

PANAMA AND TAX TRANSPARENCY

Panama has acted to improve its tax transparency practices and to address impediments in its domestic law to robust tax information exchange.

The Government of Panama has made clear its policy is to improve its tax transparency regime both with the United States and globally and has taken a number of actions to implement such a policy:

- Panama signed a TIEA with the U.S. Treasury Department on November 30, 2010, which entered into force on April 18, 2011.
- In order to sign the TIEA with the United States, Panama also amended its domestic law:
 - Law 33, which was published in Panama's Official Gazette on June 30, 2010, empowers the government to obtain and exchange information to comply with international conventions (including TIEAs) even when such information is not of domestic tax interest.
 - Law 2 ("Know your Client"), published in the Official Gazette on February 1, 2011, addresses the practice of anonymous accounts known as "Bearer Shares" by requiring the law firms which incorporate corporations to conduct due diligence to verify the identity of the owners and to share that information with Panamanian authorities upon request.

###