

## How to open a USD Personal Bank Account in Panama?

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 residence permit in Panama.

Other banks approve the opening of an account within the framework of the application for a residence permit (as for example under the "Friendly Nations" program).

Generally speaking, we advise our clients to bring the following documents from Europe/ USA for a smooth bank account opening process in Panama:

**1. 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 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 (in case of queries by the Panamanian bank).
- D. The original signature of the employee of the bank issuing the bank reference. Reference letters signed with an electronic signature are most of the times not accepted by the bank in Panama.
- E. The bank reference must be written in English or Spanish, otherwise the document must be translated in advance by a licensed translator in Panama.

**2. 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 derive 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.
- B. Three (3) current salary statements from the employer, together with a certificate of employment (this must contain information such as the amount of monthly salary, position and duration of employment), issued by the employer.

**3. Passport and second identification document (driving licence or identity card).**

**FREQUENTLY ASKED QUESTIONS**

**#1 What happens after opening a bank account in Panama? Can I also apply for online banking?**

As soon as the bank account in Panama is opened, the first deposit is usually made in cash. The minimum amount depends on the respective bank. Afterwards, access to online banking, ATM card ("Tarjeta Clave") etc. can be applied for.

**#2 Can I make international wire transfers to my new account?**

International bank transfers from Europe/USA are possible without any problems and, according to our experience, take about two to three bank working days. Due to Panamanian Law, transfers to Panama higher than USD \$10,000 must be pre-approved and authorized by the bank in advance.

**#3 Do I need to travel to Panama in order to open a bank account?**

Yes, the personal interview with the future client is one of the main (legal) requirements in order to open a Panamanian bank account.

Therefore a personal visit to Panama is mandatory to complete the bank account opening procedure.

#### **#4 What else has to be considered?**

Finally, an important note regarding the import of funds to Panama. Outside of Panama City there are only a few banks that exchange Euros for US dollars. Large Euro notes (500 EUR) are usually not accepted. We therefore recommend our clients to exchange any funds into US dollars already in the country of origin.

**Please observe the customs regulations when importing cash into Panama.** Generally, the import of US\$ 10,000 and more per group of persons (=family) must be declared accordingly to the Panamanian Customs Authority.

In general we advise our clients not to travel to or in Panama with large amounts of cash. The general security precautions and risks when traveling abroad with cash apply: Anyone who carries recognizably larger amounts of cash with them is in danger of falling victim to a crime.

For these reasons, especially during longer stays in Panama, cash should not be the only means of payment. Many banks in Europe/USA now offer inexpensive travel credit cards (some without foreign fees), and multi-currency accounts are also a good way to transfer or withdraw funds.