

EXPATRIATES

Panama

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

Panama follows a territorial income tax system. Therefore, when an individual is transferred to a foreign affiliate's payroll, the employee to be taxed in Panama.

BREAKING RESIDENCY - EXIT PROCEDURES

Does not apply in the Republic of Panama.

INCOME TAX RATES IN 2022

Tax Rate	
If net taxable income is:	Tax will be:
Up to US\$ 11,000	0.00
From US\$11,000 to US\$ 50,000	15% over the excess of US\$ 11,000 up to US\$ 50,000
Over US\$ 50,000	US\$ 5,850 for the first US\$ 50,000 and 25% over the excess

SOCIAL SECURITY CONTRIBUTIONS

The individual and the company are both no longer responsible for the Social Security Contributions, neither Educational Tax, once the individual is transferred to a foreign affiliate to complete an assignment.

For further information and to register for future updates contact expat@bdo.global

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