need to have their own application separately.

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Kate Kalmykov ([12:03](#)):

Understood. That's actually an amazing thing that there's no age limit for disabled children. The US, in contrast, unfortunately doesn't have anything like that. And it's such a problem sometimes when we have adult disabled children who really can't care for themselves or even if their parents invest for them, they can't go through an interview process themselves. So that's a nice thing in the law.

([12:28](#)):

So tell us a little bit about the process. Is there an interview? What kind of documents do clients need to present? What does it look like?

Albalira Montufar ([12:38](#)):

Right. Well, there is actually no interview. The interview are applied to other categories like married to a Panamanian national, that has an interview. And citizenship has an interview as well. But for these processes, this investment residency, there is no interview.

([12:58](#)):

So it's pretty straightforward. The documentation that we need to provide is a criminal record or in the case of the US nationals, the FBI record, need to be clean, and duly legalized either by [inaudible 00:13:15] or Panamanian Consulate. We need to provide the proof of investment. So it will depend on each option that we... It will depend, for instance, if it is the time deposit option, then we'll need to provide with the time deposit certificate. If it is the real estate option, we will need to provide the public deed duly registered in the Panamanian public registry. But yeah, so the documentation will need to be linked to that investment option.

([13:49](#)):

Then if we bring dependents, spouses, marriage certificate. Every person that has legal aid, as I said, 18 years or older, need to have also an FBI record or a criminal record. And children that are included in the same application then also need their birth certificate.

([14:16](#)):

Those are mainly the requirements. There are other requirements that are that more forms or a medical certificate from a Panamanian physician, which is also pretty straightforward.

Kate Kalmykov ([14:30](#)):

And that must be just checking that people are vaccinated and don't have communicable diseases, I'm assuming?

Albalira Montufar ([14:37](#)):

Well, actually, they just look that you're in good health. So not even vaccinated, but just in general good health. And if a person is in good health, that qualifies for any application and just have this certificate from a physician stating that you are in good health. So a doctor will do a general checkup and then issue the certificate.

Kate Kalmykov ([15:04](#)):

Understood. Now, once somebody obtains the Panamanian residency, what are the tax implications? Because that's a big issue for people, they want to know are they going to be taxed double and what they're already paying in their home country. What does that look like?

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Albalira Montufar ([15:21](#)):

Well, that, for us, is very relevant because that's one of the key factors that lead people to apply for residency because Panama has a territorial tax system, which means that Panama only taxes what has a Panamanian source. So everything that is of a foreign source, that is not taxed in Panama. Panama only cares for what it is generated in Panama and in Panamanian territory. So those that obtain residency and don't earn any income here, they do not pay taxes in Panama.

Kate Kalmykov ([16:06](#)):

And what about health benefits, school enrollment, things like that? I'm assuming once you get the residency, kids can enroll in school, but what does healthcare look like?

Albalira Montufar ([16:17](#)):

Having an immigration ID card and either a provisional temporary or permanent residency will allow you to be legal in the country and then engage your family in anything, including education, including schools. Panama has top private schools that are internationally recognized as well, and also has a private healthcare that is linked to international hospitals and specifically US hospitals. So yes, when living in Panama, you have definitely this quality of life or you and your family.

Kate Kalmykov ([17:06](#)):

Now, what if our clients now want to move on to the next step and get the Panamanian citizenship? So what's the process look like? And are there residency... I know there's no residency requirements to keep Panamanian residency, but what about some sort of nexus if you're applying for a passport?

Albalira Montufar ([17:27](#)):

Right. That's very important because in Panama, we have, as we say, residency by investment, we don't have citizenship by investment. So first, you need to have a permanent residency and comply with the requirements to apply for Panamanian citizenship in order to apply for the Panamanian citizenship itself.

([17:57](#)):

So basically, the Panamanian constitution is the one that provides for the different avenues to apply for citizenship. The first thing, as I said, is to have permanent residence. Temporary residency will not qualify to have this right to apply for citizenship. The general rule is to have at the least five years of permanent residency in order to be able to apply for Panamanian citizenship. So the process is not automatic. You need to first have the years and then you have the right. But you need to apply, of course, for citizenship, which is a right. You can exercise it or not. It will depend if the person will want to take that next step, as you said.

([18:57](#)):

And that process is also very straightforward. You need to, in addition to having the general terms of five years of permanent residency, you need to have knowledge of Spanish language. You need to have knowledge of geography, history, culture, Panamanian political organization to be able to apply for citizenship. You will have an interview, you will have an exam to see if you really know about this topics. But basically, having that knowledge, having ties to Panama, family ties or economic ties, those will add up into an application for Panamanian citizenship.

Kate Kalmykov ([19:57](#)):

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So let's expand on that a little bit. Say we do the three-year option under the friendly nation investment regime and we later want to get our citizenship. We may want to consider keeping our investment past the three years because there has to be some sort of economic ties, particularly if we're not physically living the bulk of the time in Panama. Is that correct?

Albalira Montufar ([20:25](#)):

Yes. Let's go back. So friendly nations specifically, and that example. Friendly nations category grants permanent residency, but in two stages. It is not immediate like the qualified investors.

([20:41](#)):

First, when approved, it is granted for a two-year provisional residency, when granted. After the two-year ID card that you will be granted, you will be able to apply for permanent residency. So with all the processing time and the second stage, you will need approximately three years and a half to have permanent residency with that category specifically. Not like the other one, qualified investors. Remember I mentioned two months. Two months compared to three years and a half is a big difference. But friendly nations, three years and a half.

([21:24](#)):

After those three years and a half, we'll start the counting for the five-year term of citizenship. After having five years, then you will be able to apply for citizenship. And when you apply then starts the processing time for citizenship. Normally and historically, it has taken approximately three years. But with the current government, things have improved a little bit and the promise is to obtain the citizenship in nine months. So we will see that in time because that just changed a couple of months ago.

Kate Kalmykov ([22:11](#)):

Understood. Excellent. Well, I think this has been incredibly informative. I think we're ready to speak to anyone interested in Panamanian residency and citizenship. And certainly, we also see a lot of retirees moving to Panama because the cost of living is cheaper, and I know that there's entire neighborhoods that are American in Panama, so it makes somewhat of the transition easier as well.

Albalira Montufar ([22:42](#)):

Absolutely. Panama has been one of the top retirement destinations for at least a decade, and we have been in the top five in those 10 years. And actually, we are in the top, the first position right now according to certain indexes. So yes, we do have towns that are full of retirees and where retirees can have a good time here. But we do have different benefits and discounts for transportation, entertainment for retirees, so yes. And like we said earlier on, the tax system also is beneficial, so it is a good place to retire, definitely.

Kate Kalmykov ([23:33](#)):

And your firm can also help anyone interested in moving to Panama, not just with the immigration, but with tax structuring and tax compliance because you're a full service. And likewise, you also assist with the real estate selections on the different types of investment properties available.

Albalira Montufar ([23:52](#)):

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Absolutely. Like we say, we're a one-stop shop. We assist our clients in all the areas of law, including tax, but also properties, trusts, company formation. And with our affiliated companies, we can also provide banking services, for instance, like the time deposit option or securities because we also have a brokerage license here, so bonds and all types of securities. We can also provide that with our affiliated companies. Real estate options, we also have a real estate brokerage firm as well as part of our affiliated companies. So yes, all the investment options, we can assist.

Kate Kalmykov ([24:47](#)):

Excellent. Well, thank you so much for joining us today.

Albalira Montufar ([24:51](#)):

You're welcome. Thanks for having me. It was a pleasure, really.