



FABREGA, MOLINO & MULINO
ATTORNEYS AT LAW
PANAMA

Samuel Lewis Ave. & 53rd Street, Omega Building, Mezzanine.
P.O. BOX 0816-00744, Panama, Republic of Panama.
Tel. + 507-3016600, Fax: + 507-3016607 • fmm@fmm.com.pa - www.fmm.com.pa

IMPORTANCE NOTICE:

The Panama Fiscal Code has been modified

Please take into account that as of September 18, 2009 a new tax law goes into effect. "Law 49, September 17, 2009", states that a new tax of 5% has to be charged to all international clients. This tax has always been charged in Panama but only to local clients.

This tax is similar to other service taxes in other countries and had not been charged until now because in terms of the law, foreign clients were exempt.

The new law's argument to charge this tax to offshore clients, independently of their location, is that the service is rendered by an attorney working from Panama, and the services needed to produce the corporation is done locally.

This tax also includes other services like "Resident Agent", because the service is rendered to a Panamanian corporation.

Therefore, starting immediately, we will have to include this 5% tax in all of our invoices

If you have any question please do not hesitate to contact us.