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LEGAL CONSULTANTS - REAL ESTATE CONSULTANTS

HOW TO OPEN A BANK ACCOUNT IN PANAMA HANDBOOK



OPENING A BANK ACCOUNT IN PANAMA

All banks in Panama offer savings and checking accounts (checkbook), as well as time deposits (CD), ATM (*tarjeta clave*), debit and credit cards, and many offer full online banking. There are currently 78 banks operating in Panama, 29 with international license. The government owns two banks (*Banco Nacional* and *Caja de Ahorros*) which make it easier for locals to obtain bank products, but generally impose extensive requirements on foreigners.

The leading banks in Panama with their respective ratings are (as of 2021), *in alphabetical order*:

- BAC International (BB+ / July 2021)¹
- Banco General (BBB- / May 2021)²
- Banesco (Panama) (A- / April 2021)³
- Banistmo (BB+ / July 2021)⁴
- Capital Bank (A- / December 2020)⁵
- Credicorp Bank (BB+ / February 2021)⁶
- Global Bank (BB+ / February 2021)⁷
- Multibank, Inc. (BB+ / July 2021)⁸

Each bank has its own (internal) regulations regarding the opening of bank accounts for foreigners in Panama. Many banks only accept foreign clients if they already have a (permanent) residence permit in Panama. Other banks approve the opening of an

¹ FitchRatings <https://www.fitchratings.com>

² FitchRatings <https://www.fitchratings.com>

³ FitchRatings <https://www.fitchratings.com>

⁴ FitchRatings <https://www.fitchratings.com>

⁵ Moody's <https://www.capitalbank.com.pa/portfolio-items/https-www-capitalbank-com-pa-wp-content-uploads-2021-07-para-pestana-2020-1-1-jpg/>

⁶ FitchRatings <https://www.fitchratings.com>

⁷ FitchRatings <https://www.fitchratings.com>

⁸ FitchRatings <https://www.fitchratings.com>

account within the framework of the application for a residence permit (*generally, this must be certified by a lawyer*).

Generally speaking, we advise our clients to prepare the following documents for a fast and easy bank account opening process in Panama:

a) **Bank Reference Letter:** At least one (1), preferably two (2) bank reference letters from two different banks in the country of origin or country of permanent residence.

The bank reference letter must contain the following important information:

A. Duration of the business relationship (preferably 3 years or longer).

B. That the business relationship has always been satisfactory.

C. Direct contact details (name, telephone number, address, e-mail, fax, etc.) of the responsible person in charge of the bank (The Panamanian bank wants to verify the information provided).

D. The original signature of the employee of the bank issuing the bank reference letter. Letters signed with an electronic signature are most of the times not accepted by the bank in Panama.

E. The bank reference letter must be written in English or Spanish, otherwise the document must be translated in advance by a licensed translator in Panama.

b) Proof of Income: Due to the legal regulations in Panama, the bank is obligated to determine the source of income of the client. The bank must ensure that the funds that will be deposited in the bank account in the future derived from legal sources. If the bank registers irregularities in the account movements, transfers may be cancelled, the account will be blocked and a report will be made to the UAF (*Unidad de Análisis Financiero* - hence the state authority for financial analysis).

Proof of income can usually be provided by means of the following documents:

A. The last two income tax returns **OR**

B. The three (3) most recent pay slips along with a certificate of employment issued by the employer or the employment contract (the document must include information such as the amount of the monthly salary, position, and length of employment).

Due to Panamanian law, wire transactions over US\$10,000 must be approved and authorized in advance by the bank. *This means that in addition to your monthly income, you must provide the bank with a proof of origin of the funds being invested in the time deposit. For example, a certificate of inheritance, real estate sales contract, certificate from your bank confirming the closure of a previous savings accounts, etc.*

c) Passport and second identification document (driving license or identity card).

d) Commercial reference letter, and in some cases a **certificate issued by a licensed attorney in Panama** that the client is opening the account for immigration purposes (foreigners without residence permit in Panama).

e) Proof of domicile in Panama: Electricity bill or water bill in the name of the main applicant or (notarized) lease agreement. (Lease term at least one year). *Not required at all banks.*

INFORMATION ABOUT CD INVESTMENT OPPORTUNITIES IN PANAMA

On the internet you will find information about interest rates of 5 to 6% at Panamanian banks, but are these figures realistic and feasible? In fact there are promotions of investment opportunities of up to 7% in Panama, but the trustworthiness of those offers is questionable. *If an offer sounds too good to be true, it usually is.* This rule also applies for Panama.

We work exclusively with reputable banks in Panama, which also have a good international rating. *For example, a time deposit of 200,000US\$ with a term of three (3) years and monthly payment of interests you can expect an interest rate of 3%. If the term is longer (up to 5 years) or the interest is paid annually (or at the end of the term), the interest rate will also increase.*

BANKS LETTER HEAD

Bank XY International
21 Venice Street
4th Floor
PO Box 364
Rome, Italy

Telephone: +011 2345/6789

Fax: +011 2345/6789

Email: international@bankxy.com

Website: www.bankxy.com

To:

BANK NAME

Panama, Republic of Panama

March 6th, 2014

Bank Reference - *Person's Name*

At the request of our client, Mr./ Mrs. ***PERSON'S NAME*** holder of Passport No.*** with birth date ***, we are pleased to state that he/she has been client of this Bank since *Date When Account was opened* (must be more than a year). The current average balance in the account(s) as of March 6th, 2014 varies from low four-figures to low six-figure range.

Furthermore, we confirm that the account(s) held by the subject have been conducted properly up to our satisfaction.

We give the foregoing information without any responsibility on the part of the Bank or any of its officers.

Yours faithfully,

Name and signature Banker
Bank XY International

SAMPLE: BANK REFERENCE LETTER

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