



LAW No. 25 of June 12, 1995

On Private Foundations

including amendments to Articles 5, 11 and 27, in accordance with
Law 131 of December 2013, Law 32 of August 2006 and Law 6 of February 2005

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**LAW No. 25 OF 12th JUNE, 1995
ON PRIVATE FOUNDATIONS**

including amendments to Articles 11 and 27, in accordance with
Law 32 of August 2006 and Law 6 of February 2005

“Whereby Private Foundations are Regulated”

THE LEGISLATIVE ASSEMBLY

DECREES:

ARTICLE 1. A Private Foundation may be created in accordance with the formalities prescribed in this law by one or more natural or juridical persons, either personally or through third parties. For this purpose an endowment shall be established, to be used exclusively towards the objectives or purposes expressly provided for in the Foundation Charter. The initial endowment may be increased by the creator of the foundation, who shall hereinafter be known as the founder, or by any other person.

ARTICLE 2. Private Foundations shall be governed by their Foundation Charter and its Regulations as well as by the provisions of this law and any other applicable legal or regulatory provisions. The provisions of Title II, Book I of the Civil Code shall not apply to these foundations.

ARTICLE 3. Private Foundations shall not be profit oriented. They may nevertheless engage in commercial activities on a non-habitual basis or exercise rights deriving from titles representing the capital of business companies held as part of a foundation's assets, provided that the economic result or proceeds from such activities are used exclusively towards the foundation's objectives.

ARTICLE 4. Private Foundations may be constituted to become effective from the time of their creation or upon the death of their founder, following either of the following methods:

1. By means of a private document signed by the founder, whose signature shall be authenticated by a Notary Public at the place of constitution.
2. Directly before a Notary Public at the place of constitution.

Whichever may be the constitution method, the formalities prescribed in this law for the creation of foundations shall be complied with.

In the event a foundation is created, be this by public or private document, in order to take effect after the death of the founder, the formalities prescribed for making a will shall not be required therefore.

ARTICLE 5. A Foundation Charter shall contain:

1. The name of the foundation, in any language using the Latin alphabet, which name shall not be the same or similar to that of a pre-existing foundation of the Republic of Panama so as not to lend itself to confusion. The name shall include the word "foundation" in order to distinguish it from natural persons or from different types of juridical persons.

2. The foundation's initial patrimony, expressed in any currency being legal tender, which in no case shall be less than a sum equivalent to \$10,000.00.
3. A complete and clear designation of the member or members of the Foundation Council, to which the founder may belong, including their addresses.
4. The foundation's domicile.
5. The name and address of the foundation's resident agent in the Republic of Panama, who shall be a lawyer or a law firm, who shall countersign the Foundation Charter prior to its registration at the Public Registry.
6. The purposes of the foundation;
7. The manner in which the beneficiaries of the foundation, who may include the founder, are designated.
8. The reservation of the right to modify the Foundation Charter where considered expedient.
9. The duration of the foundation.
10. The use to be made of the foundation's assets and the manner in which its estate is to be liquidated in the event of dissolution.
11. Any other lawful clauses deemed expedient by the founder.

The founder may assign or delegate the exercise of his powers and rights to any third party in the foundation charter or in any amendments thereof.

ARTICLE 6. The Foundation Charter, as well as any amendment thereto, shall be written in any language that uses the Latin alphabet and shall comply with the regulations relating to the registration of acts and titles at the Public Registry, for which purpose it must first be protocolised at a Notary Public's office in the Republic of Panama. If a Foundation Charter or its amendments are not written in Spanish, same shall be protocolised together with its Spanish translation made by a certified public translator of the Republic of Panama.

ARTICLE 7. Any amendments to the Foundation Charter, where they are permitted, shall be made and signed in accordance with its provisions. The respective amendment agreement, resolution or modification document shall include the date on which it was made and the clearly identifiable name(s) of the person(s) signing it and his/her (their) signature(s) which shall be authenticated by a Notary Public of the place of signature.

ARTICLE 8. Every Private Foundation shall pay a registration fee and a single annual registration tax equivalent to those established for corporations in Articles 318 and 318A of the Fiscal Code.

The procedure and form of payment, surcharge for late payment, consequences of non-payment and all other provisions complementary to the aforementioned legal provisions shall apply to Private Foundations.

ARTICLE 9. The registration of the Foundation Charter of a Private Foundation at the Public Registry shall confer upon it juridical personality without the need for any other legal or administrative

authorization. Registration at the Public Registry shall in addition constitute a means of publicity with regard to third parties.

Consequently, a foundation may acquire and own assets of all kinds, incur obligations and be a party to administrative and judicial processes of all kinds, in accordance with any applicable provisions.

ARTICLE 10. Once a foundation has acquired juridical personality, the founder or third parties who have undertaken to contribute assets to the foundation, of their own accord or at the request of any person having an interest in the foundation, shall formalize the transfer of the assets they pledged. When the foundation has been constituted to take effect upon the death of the founder, it shall be deemed to have existed prior to the founder's death with respect to the donations which he may have made to the foundation.

ARTICLE 11. For all legal purposes, the assets of a foundation shall constitute an estate separate from the founder's personal assets. Therefore, they may not be seized, attached, or be subject to any lawsuits or precautionary seizures, save for obligations incurred or damages caused by virtue of the fulfillment of the purposes and objectives of the foundation or on the basis of legitimate rights of the foundation's beneficiaries. In no case shall such assets be used to respond for the personal obligations of the founder or of the beneficiaries.

The Foundation Council of a Private Foundation may approve the constitution of pledges or mortgages over the foundation assets, whether to secure the Foundation's own obligations or those of third parties, provided that the founder does not expressly forbid it in the Foundation Charter.

ARTICLE 12. Foundations shall be irrevocable save in the following cases:

- a) where the Foundation Charter has not been registered at the Public Registry;
- b) where the Foundation Charter expressly provides otherwise;
- c) For any of the causes of revocation of donations.

Transfers made to foundations shall be irrevocable on the part of the transferor, except if expressly otherwise provided in the transfer deed.

ARTICLE 13. In addition to the provisions of the foregoing article, whenever a foundation has been created so as to take effect upon the founder's death, he shall have the exclusive and unlimited right to revoke it.

The founder's heirs shall have no right to revoke the creation of or transfers to a foundation, even in the event that such foundation has not been registered at the Public Registry prior to the founder's death.

ARTICLE 14. The existence of any legal provisions concerning inheritance matters at the founder's or the beneficiaries' domicile shall not be opposable to the foundation, nor shall such provisions affect the validity of the foundation or prevent the attainment of its purposes in the manner provided in the Foundation Charter or its regulations.

ARTICLE 15. The creditors of the founder or of a third party shall have the right to contest the contribution or transfer of assets to a foundation where such transfer constitutes an act to defraud

creditors. The rights and right to sue of said creditors shall lapse three (3) years from the date of the contribution or transfer of assets to the foundation.

ARTICLE 16. The assets of a foundation may originate from any lawful business and may consist of property of any nature, present or future. Other sums of money or property may also be periodically incorporated into the assets by the founder or by third parties. The transfer of property to the foundation's assets may be effected by public or private document. Nevertheless, in the case of immovable property, the transfer shall comply with the rules relating thereto.

ARTICLE 17. The foundation shall have a Foundation Council whose powers or responsibilities shall be established in the Foundation Charter or its regulations. Unless the Council is a juridical person, the number of members in the Foundation Council shall be not less than three (3).

ARTICLE 18. The Foundation Council shall be entrusted with the fulfillment the Foundation's aims or purposes. Unless otherwise provided in the Foundation Charter or its regulations, the Foundation Council shall have the following general obligations and duties:

1. To manage the assets of the Foundation in accordance with the Foundation Charter or its regulations.
2. To carry out those acts, contracts or business as may be expedient or necessary to fulfill the purpose of the foundation and to include in such contracts, agreements and other instruments or obligations, such clauses and conditions as are necessary and expedient, being consistent with the foundation's purposes and not contrary to law, morality, good manners or public order.
3. To inform the beneficiaries of the foundation about its economic situation as provided by the Foundation Charter or its regulations.
4. To hand over to the beneficiaries of the foundation the assets or resources settled in their favor in the Foundation Charter or its regulations.
5. To carry out those acts or contracts which the foundation, according to this law and other applicable legal or regulatory provisions, may be permitted to carry out.

ARTICLE 19. The Foundation Charter or its regulations may provide that the members of the Foundation Council may only exercise their powers after obtaining prior authorization from a Protector, a committee or any other supervisory body appointed by the founder or by the majority of the founders. The members of the Foundation Council shall not be held liable for any loss or deterioration of the foundation's assets, nor for any damages caused where the aforesaid authorization had been duly obtained.

ARTICLE 20. Unless otherwise provided in the Foundation Charter or its regulations, the Foundation Council shall render accounts of its administration to the beneficiaries and, where applicable, to the supervisory body. If the Foundation Charter or its regulations contain no provision in this regard, the rendering of accounts must be done annually. If no objections to the account rendered are raised within the term established in the Foundation Charter or its regulations, or if such term were not specified, the accounts rendered shall be deemed to have been approved ninety (90) days from the date these were received, for which purpose a record of this term shall be entered in the accounts. Upon either the end of said term or approval of the accounts, the members of the Foundation Council shall be exempt from

liability for their administration, unless they had failed to act with the diligence of a *bonus paterfamilias*. Such approval shall not exempt them *vis-à-vis* the beneficiaries or third parties having an interest in the foundation with regard to any damages caused by gross negligence or fraud in the administration of the foundation.

ARTICLE 21. The founder may reserve in the Foundation Charter, for himself or for other persons, the right to remove the members of the Foundation Council as well as to appoint or add new members.

ARTICLE 22. Where the Foundation Charter and the regulations do not contain provisions regarding the right to remove and the causes for removal of the members of the Foundation Council, said members may be judicially removed, by means of summary proceedings, for the following causes:

1. Whenever their interests are incompatible with the interests of the beneficiaries or of the founder.
2. If they managed the foundation's assets without the due diligence of a *bonus paterfamilias*.
3. If they were convicted of any offense against private property or public faith. In such a case, whilst criminal proceedings are taking place, the prosecuted member may be temporarily suspended from office.
4. Due to the inability or impossibility of fulfilling the objectives of the foundation, from the time such causes arise.
5. Due to insolvency, bankruptcy or creditors meeting proceedings.

ARTICLE 23. The judicial removal of the members of the Foundation Council may be requested by the founder and the beneficiary or beneficiaries. If the beneficiaries were disabled or minors, they may be represented by whoever exercises *patria potestas* or legal guardianship over them, as the case may be.

The judgment decreeing the removal shall appoint new members in replacement of the former members who shall be persons with sufficient capability, qualifications and sound moral standing to manage the foundation's assets in accordance with the purposes established by the founder.

ARTICLE 24. The Foundation Charter or its regulations may provide for the creation of supervisory bodies that may be constituted by natural or juridical persons, such as auditors, Foundation Protectors or the like.

The roles of such supervisory bodies shall be established in the Foundation Charter or its Regulations and may include, *inter alia*, the following:

1. To ensure fulfillment of the foundation's purposes by the Foundation Council and to protect the rights and interest of the beneficiaries.
2. To demand the rendering of account by the Foundation Council.
3. To modify the purposes and objectives of the foundation where their fulfillment becomes impossible or burdensome.

4. To appoint new members to the Foundation Council because of a temporary or permanent absence or the expiration of the period for which they were appointed.
5. To appoint new members to the Foundation Council in the event of the temporary or accidental absence of any of them.
6. To increase the number of members of the Foundation Council.
7. To endorse actions taken by the Foundation Council pursuant to the Foundation Charter or its regulations.
8. To safeguard the foundation's assets and to ensure that said assets are used for the objectives or purposes stated in the Foundation Charter.
9. To exclude beneficiaries from the foundation and to add other beneficiaries in accordance with the provisions of the Foundation Charter or its Regulations.

ARTICLE 25. A foundation shall be dissolved upon:

1. The advent of the date on which such foundation should terminate in accordance with its Foundation Charter.
2. The achievement of the purposes for which it was created or because their fulfillment becomes impossible.
3. Its insolvency, cessation of payments or upon adjudication of bankruptcy.
4. The loss or total extinction of the foundation's assets.
5. Its revocation.
6. Any other cause established in the Foundation Charter or in this law.

ARTICLE 26. Any beneficiary of a foundation may object to those acts of the foundation that violate the rights conferred upon him or her by the foundation, denouncing said circumstance to the Protector or to other supervisory bodies, if any, or, lacking same, by directly instituting the corresponding judicial action before the appropriate court in the foundation's domicile.

ARTICLE 27. The acts of creation, modification or extinction of a foundation as well as acts of transfer, transmittal or encumbrance of the foundation's assets and the income arising therefrom or any other act in connection therewith, shall be exempt from all taxes, contributions, rates, liens or imposts of any kind or description, provided that said assets consist of:

1. Assets located abroad;
2. Money deposited by natural or juridical persons whose income does not arise from a source in Panama or is not taxable in Panama for any reason;

3. Shares or securities of any kind, issued by companies whose income does not arise from a source in Panama, or where their income is not taxable for any reason, even though such shares or securities may be deposited in the Republic of Panama.

ARTICLE 28. Foundations constituted in accordance with a foreign law may submit to the provisions of this law.

ARTICLE 29. The foundations referred to in the preceding article that elect to become subject to the provisions of this law shall submit a Certificate of Continuation issued by the pertinent body according to their internal organization which shall contain:

1. The name of the foundation and the date of its constitution.
2. The data relating to its recording or deposit at the registry of its country of origin.
3. The express declaration of its wish to continue its legal existence as a Panamanian foundation.
4. The requirements set forth in Article 5 of this law for the constitution of Private Foundations.

ARTICLE 30. The certification containing the Resolution of Continuation and the other requirements mentioned in the preceding article shall have the following documents attached to it:

1. A copy of the original Act of Constitution of the foundation desiring to continue in Panama, together with any subsequent amendments;
2. Power of attorney in favor of a Panamanian lawyer to carry out the formalities required to carry out the continuation of the foundation in Panama.

The Certificate of Continuation, together with the attached documents referred to in this law, shall be duly protocolised and registered at the Public Registry in order for the foundation to continue its legal existence as a Private Foundation of the Republic of Panama.

ARTICLE 31. In the cases envisaged in Article 28, the responsibilities, duties and rights of the foundation acquired prior to the change of domicile or governing law shall continue in effect, as will any lawsuits that may have been brought against or by the foundation, without prejudice to such rights and obligations due to the change authorized by the aforementioned legal provisions.

ARTICLE 32. Foundations constituted in accordance with this law as well as the assets that constitute their patrimony, may be transferred or become subject to the laws and jurisdiction of another country as may be provided in the Foundation Charter or its Regulations.

ARTICLE 33. Registrations relating to Private Foundations shall be made at the Public Registry in a special section to be known as the "Private Foundations Section." The Executive Branch, acting through the Ministry of Government and Justice, shall issue the regulations applicable to said section.

ARTICLE 34. To avoid the undue use of Private Foundations, all the provisions of Executive Decree No. 468 of 1994 and any other legal provisions in force aimed at combating money laundering arising from drug trafficking shall be applied to their operation.

ARTICLE 35. Members of the Foundation Council and of the supervisory bodies, if any, as well as public servants or private sector employees who have knowledge of the activities, transactions or operations of foundations shall maintain secrecy and confidentiality regarding these at all times. Breach of this obligation shall be punishable by six (6) months imprisonment and a B/.50,000.00 fine, without prejudice to the corresponding civil liability.

The provisions of this Article are applicable without prejudice to the information that must be disclosed to official authorities and the inspections the latter must carry out in the manner established by the law.

ARTICLE 36. Any dispute for which no special process is specified in this law shall be resolved by means of a summary process.

The Foundation Charter or its regulations may establish that any dispute arising with regard to the foundation shall be resolved by arbiters or arbitrators, as well as the procedure to be followed. If no such procedure has been established, the rules of the Judicial Code on this matter shall apply.

ARTICLE 37. This Act shall enter into effect upon its publication.

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(Of 8 August 1995)**

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MINISTRY OF GOVERNMENT AND JUSTICE
EXECUTIVE DECREE N° 417
(Of 8 August 1995)

“Whereby the Private Foundations Section is created within the General Directorate of the Public Registry, and regulations are established for the registration of the constitution, modification and extinction of said foundations.”

THE PRESIDENT OF THE REPUBLIC

In the exercise of his constitutional and legal powers,

W H E R E A S

The Public Registry has among its purposes to certify the authenticity of all matters pertaining to the constitution, modification or extinction of juridical persons.

By virtue of the foregoing, Article 33 of Law No. 25 of 12 June 1995, whereby Private Foundations are regulated, sets forth that in the Public Registry there shall be registered all matters relating to this new juridical institution.

The said Law expressly provides for the creation of a new Private Foundations Section within the organizational structure of the Public Registry, which shall be responsible for the registration of all matters relating to the constitution, modification and extinction of said foundations.

D E C R E E S

CHAPTER I
ON THE PRIVATE FOUNDATIONS SECTION

ARTICLE 1: The Private Foundations Section is hereby created, which shall be in charge of the evaluation and registration of the documents concerning the constitution, modification and extinction of Private Foundations regulated by Law No. 25 of 12 June 1995.

The appointment of the staff assigned to the Private Foundations Section of the Public Registry shall fall on the Director General of the institution.

The staff of the Private Foundations Section shall have the same duties and responsibilities currently ascribed to officials of the Public Registry.

CHAPTER II
ON THE REQUIREMENTS SUBJECT TO EVALUATION

ARTICLE 2: All documents containing the constitution of or any modification to a Private Foundation shall be protocolized at a Notary Public's office in the Republic of Panama prior to being submitted to the Public Registry for registration.

ARTICLE 3: The instrument of constitution shall include a Foundation Charter containing at least the following:

1. The name of the foundation, in any language using the Latin alphabet, which name shall not be the same or similar to that of a pre-existing foundation of the Republic of Panama so as not to lend itself to confusion. The name shall include the word "foundation," in order to distinguish it from natural persons or from different types of juridical persons.
2. The foundation's initial patrimony, expressed in any currency being legal tender, which in no case shall be less than a sum equivalent to \$10,000.00.
3. A complete and clear designation of the member or members of the Foundation Council, to which the founder may belong, including their addresses.
4. The foundation's domicile.
5. The name and address of the foundation's resident agent in the Republic of Panama, who shall be a lawyer or a law firm, who shall countersign the Foundation Charter prior to its registration at the Public Registry.
6. The purposes of the foundation.
7. The manner in which the beneficiaries of the foundation, who may include the founder, are designated.
8. The reservation of the right to modify the Foundation Charter where considered expedient.
9. The duration of the foundation.
10. The use to be made of the foundation's assets, and the manner in which its estate is to be liquidated in the event of dissolution.
11. Any other lawful clauses deemed expedient by the founder.

ARTICLE 4: The agreements, resolutions, or acts to modify the Foundation Charter shall be executed and signed in the manner set forth therein. In any event, the modification shall contain the date on which it was made, the clearly identifiable name of the person or persons who sign it and their signatures, which shall be authenticated by a notary public of the place where the agreement, resolution or act to amend is signed.

ARTICLE 5: Except as otherwise provided for by the Foundation Charter, all the acts or resolutions agreed to by the Private Foundation which need to be registered at the Public Registry shall be protocolized in one of the following forms:

- A. When the act or resolution has been done or adopted at a meeting of the Foundation Council, the following shall be protocolized:
 - a. The original or a true and full copy of the minutes or resolution, certified by the person who acted as Secretary or as Chairman of the meeting; or

- b. A literal extract of the minutes, or certification of the resolutions or agreements adopted, whose registration is desired.

The original minutes or a copy thereof, as well as the extract referred to in this article, shall contain at least the following:

- (i) Date on which the meeting was held or on which the resolution was adopted;
- (ii) Name of the person who acted as Chairman and of the person who acted as Secretary of the meeting; if they are not members of the Foundation Council, a statement that justifies their acting as such;
- (iii) The names of all the members of the Foundation Council present at the meeting, which shall constitute a quorum for the purpose of holding meetings and reaching agreements, as provided in the Foundation Charter;
- (iv) The way in which notice of the meeting was given, or justification for not giving notice, either because notice was waived by those entitled to receive it, or because all Council members were present and had agreed to hold the meeting, or had decided to issue the respective resolution.

- B. When the act or resolution has been adopted in writing without a meeting of the Foundation Council, or same has been adopted by the founder, there shall be submitted the original or a true and full copy of the act or resolution, or, failing this, a literal extract of that part of the act, resolution or agreement adopted whose registration is required, signed by the person(s) who were involved, and, in addition, shall contain the following:

- a. The date on which the act, resolution or agreement was adopted;
- b. The name of the person or persons who were involved in the adoption of same.

The documents referred to in this article shall be protocolized and submitted for registration by the founder, by a member of the Foundation Council, by the registered Resident Agent or by any other person duly authorized to do so at the respective meeting or in the resolution.

- C. In cases of acts, resolutions or agreements of the Foundation Council, when the latter is made up of a single juridical person, as provided by Article 17 of the Law, the respective resolution shall be accompanied by a certification or satisfactory evidence accrediting the signer's right to represent the juridical person.

If the mentioned documentation were protocolized and submitted for registration by the Foundation's registered Resident Agent, it shall be sufficient for the latter to state for the record that the signer is legally authorized to sign the document on behalf of the company.

All of the acts described in this regulation shall be countersigned by a lawyer who is licensed to practise in the Republic of Panama prior to their protocolization.

ARTICLE 6: The foundations constituted in accordance with a foreign Law that wish to continue their legal existence as a Private Foundation under the jurisdiction of the Republic of Panama shall submit the following documentation for protocolization and registration at the Public Registry, to wit:

- A. Certificate of Continuation issued by the body that, according to its internal organisation, should do so, which certificate shall contain:
 - a. The name of the Foundation and the date of constitution;
 - b. The data regarding its registration or official recording at the Registry of the country of origin;
 - c. The express declaration of its wish to continue its legal existence as a Private Foundation under Panamanian law;
 - d. The other requirements stated in Article 5 of Law No. 25 of 12 June 1995 for the constitution of Private Foundations.

Together with the certification containing the resolution of continuation and the other requirements mentioned in the preceding paragraph, the following documents shall also be protocolized and registered:

- 1. Copy of the original Foundation Charter of the Foundation that wishes to continue in Panama, together with any subsequent amendments thereto.
- 2. Power of attorney granted to a Panamanian lawyer for the purpose of fulfilling the necessary formalities required to effect the continuation of the foreign Foundation in Panama.

If the certificate of continuation, or any of the other documents or requirements which must accompany same, are not written in the Spanish language, they shall be protocolized together with the translation of same done by a licensed public translator of the Republic of Panama.

ARTICLE 7: The registration of the documents wherein the legal existence of a foreign Foundation is continued, pursuant to Article 28 et seq. of Law No. 25 of 12 June 1995, shall be subject to the same registration fees established in this Decree as are caused by the registration of the constitution of a Private Foundation.

CHAPTER III ON REGISTRATION PROCEDURES

ARTICLE 8: The registration of the documents containing the Foundation Charter, as well as the modifications thereto, and the extinction of Private Foundations shall take place in the respective Section of the Public Registry. Said registration shall be done through the system of direct microfilming of the documents, or by any other registration system adopted by the Public Registry in the future. In any case, there shall be applied the same procedure contemplated in Decree No. 93 of 22 June 1976, relating to the use of the microfilm system in the Mercantile Section of the Public Registry.

ARTICLE 9: Once the document has been evaluated in accordance with the legal provisions in force and with the provisions of this Decree, the Head of the Private Foundations Section shall order the registration of said document by means of a seal, duly signed, and shall send the document to the Microfilming Section for same to be microfilmed.

ARTICLE 10: For the registration of documents effecting the transfer of or establishing a lien over immovable property belonging to Private Foundations that is situated in the national territory, there shall be followed the same procedure contemplated in Decree No. 62 of 10 June 1980, relating to the registration of documents in the Property Section, as well as the procedure stated in Decree No. 93 of 22 July 1976, regarding the registration of documents in the Mortgages Section of the Public Registry.

CHAPTER IV ON REGISTRATION FEES

ARTICLE 11: The registration of the documents whereby a Private Foundation is constituted shall be subject to the same registration fees as the registration of the constitution of a mercantile company in the Public Registry, in accordance with Article 318 of the Fiscal Code, to wit:

CAPITAL	FEES
a) The first US\$10,000.00	US\$50.00
b) From US\$10,001 to US\$100,000.00	US\$50.00 for the first US\$10,000.00, and US\$0.75 for each additional US\$1,000.00 or fraction thereof up to US\$100,000.00.
c) From US\$100,001 to US\$1,000,000.00	US\$117.50 for the first US\$100,000.00, and US\$0.50 for each additional US\$1,000.00 or fraction thereof additional to US\$100,000.00.
d) More than US\$1,000,000.00	US\$567.50 for the first million, and US\$0.10 for each US\$1,000.00 or fraction thereof additional to the first million.

The same fees mentioned in paragraphs a), b) and c) shall be caused by the documents by means of which the endowment (Capital) of the Foundation is increased. In this case, fees shall only be paid in respect of the increase.

The documents by means of which the Private Foundation is modified or dissolved shall cause registration fees in the amount of US\$40.00.

ARTICLE 12: As set forth in Article 314 of the Fiscal Code, the registration of the documents effecting the transfer of immovable property situated within the national territory that belongs to or benefits Private Foundations shall cause the following registration fees:

- a) US\$0.40 for each US\$100.00 or fraction thereof of the value of the acts or contracts whereby ownership of immovable property is constituted or conveyed, provided that said value does not exceed US\$1,000.00. Those that exceed US\$1,000.00 shall cause, for the first thousand, US\$4.00 in fees and, in addition, US\$2.00 for each additional US\$1,000.00 or fraction thereof.

The rates mentioned in this subsection shall be applied to the immovable property's assessed value, if the value expressed in the document is less than the assessed value. To this end, the document shall be submitted to the Public Registry, accompanied by a certificate issued by the competent official declaring the assessed value of the immovable property. If said value is not recorded in the Land Valuation Department, it shall be caused to be assessed and recorded therein, so that it may be possible to comply with the provisions of this subsection.

- b) US\$0.10 for each US\$100.00 or fraction thereof of the value of lease contracts over immovable property, said fees being calculated over the rent expressed in the document for the term of the contract, and if not so expressed, over one year's rent;
- c) US\$1.00 for each parcel of land subject to an easement;
- d) US\$2.00 for the acts or contracts wherein the antichresis is constituted, modified or extinguished, if it be accessory to the act or contract of mortgage;

When the act or contract of antichresis is not accessory to the mortgage contract, the registration fees shall be the same as those stated in the preceding article;

- e) US\$2.00 for the aggregation of parcels of land and for each one of the new parcels resulting from the division of one already registered;
- f) US\$3.00 for those containing promises to buy or sell immovable property;
- g) US\$5.00 for each claim in the property titles to mines.
- h) US\$5.00 for the acts or contracts constituting, modifying or extinguishing rights of usufruct, use, tenancy and any other real rights different to mortgage, easement and antichresis.
- i) US\$4.00 for any other registration not mentioned in this article.

ARTICLE 13: In accordance with Article 315 of the Fiscal Code, the registration of documents that establish a lien over movable and immovable property situated within the national territory, which property belongs to or benefits Private Foundations, shall be registered in the corresponding section of the Public Registry and shall be subject to the following fees:

- a) US\$0.20 for each US\$100.00 or fraction thereof of the value of the acts or contracts for which pledges or mortgages are constituted.

The documents by means of which the amount of a mortgage or pledge credit is increased shall pay the same fees stated in this article, but only in respect of the increase.

- b) For the registration of documents in which mortgages or antichresis are extended there shall be paid a fee of US\$0.50, except in cases in which fees of less than US\$10.00 were paid for the original registration; in these cases, a fee equal to half the amount paid for the original registration shall be paid for the extension.

ARTICLE 14: The registration of the documents containing the cancellation of mortgages, constituted over immovable property that belongs to Private Foundations and is situated within the national territory, shall cause a fee of US\$2.00.

ARTICLE 15: In accordance with Article 319 of the Fiscal Code, the registration of documents cancelling all writs of seizure, attachment or lawsuits dealing with immovable property situated within the national territory or with real rights belonging to Private Foundations, shall cause a fee of US\$4.00.

ARTICLE 16: The registration of the documents containing mortgage contracts over movable property situated within the national territory which belongs to Private Foundations shall cause a fee of US\$15.00.

The registration of the cancellation of said contracts shall cause the same fees assigned to the cancellation of mortgages over immovable property.

ARTICLE 17: Any other registration not expressly mentioned in the preceding articles shall cause a fee of US\$4.00.

PARAGRAPH: In accordance with Law No. 44 of 5 August 1976, the registration of all of the above-mentioned acts shall be subject to payment of an additional tax on registration service for an amount equivalent to twenty per cent (20%) of the fees that have to be paid for the registration of said documents.

ARTICLE 18: In accordance with Article 320 of the Fiscal Code, the certifications issued by the Public Registry relating to the constitution and good standing of Private Foundations shall cause the following fees:

- a) US\$10.00 for the first page, fully or partially written, of any registration or notation, and US\$5.00 for each additional page or part thereof.
- b) US\$5.00 for each seal on a copy of the registration of the Foundation, or of the modifications thereto;
- c) US\$1.00 for each copy of a microfilm frame pertaining to the registration of foundations, or to the modifications thereto.

ARTICLE 19: This decree shall come into force upon its promulgation.

LET IT BE KNOWN AND PUBLISHED.

Given in the City of Panama, Republic of Panama, on the 8th day of August, nineteen hundred and ninety-five (1995).