

Panamanian legal persons must have Accounting Records

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With the entry into force of Law Number 52 of 2016 in Panama, starting on January 1 of 2017, the legal persons (business companies and private interest foundations) who do not carry out transactions that are perfected, consummated or that take effect in Panama are obliged to keep their accounting records and supporting documentation at the offices of their resident agent.

Considerations:

1. The accounting records and supporting documentation must be kept at least for 5 years, starting on the last day of the calendar year in which the operations were completed.
2. If the accounting records and supporting documentation are kept in a place different from the offices of the registered agent, the legal persons must provide to the latter in writing: 1. The street address where they are kept; and 2. The name and data of the person who keeps them in custody.
3. The legal person who keeps the accounting records and supporting documentation outside of Panama is required to provide them to the resident agent, with the prior request by the competent authority, within 15 days following the notification of such request to the resident agent.
 - a. If the legal person does not provide them, the resident agent will be obliged to resign as such. The Public Registry of Panama will not register a new resident agent until the competent authority has communicated to it that the legal person has remedied the causes that gave rise to the penalty.
4. The legal persons who do not fulfill the previously mentioned obligations will be penalized with:
 - a. A fine of one thousand Balboas.
 - b. A fine of one hundred Balboas per each day that elapses without the cause that gave rise to the breach being remedied.

For additional information, you may contact

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Law Number 52 of 2016 was adopted on October 27 of 2016. You may consult its text in this link, pages 16 to 22.

The accounting records include data that clearly and precisely indicate the commercial operations of the legal persons, their assets, liabilities and estate and which allow to determine their financial situation and to prepare financial statements.

The supporting documentation includes the contracts, invoices, receipts or any other documentation necessary to substantiate the operations made by a legal person.