

# Legislación Economía

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## Trends in International taxation

- Transfer pricing
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new obligations

- Politics and families that  
dominated Panamanian  
Political Scene

- Bill Of Amendments to the Law of  
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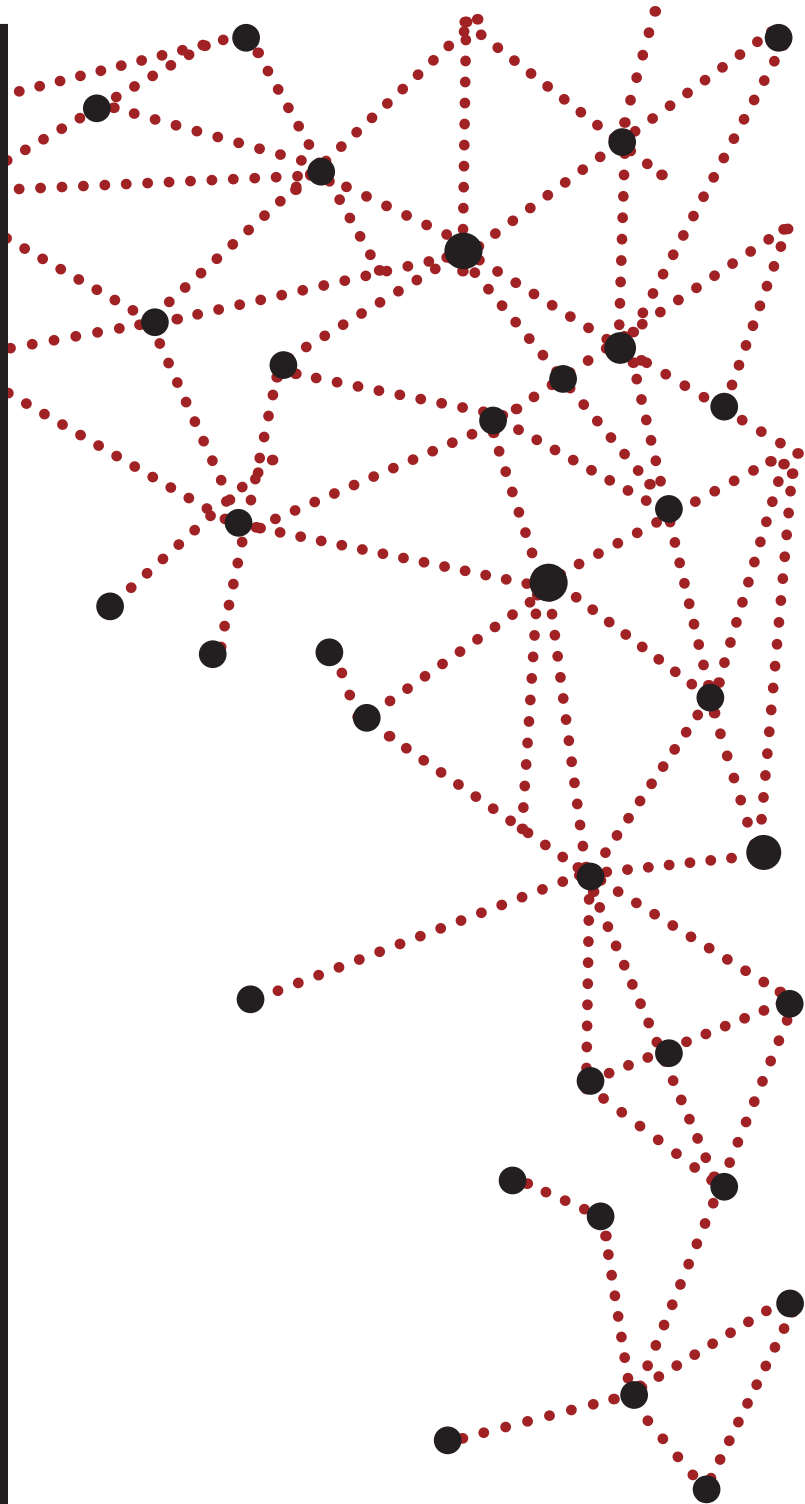
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**INTERÉS** en la actividad  
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## WE LEFT THE GRAY LIST OF FATF

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**A**fter two years, Panama has achieved a result of concern within banking and financial activity since plenary session held in Paris, the FATF has removed country from the so-called gray list.

As we have explained on several occasions in this Journal, history of this case relate to one practiced by World Bank that reflected forty weaknesses in the country to detect transactions of money laundering and operations that could use people dedicated evaluation to financing of terrorism and related figures.

From that moment, economic agents such as banks and banking correspondents considered risky to conduct business with financial institutions and, therefore, in some cases canceled their presence in the country or failed to act as banking correspondents.

This had immediate involvement in business since certain capital flows and also perception of the country as a safe place were restricted to carry out investments, negatively also varied.

From April last year, government created a legal framework obliging financial and non-financial subjects, including a wide range of economic agents such as sellers of real estate, vehicles, insurance brokers, accountants, pawn shops, houses exchange, financial, lawyers and others to establish clear rules on the knowledge of their customers and clients of its customers.

Among other subjects quartermaster unregulated level MEF was created, and entities such as Superintendency of Banks, Insurance Superintendence, Securities, Financial Analysis Unit and Public Ministry itself were strengthened.

The result so far has been favorable, but it is a milestone that should be maintained as it will be reviewed next year to determine whether the country remains attentive to FATF recommendations on measures to prevent these crimes.

It's a new culture that should add value to the country if treated seriously, as international multinational corporations, financial institutions and banks could return to Panama as long as there is a perception that the country is transparent as to final beneficiaries financial and banking transactions and adopting best practices in transparency, not only as regards private sector but in public procurement, for example.

In this regard, much it remains to be done but it is encouraging that Assembly of Deputies to prepare to discuss a draft law on public procurement and elimination of direct contracting procedures that characterized last period of government through the PAN is raised and now still remain in DAS.

We hope that the issue of the gray list is a lesson learned, and that we maintain high levels of transparency and law enforcement, to keep as a competitive place. L&E

It will dawn and see...



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## PRINCIPLES AND REALITIES OF INTERNATIONAL DOUBLE TAXATION

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# W

orld economy has undergone remarkable changes over time and twenty-first century brought a global economy full of changes. Constant migration, consequently bring extraterritoriality of income and therefore income that don't originate from operations that occur in one country, this creates an extensive tax competition, which consequently brings the phenomenon of double taxation.

The term double taxation is used in a number of contexts for which a precise definition wouldn't apply in each of these contexts. Double taxation is not defined in the model of OECD and there is no reference in comments of the same, however OECD model identifies primary objective of these treaties as "avoidance of double taxation with respect to tax income and on capital."

Issue of international taxation is important for the international economic community, as countries transacting with each other, should be interested in this issue, both to present a favorable environment for foreign investment and to protect its revenue base.

It's essential to assess individual situation and tax system of each country and this depends on the result of implementation of agreements to avoid double taxation.



The agreements to avoid double taxation aim to avoid risk of double taxation for taxpayers engaged in international transactions as well as mitigate risks of sub imposition of taxpayers by promoting cooperation and exchange of international information.

Because countries in the world are in a period of economic integration, biggest challenge there is to design a program of standards of international taxation and coordinate this program with the systems of international taxation in other countries when signing agreements to avoid double taxation.

By creating international tax rules, there are four primary goals, to fulfill, first, each country must receive fair share of international operations, for which will require

efficient domestic taxation rules are developed and at the same time avoid making agreements that limit the rights to tax transactions on domestic-source income. Second, it must promote equality, ie regulate imposition of tax burdens on taxpayers with incomes without reference to the source of income, and to distribute those burdens that these are proportional to the ability to pay taxpayers. On the other hand, third goal is to maintain competitiveness of the domestic economy of each country. While all countries should be concerned about welfare of non-residents, they also have an obligation to promote national economic interests of its citizens and residents. Ultimate goal lies in the regulation of capital exports and capital neutrality and imports, indicating that should create international tax rules in order not to encourage or discourage capital outflows.

## Agreements to avoid double taxation:

Over past decade, agreements to avoid double taxation have increased exponentially. Currently there are more than 2,000 bilateral agreements in force. The vast majority of agreements to avoid double taxation were created based on the model of OECD, although many of these treaties are created based on provisions of Model United Nations, largely this model is based on OECD model. These agreements impose limitations on collection of taxes for Contracting States.

The agreements were created to deal with international operations arising from extremely complex tax disputes. For example, reorganization of multinational corporations and their foreign subsidiaries which are distributed in a number of countries. This is because international taxation extends beyond the assessment of income tax and other taxes concerns such as state taxes, sales taxes, customs duties and/or special contributions.

Following many international corporations engaged in international transactions and for this reason, are at risk of paying more than they should, they arose tax

havens, which are no more than those countries that have a low rate of tax or not tax these transactions.

## Jurisdiction of Taxes:

The income from an activity may be taxed according to tax rules of each country because there is a link between the country that carried out operation and the activity that generated income. According to international tax rules, this link is known as jurisdiction of source, however, it is also possible income tax based on the relationship between country and person who is generating this income. The court claim of a country, based on link between this country and the subject of income generator is known as jurisdiction of residence.

Persons subject to jurisdiction of residence by their country of residence, generally are taxed on their worldwide income, regardless of source of income into account.

## Permanent establishment:

Model agreement to avoid double taxation of OECD, severely limits the exercise of jurisdiction font. Many developing countries have disproved OECD model specifically for this reason. The model agreement of United Nations is not as severe as OECD, however, also contains significant limitations to jurisdiction of source, much of Latin American countries considered, is objectionable.

The model of OECD points out that income that a country is entitled to tax under guidelines of agreement, regardless of residence of taxpayer, have their source in that country.

Article 7 of the model agreement to avoid double taxation of OECD indicates that “companies of a Contracting State are generally exempt from taxes on their profits from the activity in another Contracting State, unless those benefits are attributable to a permanent



establishment situated in that other Contracting State “ . Generally a permanent establishment is a fixed place to establish a business, which can occur through an office, branch, factory or mine. Both the model of OECD and United Nations, consider dependents agents or employees a permanent establishment which has made on behalf of its parent company.

These standards have influenced a lot of multinational companies to operate outside their home countries through affiliated companies instead of branches or permanent establishments whenever there is a possibility that they will make significant profit activities.

## OECD Action Plan:

Since the outbreak of financial crisis, which has affected more or less all economies in the world, authorities of countries agree on the need to increase fight against tax havens.

Inside one of Action Plans prosecutor has OECD, which seeks to avoid financial abuses through erosion of tax bases and tax evasion, dispute against this situation and against tax havens is today a shared priority internationally. The OECD Project to combat erosion of tax base and transfer of profits (BEPS for its acronym in English) gives countries solutions to limit loopholes internationally occur precisely to prevent companies their income disappear or that if necessary, move this income to jurisdictions with low or no taxation, where little or no economic activity takes place.

The current definitive plan includes measures BEPS new minimum standards that establish requirements: the “country-by-country” that for first time, tax administrations will provide an overview of operations of multinational companies; abuse prevention treaty, which is known as “treaty shopping” (this practice

can occur when a company establishes a subsidiary in a country with sole intention to benefit from treaties to avoid double taxation with which account that country) to eradicate the use of pass-through investment companies, limiting harmful, mainly in the field of intellectual property and through automatic exchange of certain determinations or agreements between administration and taxpayer tax practices; and finally, effective mutual agreement procedures in order to ensure that fight against double non-taxation doesn't create situations of double taxation.

On the other hand, are analyzed, guidelines on application of transfer pricing rules designed to prevent taxpayers resort to certain entities, which allow them not to pay taxes on income they generate. The plan also seeks to redefine the key concept of permanent establishment with the aim of ending the use of agreements that prevent determining existence of a fiscally taxable presence in a given country by referring to an obsolete definition.

It's important for countries to make changes to rules of domestic law to implement the BEPS measures that aspires to fight tax evasion.

## Panama Tax Regime:

Panama, among other countries, has been regarded as a tax haven because from perspective of OECD, the country has a non-resident particularly favorable tax regime, which is domiciled for legal purposes in the same and at the same time they have advantages among which stands out as one of most important, called bank secrecy.

Panama has a tax system that is governed by the principle of territoriality, which states that are only required to pay taxes who have generated income within corresponding territory. This is the origin of dispute with the OECD, Panama and sometimes whether or not included in the list of countries considered tax havens by the OECD itself.

In 2010 a Strategic Plan covering four years where Panama was committed by requirements of international treaties to sign double taxation and information exchange bodies is created. Just one year later OECD itself was a public recognition that our country Panama met requirements set by international standards not to be considered as a tax haven.

Panama marked a goal out of lists of tax havens and has since negotiated agreements that include clauses exchange of information with 30 countries. With exchange of information, countries maintain their sovereignty over their own tax bases and proper allocation of taxation rights are secured with signing countries with tax treaties.

During 2015, a number of rules governing creation and maintenance of bearer shares and similarly enacted in Panama standards were created to cooperate in controlling money laundering through the Unit of Financial Information and Analysis. This standard establishes Supervisors and financial subjects and non-financial, in addition to the professionals who perform activities subject to revision. It will aim to carry out procedures to meet customers, to identify, assess, monitor, manage and mitigate the risks associated with money laundering and terrorist financing.

On this basis, it's necessary to bring into context the position of United States and its important and interesting struggle to promote sanctions against countries that pose are tax havens. Whereas these countries have spent years hiding large sums of money from wealthy Americans seeking to avoid paying taxes in this country, law of Compliance Foreign Account Tax (FATCA, for its acronym in English) which is to be created purpose that the US tax authority has access to information on accounts abroad, citizens of this country and not, face steep penalties.

After enacted this law, OECD, inspired by FATCA,

created similar rules to help with eradication of tax evaders, however a small group of countries that make up this organization, refused, among which is the United States. Small wonder, then, new revelations regarding transparency in business management financial assets in that country funds. Using the banking system places like Nevada and South Dakota, United States is developing a major new market, becoming a prosecutor to resist comply with new global standards paradise. L&E



## NEW OBLIGATIONS FOR ITBMS RETENTION AGENTS

**T**

his collection mechanism Transfer Tax Movable Property and Provision of Services (ITBMS) contained in Paragraph 4 of Article 1057-V of the Tax Code and developed by Article 19 of Executive Decree No. 84 of August 26, 2005, has recently been amended, through Executive Decree No. 463 of October 14, 2015, Executive Decree No. 470 of October 30, 2015 and Executive Decree No. 594 of December 24, 2015 .

In principle, this system was implemented by state agencies and non-domiciled payable and unincorporated companies; However, from 2016, are included in this category withholding agents to large companies that perform annual purchases equal or exceed ten million Balboas (B/. 10,000,000.00) and administrators debit and credit cards .

Similarly, a series of obligations for these withholding agents is generated, namely:

- Retention settle and pay cash.
- Submit reports and reports of subjects and retained values, Form 433.
- Provide certificates accumulated in the month retention that retention is caused, suppliers or establishments who are they have retained.
- Safeguard tax documents generated in operations ITBMS retention for a period of five (5) years.

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- Apply for certification of non taxpayer must present to accredit people who do not exercise activities subject to ITBMS.
- Made retention, retention agent is the only required before the DGI.

Notably, the withholding agents will be subject to the penalties provided in Paragraph 20 of Article 1057-V of the Tax Code for breach of those obligations. L&E



# BILL OF AMENDMENTS TO THE LAW OF PROCUREMENT

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**O**n February 18, 2016, was presented to the National Assembly, the Bill No. 305 through which amendments to the Law 22 of 2006 which regulates Procurement arise in our country.

It should be noted that since its promulgation in the Official Gazette in 2006, Public Procurement Act has suffered more than a dozen amendments which, in many cases, have sacrificed transparency in recruitment procedures for speed for contract, a fact that has resulted in the setting of a plural number of corruption scandals that undermine democratic rule of law.

Based on the above, preamble to aforementioned draft law states that it aims to adapt provisions contained in Public Procurement Act so that greater efficiency to the processes of government procurement is provided, improving levels of transparency. For this, project takes up original wording of law at time of its enactment in a plural number of provisions in order to improve efficiency and transparency in actions of administration, so that use is ensured rational state resources.

Then we make a brief summary of the main elements subject to modification in the draft Law on Amendments to Public Procurement Act:

## 1. Scope of Law

The scope of Law 22 of 2006 is extended to encompass procurement of medicines, medical supplies and equipment. Thus, health entities shall apply procedures and modalities of recruitment established by Law 22 of 2006, while requirements of technical regulations applicable to services and inputs to hire continue

to be governed by requirements established in Act 1 of 2001, in regard to quality and safety of such products.

## 2. Legal inability to hire

It's included within legal inability to contract with the State, who have been declared legally responsible for committing crimes against Public Administration, Money Laundering, Terrorism or Terrorist Financing. It also applies to companies or legal entities whose majority shareholders, directors, officers, managers or legal representative, have been convicted for the crimes described above, if the offense is linked to the activities of the company or its affiliated companies, consortiums or shareholders.

## 3. Participation of legal entities in contractor selection acts

To give more transparency to the participation of legal persons in acts of recruitment, it's mandatory that these submit annually to the Directorate General of Public Procurement, an affidavit in which the name of each individual who is directly or certifying indirect beneficial owner of at least 10% of the capital stock issued and outstanding.

## 4. Publication of call for public acts

For publication of calls, all working days calendar days to unify and fit days of publication in the amount of purchase order or contract. Similarly, they modified with respect to the publication of the amendments to the statement of objections.

## 5. Variation in the amount in minor contracts

The amount of minor contracts for procurement of goods, works and services to 50 thousand dollars was raised. Similarly, it's maintained that in this contract not tender bond or performance bond is required, unless the contracting entity deems it necessary. It also provides that the Executive Branch regulate the procedure and requirements to be imposed on those public entities to make purchases under B/. 10,000.00.

With this modification, less urgent purchase procedure that departs from principles of transparency and fairness that should protect those who contract with the State is eliminated.

## 6. Improved procedures for selecting contractors

Modifications to various types of contracts contained in the Act are introduced. In this regard, we find that public tender and best value tender will be made in contracts exceeding 50 thousand dollars.

In case of Tender Value, weighting price will not be less than 51% of all points considered for the award of public act. This in order to ensure that after an assessment of technical, financial and economic capacity, proposal that offers best price the state is chosen.

In tenders for Value Assessment Separately, official price will no longer be hidden. It is common knowledge in the publication of the notice of meeting in PanamaCompra. It is also envisaged that this procedure is only used in contracts exceeding 50 million dollars, not 20 million as envisaged by the law, and corresponds to the Cabinet Council to appoint the members of the Evaluation Committees and price verification.

The tender for the framework agreement can be made on works whose specifications can be standardized, so that state entities, through the Electronic Catalog PanamaCompra, can generate purchase orders, and with this state procurement is streamlined.

The auction of public goods can be made in a period no longer than two hours, and calls are shortened if they are declared deserted for lack of bidders.

Abbreviated tender is eliminated, since it doesn't offer the necessary time for bidders to prepare their bids.

## 7. Procurement procedures in case of emergencies

The emergency procurement procedure for when enacted by the executive is incorporated; through this emergency procurement procedure timely award of contract or purchase order, in compliance with public purposes is allowed. Similarly, delivery or supply of goods, services or works may be requested by contracting authority, even before the endorsement of Comptroller General of the Republic.

## 8. Procurement by the Department of Social Welfare (DAS)

Through Bill No. 305, submitted to the Social Assistance (DAS), former National Assistance Program, application of the rules and procedures contained in the Public Procurement Act.

Similarly specific purposes for which procurement will be implemented by Directorate of Social Welfare of the Ministry of the Presidency are established.

## 9. Deposit of appeal and legal challenge before Administrative Court of Public Contracting

Bail challenge that must accompany the appeal, it will be worth 10% for acts whose purpose is goods and services, and 15% for works related acts. With regard to legal challenge presented by proponents deemed aggrieved resolutions awarding acts of selection of contractors or in which the proposals are rejected, the same shall have suspensive effect and not devolutive, as at present.

In public acts to be awarded by line, appeal may be brought against one or more lines, which company continue to process the items that are not subject of the challenge. In this case, value of security challenge will be calculated on the row or rows subject of the challenge. Amendments proposed in Bill No. 305, are important for strengthening our procurement system step, why it corresponds to general be attentive to debates that take place in National Assembly for approval of this legislative initiative so that modifications that maybe made to this bill are directed to further strengthen our procurement system, not to weaken oversight and transparency in recruitment procedures. L&E

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# TRANSFER PRICING A GLOBAL CHALLENGE FOR THE GLOBAL ECONOMY

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# T

he tax legal regime of international transfer prices has been undoubtedly a constant evolution, due to the globalization of the economy has greatly influenced the expansion of multinational companies and the growth of international traffic.

International trade continues to increase faster than world output and reflects an increasing openness and interdependence of national economies.

An important role in the world economy is played by multinational companies that design their transactions in order to maximize the overall benefit of the economy of the group.

Trade between these related companies is different from trade because they can not neutralize associated companies in the short term, changes in relative prices, exchange rates or general economic conditions.

In addition to this, the prices charged by these companies in their operations within the group, could contain determinants and specific characteristics, thus constituting transfer pricing, which can affect tax bases of the countries where these companies are located.

In the process, you can not hide the progressive role of trade flows of exports of multinational companies, which explains the flight schemes and maneuvers used for tax planning are receiving increasing attention from the tax administrations and taxpayers.

Transfer pricing is meant the price agreed in tran-

sactions between related companies, in which goods or services are transferred and which may be different from those who had agreed independent parties. [OECD](#)

OECD (Organisation for Economic Co-operation and Development) is currently made up of thirty states, mainly by so-called developed countries, is the international organization that has been responsible for carrying out the guidelines on transfer pricing by Affairs Committee prosecutors; these guidelines have had a conceptual and legislative development, both in member countries and non-members.

However, it is clear that these guidelines are not mandatory for non-members serving as references.

It is important to study the guidelines as they represent a unitary perspective of the views of experts in the field of more than thirty countries.

## [Arm's-length principle](#)

Given the decline in tax revenues caused by the relocation of benefits, tax jurisdictions have established, both in its domestic legislation, and through agreements to avoid double taxation, the arm's length principle or "arm's length" as a criterion for taxation international related party transactions.

This principle states that the price or amount of transactions shall be determined as if it had been agreed between unrelated parties under similar circumstances.

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By this principle it is considered to each member of the company or multinational group as an independent company, ie tax purposes circumvented specialties commercial and financial relations arising from the link between the parties to the transaction. The mission of the experts in this field consists in finding acceptable price ranges and transfers conform with the criterion of full competition, rather than the promise of finding a single accurate, genuine and valid price.

### Concept of related parties

Control of transfer pricing should focus on transactions in which be presumed to be price manipulation, which are those that influence outside forces of competition situations, and where is evidence linking scenarios between companies.

The Model Tax Convention OECD, establishes the concept of linkage in the first paragraph of Article 9:

“... A) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State; c) The same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State...”

However, it should be recalled that notwithstanding the existence of linkage, only proceed to make an adjustment to transfer pricing when transactions had been made in different conditions of full competition.

### Settings

When the transfer prices do not correspond to the free market, the tax authorities of the country concerned may include income not included by the special conditions of the transaction and tax it accordingly.

The Tax Administration may practice what is known as “primary” adjustments in the tax bases declared by residents linked taxpayers under their fiscal sovereignty in order to redistribute corporate profits earned through transactions under the normal market value.

On the other hand, and in general terms, with the completion of the primary adjustment carried out in the first tax jurisdiction an international double taxation is generated if it is not followed by the same correction downward of the tax liability of the taxpayer linked established in the second country affected by the transfer price.

Thus, the bilateralism of administrative adjustments in international transfer pricing in order to fully adapt to the transaction tax purposes linked to the arm’s-length set.

### Comparability

To perform a transfer pricing analysis is not enough to analyze transactions between related companies, but should be compared through any of the methods of price justification.

The justification arises from the comparison of the prices agreed under open market between independent enterprises, with those established between related companies.

This condition of comparability is subject to a previous functional analysis to prove that the activities carried out operations compared are similar, by virtue of the tasks performed, assets used and risks assumed by companies.

Two companies are comparable when the tasks performed, assets used and risks assumed are similar.

The comparability analysis contains a “qualitative” aspect: it refers to the essential conditions of the object to be compared; and other “quantitative” which refers to the amounts involved to compare.

There are five factors determining comparability include the characteristics of products or services, functional analysis, terms (conditions) contractual, economic circumstances, business strategies

Those who carry out a comparability analysis must first make their greater efforts to achieve the best available data on these five factors with respect to the third and potentially regarded as comparable when detailed information about

a given factor is not found, determine to what extent the lack of data affects the reliability of the comparison.

### Transfer Pricing Methods

The methods defined in the OECD Guidelines have been adopted by most countries established specific legislation for the control of transfer pricing. The methods are classified in Methods Based Operations (or traditional) and Methods Based on the Results of Operations (traditional or not). Traditional methods are: Method Comparable Uncontrolled Price (comparable uncontrolled price method, CUP), the Method Resale Price (Resale Price Method, RPM), the Cost Method or Increased Cost (Cost Plus Method, CPM).

Nontraditional Methods are the profit split method of the Transaction (Transaction Profit Split Method, TPSM) Net Margin Method of Transaction (Transactional Net Margin Method, TNMM).

There is no single method applicable to every situation, and the use of any specific method should not be disapproved, unless it is deemed that there is another that is more appropriate to satisfy the principle of arm's length, always preferring that in which there is a greater degree of similarity and a more direct relationship to the transaction.

### Panamanian case

Legislation on transfer pricing in Panama is new, it was introduced in 2010 and was modified in 2012. However, it is in 2012 when the transfer pricing obligations begin to taxpayers. In Panama, the provisions regarding transfer pricing are contained in Chapter XI of the Rules of Adjustment to the Treaties or Conventions for the Avoidance of Double Taxation ranging from Article 762-A to Article 762-J of the Code Fiscal

As for the decrees regulating this matter, at the moment we Executive Decree No. 958 of August 7, 2013. In addition, our legislation provides that the Transfer Pricing Guidelines by the OECD ap-

proved, may be used as a technical reference.

### BEPS

BEPS for its acronym in English erosion of the tax base and the transfer of profits in Spanish is the term for international taxation to tax planning strategies used by multinational companies to take advantage of discrepancies and inconsistencies of national tax systems and transferring their profits to countries with low or no taxation, where entities hardly exercise any economic activity and thus avoid paying corporate tax.

OECD in July 2013 presented an Action Plan that diagnosed the main problems that had to be faced regarding the BEPS and which was endorsed at the G20 summit in St. Petersburg in 2013.

This action plan specific measures relating to transfer pricing are 8 Intangible Assets Action, Action 9 and Risk Capital Action 10 Other transactions High Risk, Action 13 re-examine the Transfer Pricing Documentation.

In September 2014 the OECD published a first set of reports, proposing an amendment to the Model Tax Convention and OECD recommendations for amendments to the internal regulations of each country.

Transfer prices come to be a global challenge for taxpayers and tax administrations, since we are not talking about an exact science, and that their study is not easy.

While it is true, multinational companies make tax schemes using tax havens or countries with low or no taxation for the use of the location of tax burdens.

In countries where this matter is beginning, we must be careful because the Tax Administrations in their interest to increase revenue can be committed many outrages in audits of transfer pricing against taxpayers, should always be a balance between Tax Administrations and taxpayers so that the procedural principles and constitutional guarantees are respected.<sup>1&E</sup>



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## CONCEPTS OF CONFIDENTIAL, RESTRICTED FREE ACCESS AND THE SUPERINTENDENT OF INSURANCE AND REINSURANCE ARE DEFINED

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**B**y General Resolution No. SSRP-DG-001 of February 3, 2016 the Insurance and Reinsurance Superintendency, established concepts of confidential information, restricted access and free access which are covered by Law 6 of January 22, 2002 laying down rules on transparency in public administration, and make the habeas data.

It has the resolution, which is open information, all matters of an administrative nature related to operation and public management of the Insurance and Reinsurance Superintendency as well as the recruitment and appointment of officials, payrolls, representation expenses, travel and data statisticians.

Under the Insurance Act, the term confidential information obtained by the Superintendency in the exercise of their functions, including all staff, board of directors, external auditors, consultants, interim managers, reorganizers and liquidators who must observe strict confidentiality on all information they have obtained and disclose it to third parties unless required by competent authority.

Similarly, those considered confidential information containing information on contracting, policyholders, beneficiaries, third party with a legitimate interest, customers of supervised persons, as well as information relating to claims and adjustments; research reports or reports of suspicious transactions related to money

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laundering, financing of terrorism and proliferation of weapons of mass destruction; emails or any other information obtained by any electronic or computer system. With respect to restricted access information, it has among other to: relative safety; trade secrets or confidential commercial information of individuals or legal entities regulated by the Superintendency, authorized by authority and obtained as products of their work of regulation and supervision; reports, memos, correspondence and documents related to diplomatic, commercial or international negotiations of any kind, as well as collected by the memorandum of understanding signed by the Superintendency and foreign supervisory bodies.

Finally, it states that above-mentioned classification is made for a period of ten (10) years.&E



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## “YO SI CUMPLO” PROJECT HAS PROCEDURE MANUAL

**W**as recently issued Resolution No. DM-030-16 of February 12, 2016 by which the Manual of Procedures and Functions of “Yo si cumpro” Project which sets out actions, rules and specific, appropriate and updated procedures approved framed to encourage companies to practice and comply with enforcement of labor standards in our country. The project in question, arises from a strategic alliance with five chambers and nine labor unions in the country, which is a certification to employers and workers who meet best practices within a business environment. The project aims to create a permanent training with the aim of workers and employers to comply with good labor practices in order to reduce accidents in workplace. <sup>1&E</sup>



## PARAMETERS FOR FUNDS COMPENSATION BY ACH

**N**ext April 1, 2016, comes into force Agreement No. 001-2016 of 26 January 2016 issued by Superintendency of Banks through which general parameters on compensation ACH and availability of funds are established, the provisions they shall apply to official banks, general license banks and international license banks.

It has been established that banks should ensure monitor the position of ACH transactions made during day, so, they have funds required to meet settlement process of daily transactions.

Note that in case of general license banks availability of ACH transactions both debit and credit will be immediate, once compensation in Clearinghouse of National Bank of Panama. For international license banks or general license banks, which receive clearing services through other banks, availability of transactions will be immediate once the bank will provide clearing services.

It has the standard that will be responsibility of banks to inform customers what latest cut-off time for ACH transactions are effective and available same day.

Reading considering, we can see that Superintendency of Banks issued this Agreement by the need and desirability of setting general parameters in relation to clearing of transactions made through ACH, and availability of funds. <sup>1&E</sup>

# REGULATION OF SECURITIES BROKERS, ANALYSTS AND EXECUTIVE OFFICERS

The Superintendency of Securities Market issued Agreement No. 2-2016 of February 3, 2016 by which modifies some articles of Agreement 5-2011 October 2014 regarding stock brokers, analysts, top executives and executives manager main values, as well as 1-2015 and 2-2015 Agreements June 2015.

In this regard, it's established that any entity licensed by Superintendency of Securities Market must have a corresponding license and activity exercised; so, entity licensed Stock Exchange, required to have a chief executive and a compliance officer for Securities houses also chief executive officer, compliance officer shall have stockbroker and Investment Manager shall have positions of chief executive, chief investment manager and compliance officer.

It allows individuals, under certain conditions, can occupy two positions in a single entity, with the chief executive to ensure that there are no cases of incompatibility or disability for office or performance of functions. It is noted that before rule was only exceptionally that a person is allowed to occupy two seats and must be authorized by Superintendency.

On the other hand, the Superintendency may require more staff, request replacement or reject designation or appointment of an individual to fill position of broker or analyst, chief executive, chief investment manager or compliance officer under sustained reasoning that the entity needs to improve its performance, personnel structure and control of their operations.

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With regard to expiration of license, it has introduced a form which provides that those who have more than one license and remain active performing public or private charges related to banking and securities, provided they comply with their obligation to pay rate to Superintendency, shall not be considered expired license.

Chief executive, have given more responsibilities, such as knowing products and services offered by company for which they work, in order to warn and inform customers of risks of investing applying the standard best professional diligence on the basis of best stock market practices. In this vein, the article introduces 18-A which includes responsibilities of chief executive of investment manager.

The rule in question, you are looking to improve performance and controls licensed entities, and the responsibilities and functions of its brokers and top executives and senior executives of investment manager analysts. I&E



**SMV**  
Superintendencia del Mercado de Valores

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# WORKERS WITH DISABILITIES

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**A**ccording to figures provided by International Labor Organization, people with disabilities represent approximately one billion people, corresponding to 15% of world's population and about 80% are able to work. But it is not easy for a person with disabilities achieve a work space, which can be due to many reasons, some people think will bring more problems than benefits in the company.

Notwithstanding above stated, it has been found that hiring people with disabilities has advantages and benefits for employer, there is an improvement in work environment, teamwork is promoted, it sensitizes rest of staff, it generates more disabled worker commitment to the company, allows for efficient workers in certain areas, and improves image of the company.

In our country, there are many companies that hire disabled workers, not to comply with legislation, but considering the fact that people are part of society and as contributing to enhancement of the organization are aware of advantages and benefits it can generate it.

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Under these parameters, we must by Law 42 of August 27, 2007 the equalization of opportunities for persons with disabilities, which was regulated by Executive Decree No. 88 of November 12, 2002 is established.

The reference standard provides the general framework for creating conditions that allow people with disabilities, access and full integration into society. with regard to benefits and social services it's regulated; health, empowerment and comprehensive rehabilitation; access to education; access to culture, sports, training and the community; access to the physical environment and transportation; right to work; criminal procedural rules applicable to persons with disabilities; procedures and administrative sanctions.

Thus we see that first article states that declared social interest integral development of people with disabilities, equal quality of life, opportunities, rights and duties, which rest of society, with a view to personal fulfillment and social integration. The reference standard devotes Chapter V Labour

Law to regulate the rights and obligations of disabled and employers about opportunity to get a place of work and obligations assumed by the employer.

Items range from 41 to 47, which stresses in *inter alia* with regard to the right of disabled to opt for a productive and remunerative employment on an equal footing.

Another aspect to comment, which is that worker whose disability has been diagnosed by competent authorities, shall be entitled to remain in his job; in case you can't exercise, you must take steps to achieve professional or occupational rehabilitation.

It's established as an obligation that companies with fifty or more employees, hire and/or maintain qualified disabled workers at a rate not less than 2% of staff, with equal pay to that of any other worker who play the same position.

The company that doesn't meet the standard will be obliged to provide the Ministry of Labor a sum equal to the minimum wage for each person left to hire.

It also indicates that employers of parents or guardians of persons with disabilities should grant permission for treatments required assistance to request in due time worker and subsequent presentation of proof of attendance.

Meanwhile Regulation provides that corresponds to Ministry of Labor and Workforce Development and the Ministry of Social Development to ensure compliance with relevant laws and punish companies that don't meet the standard, for which checks should be made regular.

In turn, regulation provides conditions re-

garding entry must have access to commercial establishments for disabled access, as use of ramps, parking, bathrooms and others with measures and minimum conditions. As you can see, we are in presence of a Law on old data but importance of it, worth discuss it even though in past editions have been referred to the rule, especially by the fact that authorities have been permissive breach of the employer sector, however, Law 42 is in force and at any time Ministry of Labour compliance can exercise it. Companies that meet this standard contribute to inclusion and development of persons with disabilities, while need not worry about time Ministry begins to apply.<sup>1, & E</sup>



## ADDITIONAL TRAVEL ALLOWANCES FOR AIRPORT WORKERS ARE GOVERNED BY COLLECTIVE WORK AGREEMENT



**Fuente:** Procuraduría de la Administración

In recent days Office of Administration, in consultation C-05-16 of January 22, 2016, had the opportunity to acquit question posed by General Manager of the Tocumen International Airport in sense of whether they can pay up to 30 % above value stipulated in daily rate of travel expenses abroad referred to in the General Budget Law of the State on ground that the condition is covered in collective work agreement signed between the International Airport of Tocumen, S.A., and its union Workers, and be able to pay this amount if the same can be done retroactively to the date of signing of the collective agreement so as this 30% daily rate of per diem abroad was established for the purpose of workers they collect an additional amount to cover general expenses official trips abroad.

Indicates the Attorney that Law 36 of 2014, which dictates General State Budget for fiscal year 2015, it's clear to establish, in Article 234, general rules of budget management is additionally applied to corporations in which the State holding 51% or more of shares or assets, in issue not develop respective instrument through which may be constituted.

Mr. Attorney adds that in regard to personnel system of public enterprises 100% state capital, doctrine has considered that general rule is that employees of these are use common labor law.

Within this context it's that workers in management

companies of airports and airfields, as provided in paragraph 6 of Article 17, in harmony with Article 29 of Consolidated Law 23 of 2003, it follows that are governed by Labor Code and as specified by collective agreements.

In this regard, Collective Bargaining Agreement agreed between International Airport of Tocumen, SA, and the Union of Airport Workers (UTAP), Article 5 states that labor standards applicable to the working relationship between Company and its workers are: Constitution, Collective Bargaining Agreement, Labor Code and other labor positions of this Collective Agreement.

Moreover, Clause 30 of Convention refers to the calculation of per diem for food and lodging expenses, subject to available what about Law of General State Budget. However, concerning the payment of per diem for additional expenses establishes a special rule, conventional in nature, according to which will be recognized in advance 30% of the per diem recognized in the Act.

Concludes the Attorney indicating that it is clear that International Airport of Tocumen, SA, will have to recognize the worker in advance, for additional fees, a sum equal to thirty percent of the per diem recognized by General Budget Law of existing state, which It shall apply to all trips outside the country that occur from time entered into force the Collective Bargaining Agreement. L&E

## FULL COURT DECLARED UNCONSTITUTIONAL OUTSOURCING OF TAX COLLECTION OF TAX UNDER SECRET

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The Plenum of Supreme Court, through the judgment S/N of 4 December 2016 declared unconstitutional paragraph 3 and subsequent paragraph of Article 1 of Cabinet Decree No. 109 of May 7, 1970, as amended by Article 32 Law No. 49 of 2009, under action of unconstitutionality filed by Mr. Publio Cortés.

In 2009 an amendment was made to Article 1 of Cabinet Decree No. 109 of 1970 by which General Directorate of Revenue (DGI) of Ministry of Economy and Finance is regulated; in that article, it empowered DGI managers to hire tax collection for cases of delinquency in excess of twelve (12) months have caused.

This article also states that these collection managers are subject to confidentiality of information provided for in Article 21 of Cabinet Decree 109 of 1970 which states obligation of DGI officials to maintain confidentiality in matters that come to their knowledge in the exercise of their functions.

The amendment to Article 1 of Cabinet Decree 109 of 1970 was declared unconstitutional because it violated paragraph 5 of Article 184 which states that it's duty of the President of the Republic with participation of Ministers for monitoring collection and administration of national income.

Similarly the amendment violates Article 42 of the Constitution states that everyone has the right to access personal information contained in databases, however, this information may be required for specific purposes but by consent of the owner or disposition of competent authority. Applicant states that amendment to Article 1 quarreled with

Article 42 of the Constitution, since it allowed the tax administration received restricted discretionary delivering their custody, related to economic activity of taxpayer information. It should be noted that tax administrations can share information in specific situations under strict standards of confidentiality, respecting constitutional framework which requires that such disclosure may be made only with permission of taxpayer or by provision of competent authority. In this sense, the Plenum of Supreme Court argued that protection of information occupying the State in its role as tax collector has led to the doctrine to recognize taxpayers the right to "tax secrecy".

In this judgment, Magistrate Hernán De Leon, conducted an analysis of tax secrecy indicating what is stated in Book of the Secret Tax by Jose Manuel Calderón Carrero, citing author SÁNCHEZ SERRANO noting that "tax secrecy" is the "regime protection and confidentiality of information obtained by the Tax Administration against disclosure by third parties and wide use of it "and that" involves two legal consequences, on the one hand enshrines the reserve or confidentiality of all information obtained by tax administration, so that can't be revealed by third parties; on the other hand, it prevents secret information held by Tax Administration to be used strictly for purposes of taxation. "

It's of cardinal importance to mention as indicated by the author CALDERON CARRERO, providing information that falls on taxpayers; under the right to tax secrecy, they may require that the information provided to tax authorities was used for the determination of tax liability only, excluding that could be commu-

nicated to other administrative bodies or individuals.

It should be noted that in Panama, through Article 722 of Tax Code provides that it shall not disclose in any way the amount and sources of profits or losses, expenses or any data concerning statements by taxpayer, except in cases that is permitted an inspection of the declaration and documents which must be verified by judicial and tax authorities or investigations in which the State has an interest.

However, tax secrecy in Panama is guaranteed by article 42 of the Constitution, since it protects not only particular interest, but that of the State. In this regard says author Ruiz García, cited by author CALDERON CARRERO, there is a public interest in tax secrecy, since modern tax systems rely largely on collaboration and voluntary provision of information by forced tax, so that they would be much more willing to express their circumstances, the more guarantees are that tax authorities will use data only for tax purposes; You protecting taxpayer confidence in administration, it facilitates administration of certain data that otherwise wouldn't come to power.

In addition, the tax secrecy under its strict reserve is essential for taxpayers to meet their tax also with assurance that it's not made for purposes other obligations, as this information is strictly individual nature.

However, tax authorities provide to a third party information is an intrusion into privacy of taxpayers and achieve economic data of natural persons, besides the right that it has the protection of information is inherent human dignity.

In summary allow a legal person to perform collection management on behalf of the State, it is committed to confidentiality of taxpayer data, overflowing constitutional parameters.

Explanatory vote of Judge Abel Augusto Zamorano. In this judgment, Judge Abel Augusto Zamorano, presents an explanatory vote on it, which makes an interesting analysis of changes that have been made on the Fund Tax Management to improve a tax collection, which was incorporated by Article 21-a of Cabinet Decree 109 of 1970, which created this fund will be managed by a bank account managed by Ministry of Finance and Treasury and Comptroller General of the Republic, on this ac-

count would be credited at the end of each fiscal year, one per story (1%) of surplus tax revenues administered by DGI on General State Budget for respective year.

The credited amount is distributed among all staff of DGI in view of their performance and efficiency; amounts corresponding to each official shall not exceed fifty percent (50%) of total annual salary compensation.

However, in 2010 by Law No. 8 March 2010, Article 21-A of Cabinet Decree 109 of May 7, 1970, indicating that amounts that corresponded to each officer could reach up to one hundred was modified by percent (100%) of total wage remuneration thereof.

Judge goes on to argue that Law 33 June 2010, adding that amounts credited to the account of Tax Management Fund may not be less than revenue actually achieved in previous period.

Tax Management Fund was initially conceived to benefit officials of Tax Administration dedicated to the task of collection. However, with Law No. 49 of 2009 Article 1 of Cabinet Decree 109 of May 7, 1970, in order to empower the DGI to outsource management of revenues, it was modified by hiring debt collectors and by law No. 8 of 2010 the faculty was assigned to director General of Revenue hire these managers.

Accurate Judge that outsourcing tax collection originates from other elements in whole Tax Administration attends as many sources to increase revenue, however, one of key elements is tax pressure exerted for State revenue by taxpayers.

But outsource tax collection becomes a state inefficiency, it shouldn't hurt taxpayers and by fact the right to tax secrecy, emanating from Constitution.

As Judge Zamorano states in its explanatory vote Tax Administration requires institutional modernization process with inclusion of cutting edge technology and a highly qualified professional body for this set of tasks that ensure optimal collection.

If product improves collection more efficient control that complies with the principle of tax efficiency certainly have better services, more work and greater equity, best way is to demand collection and examination. L&E



## POLITICS AND FAMILIES THAT DOMINATED PANAMANIAN POLITICAL SCENE

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In our Panama, as in other countries, there have been political figures and families through its hegemony and influence have exercised political power.



In Panama, first was Belisario Porras Barahona, unswerving defender of liberal doctrine. He played from the beginning on side of liberalism against conservatives in bloody Thousand Days' War, and being defeated had to exile in Central America.

At the outbreak of secessionist conflict in the Isthmus of Panama to achieve independence of Colombia, Porras, who initially disagreed with the process of independence of 1903, returned to Panama following year and continued work, this time in Panamanian Liberal Party.

In 1905 the Supreme Court ruled that Dr. Porras had lost their quality of Panama for not accepting independence movement in Colombia. The following

year, National Assembly reinstated Dr. Porras, as a result of numerous protests in different parts of the Republic by actions taken by the Supreme Court. Lawyer, writer, poet, teacher, diplomat, military, journalist and politician, immediately became one of the main leaders of Panamanian Liberal Party.

Belisario Porras Barahona, considered by many as the greatest Panamanian twentieth century, begins to have dominated national political means to obtain a landslide election victory in elections held on July 14, 1912 against Pedro A. Diaz, rising for the first once Presidency of the Republic on October 1, 1912 until October 1, 1916.

For the following electoral elections president of the nation, Dr. Belisario Porras, imposes its presidential candidate, Doctor Ramón Maximiliano Valdés Arce, against Mr. Rodolfo Chiari Robles, whose representatives of his candidacy were removed from the enclosure, and therefore Valdes was proclaimed as President for the next four years, from 1916 to 1920.

Undoubtedly, rise of Valdes to the presidency of the nation was due to the support of a large sector of Liberal Party, led by President Porras, who was hailed by his

people and he had much sympathy. Once he rose to the position, Valdes appointed Belisario Porras, his mentor, as Ambassador in Washington.



Valdes Arce, taking 48-year-old was the seventh president of Panama, standing out for being an educated man, a lawyer, composer, musician and polyglot. His presidential term was short as he died at the age of 50, when he still held the post of Constitutional President.

Although it was protected by the political hegemony of the ex-president, Belisario Porras, just had moments of estrangement and differences with the latter, some conflicts arise between cheerleaders and valdesistas by government control.

Maximiliano Valdes ruled from October 1, 1916 to June 30, 1918, when after his death was replaced in the presidential chair by Dr. Ciro Luis Urriola, who only ruled from June to October 1918.

For second time, Dr. Belisario Porras took possession of the First Magistrate of the Nation, by its position as the Designated (Vice President), elected by the National Assembly for biennium 1918-1920, with Pedro Antonio Diaz de Obaldia, second Appointed and Lefevre, Third Appointed.

On January 31, 1920, Dr. Porras handed in his resignation as Constitutional President to the National Assembly, in order to aspire to Presidency of the Republic, in accordance with the provisions of the Constitution of 1904, according to which presidents elected for a term of four years who aspire to a new period, had

to resign 18 months before next elections. Designated (Vice) to the presidency aspiraren a new nomination were constrained to part with six (6) months in advance. Once resigned to the Legislature, occupied the presidential position Lefevre, who was in charge for six months (6) months prior to the election, in his capacity as Second Appointed.



Preserving its political dominance, the two-time president, Dr. Porras, backed by the National Porrist League, August 2, 1920 he was elected as Constitutional President for the period 1920-1924 in the election event against Ciro Luis Urriola Liberal Party. This vote marks the first time in our history when the direct vote of citizens is used.

For the post electoral tournament, announced on August 3, 1924, the applicant government, and practically imposed by President Dr. Belisario Porras Barahona, was Don Rodolfo Chiari Robles, who in their speeches during the election campaign emphasized that "I will continue the work national reconstruction carried out by Belisario Porras." The elections were won by Rodolfo Chiari Robles Chiarista Liberal Party for the quadrennium 1924-1928, broadly on the opposition candidate, General Manuel Quintero Villarreal, Liberal Party.

Despite recent President Rodolfo Chiari Robles had been promoted in extreme by Dr. Belisario Porras, once the first power disappeared possible influence that wished wield Porras Former President, who, however, was devoted to a ardent and persistent political cru-

sade against administration of Rodolfo Chiari, for which he was expelled from Liberal Directory.



From this presidential term, which was beginning October 1, 1924, the political power of liberal caudillo Porras vanished.

Finally, twelve years later, in 1936 he tried to be candidate for president at 80 years of age, however he gave up his aspirations one day before elections. Despite this retreat, he took third position on election process. He died at age of 85 years.

The second example of characters and families who exercised political control over a considerable time in our republican and democratic era, in our view it was the Chiari family, initially through Rodolfo Chiari Robles, a prominent figure and President of Liberal Party.

He held presidency of the Nation for a few days in February 1912, in his capacity as Appointed to apply for a license presidential Don Pablo Arosemena.

In 1924 he was elected Constitutional President of the Republic with support of President Porras and the Convention of his party, and governs the nation since October 1, 1924 to September 7, 1928 and from 25 to 30 September of same year.

In 1927, in exercise of his presidential duties, idea of re-election arises among members of legislature, social figuration known characters and political influence to accept the nomination of presidential candidate. However, April 3, 1928 President Rodolfo Chiari Robles informs to National Board of the Libe-

ral Party decision not to go to presidential election.

A month later, on May 6, 1928, National Convention of the Liberal Party unanimously appointed Presidential anointed President Chiari, Engineer Florencio Harmodio Arosemena as presidential candidate.

The presidential elections are held on August 5, 1928, and the government candidate Florencio Harmodio Arosemena is imposed as the sole candidate for the presidency of the Nation for period 1928-1932.

Since the beginning of the administration of President Arosemena the presence of former President Chiari on the most important issues of his government, which many believe was ruling the country became apparent.

In the morning of January 2, 1931, civic-nationalist Popular Action Movement overthrew constitutional president, resulting in a considerable decline in political influence of former President Chiari Robles, influence restored 28 years later with election of his son, Roberto Francisco Chiari Remón.

Day 4 May national elections were held and Roberto Francisco Chiari Remón is elected President of the Republic for quadrennium 1960-1964 reestablished again, in our view, political hegemony of the Chiari family.



Prior to period mentioned above, Roberto Francisco Chiari days had occupied presidential chair in his capacity as Second Vice President, relinquishing position when Supreme Court

ruled that dismissal of Dr. Daniel Chanis was illegal.

In next election, in 1964, he left favored Don Marco Aurelio Robles, gubernatorial candidate of National Liberal Party, which also belonged President Roberto Francisco Chiari, supported by an alliance of eight political organizations.

Importantly, both Chiari and Robles were relatives. For this reason, many said that “Marco Aurelio Robles and Roberto Francisco Chiari were very dear cousins and childhood friends.” Robles ruled from October 1 1964 to October 1, 1968.

The last family that was characterized by maintaining dominance of national political scene during our republican and democratic era were the Arias Madrid, natives of Rio Grande, Cocolé Province.

Dr. Harmodio Arias Madrid was responsible of the Executive Branch between 2 and 25 January 1931 following the coup promoted by community action.

However, their political dominance begins when the June 5, 1932 the election process culminated with the victory of Dr. Harmodio Arias Madrid on Don Francisco Arias Paredes, to rule over period 1932-1936.

After four years of the government of Dr. Harmodio Arias Madrid in the next presidential election he was favored his anointed and government candidate, Dr. Juan Demóstenes Arosemena Barreata, for the period 1936-1940.

Dr. Arosemena Barreata was constitutional president of the country from October 1, 1936 until December 16, 1939, when he died in Penonomé of a heart attack. He was replaced by his First Vice President, Dr. Augusto Samuel Boyd, who ruled until completion of the constitutional presidential term from December 18, 1939 until October 1, 1940.

For subsequent general election June 2, 1940, is elected President of the Republic the younger brother of Dr. Harmodio Arias Madrid, the physician, Dr. Arnulfo Arias Madrid, having been only candidate in this electoral process. It is ousted on October 9, 1944, to return to political power on November 24, 1949 and be again deposed on May 10, 1951.

In May 1968 he becomes President Elect of the Republic for four years 1968 to 1972. Only 11 days of his inauguration, Dr. Arnulfo Arias Madrid was ousted by a military coup on October 11 1968.

They passed 31 years when Mireya Moscoso Rodríguez, widow of former President Arnulfo Arias Madrid, won elections in 1999, becoming first woman president of Panamanian government. She was president until September 1, 2004.

Quite simply there have been three, in our view, characters and families, Porras, Chiari and Arias Madrid, who monopolized during our Panamanian democracy structure access to power to hold office, in order to influence state action and enjoy privileges and prestige of power. Were characters and families in their historical moment had the ability to transmit these positions and functions to relatives and even descendants.

Characters and Families, which in our democratic era were constituted, without a doubt, in power groups that had an active life in political circles of our national events, maintaining hegemony and coalition with the government and political forces allied to ensure their interests, as well as for stability.

Characters and prominent families left in our republican history Panamanian its successes and failures, whom the Panamanians serene and objective judgment we recognize the positive they did for our country. L&E

## ÍCONSUMER'S PRICE INDEX

Fuente: CGRP

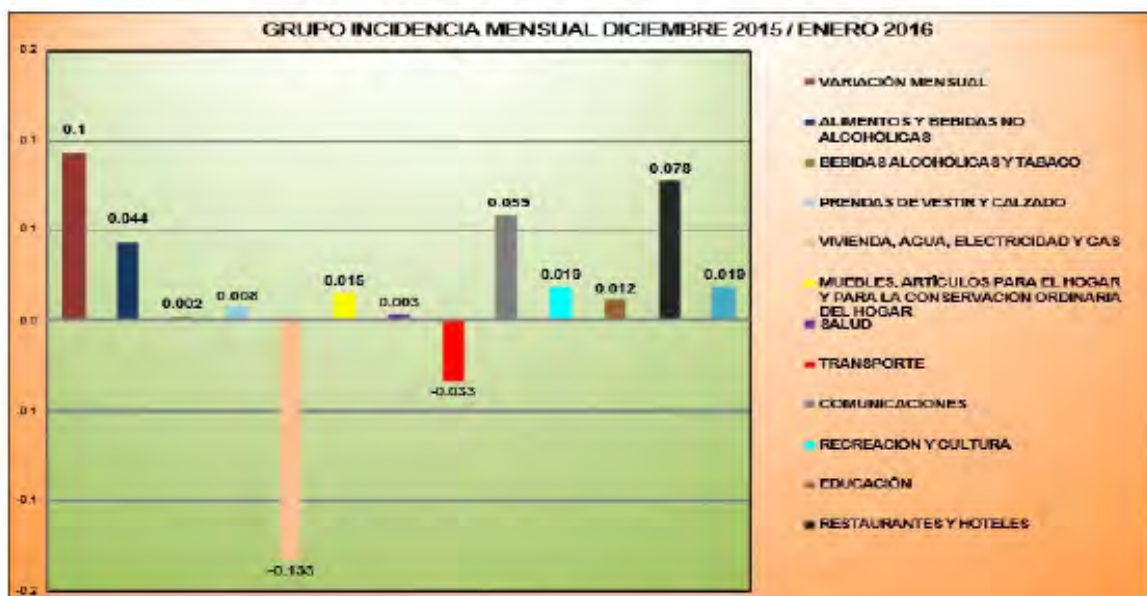
In January, ten of twelve groups that make up the CPI basket showed increases two recorded declines. Groups that had positive changes and more significantly affecting CPI were: Communications 1.3 percent, restaurants and hotels 1.0 percent and food and non-alcoholic beverages 0.2 percent.

In Communications group showed increased class "Telephone equipment" with 10.1 percent, due to rise in price of new mobile phone models. Restaurants and hotels group showed significant variation "Restaurants, cafes and similar establishments" class of 1.1 percent, due to increased prices of meals outside home.

In the group Food and non-alcoholic beverages, variation of "Meat" class with 0.4 percent stands for rise in price of meat for soup. The other groups that showed increases were: Education 0.5 percent; Alcoholic beverages and snuff 0.4 percent; Furniture, household items and routine household maintenance, Recreation and culture and Miscellaneous goods and services, all with 0.2 percent; Clothing and footwear and Health, both 0.1 percent.

The groups with negative changes in CPI were: Housing, water, electricity and gas transport 1.6 percent and 0.2 percent, resulting from decrease in electricity rates and fuel, respectively. Comparing National Urban CPI in January 2016, with its similar of 2015, following increases shown: Restaurants and hotels 11.2 percent; Communications 7.3 percent; Transport 3.0 percent; Alcoholic beverages and snuff 1.6 percent; Food and non-alcoholic beverages 1.5 percent; Education 1.3 percent, and furniture, household items and routine household maintenance 0.2 percent.

Then graph monthly incidence group National Urban CPI for January 2016:L&E



Incidencia: corresponde a la contribución de cada grupo respecto a la variación total del Índice Nacional Urbano, por ello, la suma de las incidencias da como resultado la variación del índice.

# MAIN ECONOMIC INDICATORS

Fuente: CGRP

**F**or the period of January to December 2015, main monthly economic indicators showed favorable performance in production activities related to domestic demand in the country, compared with their counterparts in 2014 were: slaughter of pigs, production of pasteurized milk, tomato and sugar derivatives; Hydraulic power generation, electricity consumption, water billing in the Republic; sale of fuel for domestic consumption, sales of new cars and report of betting games of chance.

Indicators related to the rest of the world, showed positive signs, weight exported bananas, melon, live cattle, hides and skins; passenger entrance living abroad; income from tolls and net tons in Panama Canal.

## 1. Manufacturing:

Sincares were reported in slaughter of pigs by 4.8 percent, production of pasteurized milk 8.0 percent, tomato by 4.9 percent, 3.5 percent and sugar rectified alcohol at 40.6 percent. negative changes were observed in cattle slaughter by 2.8 percent, production of evaporated, condensed and powdered milk by 0.8 percent, natural milk used for the manufacture of products by 1.8 percent, salt 9.2 percent and beverages alcoholic 3.8 percent



## 2. Electricity and water:

a. Electricity: hydraulic power generation rises 30.7 percent by the addition of 4 new and 3 solar water companies and increasing wind energy; it should be noted that these energy sources currently contemplated within hydraulic power generation. Meanwhile, thermal energy of electricity fell by 10.9 percent, as surplus generated by Panama Canal Authority at 19.6 percent. The total electricity consumption increased by 7.1 percent, residential customers by 8.1 percent, 8.9 percent commercial, government 10.0 percent and 41.4 percent generators.



b. Water: turnover of drinking water in the Republic increased by 3.3 percent and were leading sectors, trade at 5.0 percent and 3.6 percent residential. Meanwhile, government sector decreased by 1.5 percent and industry at 0.5 percent.

## 3. Construction:

value of permits for construction, additions and repairs grew in districts of: Panama 11.5 percent, Colón 1.3 percent, Arraiján 37.6 percent and grouped districts of David, Chitre, Santiago, Aguadulce and La Chorrera, at 8.5 percent. ready-mix concrete production at 36.1 percent and gray cement fell 8.6 percent.



**4. Domestic trade:**



a. Sale of fuel for domestic consumption: sale of fuel for domestic consumption increased by 3.2 percent; of these, gasoline by 9.5 percent, especially that of 95 octane 19.4 percent and bunker C at 116.1 percent. For its part, increased gas consumption by 1.7 percent.

b. New car sales: sale of new cars has positive variation of 7.3 percent, specifically segments: regular cars by 4.2 percent, luxury cars 4.3 percent, SUV'S 11.1 percent, minivans 61.5 percent, pick ups 12.2 percent and trucks at 23.2 percent. low segments panels 7.0 percent and 23.0 percent buses reported.

**5. Foreign trade:**



a. CIF value of imports of goods: CIF value of imports of goods recorded fall of 11.5 percent, mainly consumer goods by 15.8 percent, intermediate goods by 7.8 percent and capital goods by 7.8 percent.

b. FOB value of exports of goods: FOB value of exports of goods decreased by 14.9 percent, items that more fell were: petroleum products at 46.4 percent, watermelon 17.5 percent, pineapple 31.6 percent, shrimp 31.4 percent yellowfin tuna frozen, fresh fish and fish fillet 10.4 percent, raw sugar 27.5 percent, flour and fish oil 39.7 percent, coffee 80.9 percent, clothing 8.5 percent, cattle beef 17.6 percent and skins and leather 15.3 percent; on the contrary, positive variations in Banana 3.3 percent, 34.6 percent and melon live cattle of 234.1 percent were observed.

c. Weight of exports of goods: weight of exports of goods fell by 17.9 percent; most important items were: petroleum products at 58.0 percent, watermelon 9.5 percent, pineapple 31.4 percent, shrimp 16.6 percent, yellowfin tuna frozen, fresh fish and fish fillet 7.5 percent, raw sugar 37.9 percent, flour and fish oil 42.5 percent, coffee 82.6 percent, clothing 9.7 percent, cattle beef 22.2 percent, and hides and skins 1.4 percent. Moreover, favorable performance comes in: 4.7 percent banana, melon 17.9 percent and live cattle 162.0 percent.

d. Colon Free Zone: value of commercial activity in the Colon Free Zone reported negative variation of 9.5 percent, due to declines in FOB re-exports which decreased by 12.3 percent and imports 6.2 percent CIF. Also the weight of commercial movement in metric tons, down 8.7 percent, explained by a decrease of 11.7 percent in exports and 5.8 percent in imports.

**6. Hotels and passenger entry:**

a. Hotels: The hotel business in the city of Panama presents decrease in average daily rooms occupied 6.0 percent, average daily overnight stays at 1.5 percent and occupancy rate at 6.7 percent.

b. Passenger entrance living abroad and expenses: entry of passengers residing abroad grew by 6.9 percent, influenced by the demand of visitors increased by 10.9 percent, especially tourists by 20.9 percent, hikers in 5.9 direct and transit percent and 5.0 percent crew members; however, arrival of cruise passengers fell by 72.2 percent. Costs incurred by visitors amounted to 12.7 percent.



**7. Transport:**

Panama Canal indicators recorded positive change in toll revenues of 3.5 percent, net tons 3.4 percent and transit of ships at 2.1 percent. Cargo movement through the National Port System increased by 10.0 percent, projecting the bulk at 26.3 percent; on the contrary low originated in general cargo 25.7 percent and 1.8 percent containerized.

The movement of containers in TEUs increased by 1.8 percent.



**8. Intermediación Financiera:**

a. National Banking System: Information not available from source to date.

b. Stock market indicators: total volume traded on Stock Exchange of Panama, fell by 0.2 percent. This, secondary market fell by 7.5 percent; on the contrary, primary market increased by 0.4 percent and 43.9 percent repurchases. In the stock market, index calculated by Stock Exchange decreased by 5.4 percent and number of shares by 7.3 percent, however, volume traded in shares amounted to 19.6 percent.

c. Insurance: value of premiums has positive variation of 1.2 percent; the most important segments were 3.6 percent individual life, personal accidents 5.2 percent, health 2.2 percent, collective life 2.8 percent, automobiles 14.1 percent and 26.8 percent in bonds. Negative variations were observed in segments of fire and multi-risk 0.4 percent, 0.4 percent other transport, technical fields 26.1 percent and other premiums 23.1 percent: negative variations in the observed segments. Gross claims incurred increased by 3.2 percent.

d. Approved loans by Agricultural Development Bank loans increased by 280.3 percent, mainly those in agriculture sector 310.1 percent, livestock by 151.8 percent, fishing at 213.4 percent and other items: approved by Agricultural Development Bank loans in 816.3 percent.

**9. Public Sector Finances:**

a. Current revenue of Central Government: Information not available from source to date.



**10. Leisure activities:**

The report betting gambling operators of chance recorded decrease of 0.8 percent; in turn, bingo halls in 80.1 percent and gaming tables 8.7 percent; on the contrary, positive change was reported in activities of racecourse at 2.6 percent, slot machines type

“A” at 0.8 percent and betting shops sporting events at 5.7 percent.

**11. Other related:**

a. Employment contracts recorded in MITRADEL: Employment contracts registered in Central Office MITRADEL, negative change of 1.1 percent, mainly the works identified in 5.8 percent and indefinite 0.6 percent, however, contracts defined increased by 2.8 percent. L&E





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# INFLATION STARTS YEAR WITH POSITIVE NUMBERS

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**B**y January 2016, inflation rate in Panama was 0.14%, according to a report by Directorate of Social and Economic Analysis of Ministry of Economy and Finance (MEF), and projects that have no abrupt changes during the rest of year closure register at 0.4%.

This is the second consecutive year that year begins with a low inflation rate since January 2015, annualized inflation was 0.32% and the year ended with 0.2% according to information released by National Institute of Statistics and Census of the Office of Comptroller General of the Republic of Panama.

In both years, the weight of Transportation, which includes price of fuel for personal and goods transport has been decisive. The price level of all goods and services included in that line decreased 3.7%.

The Directorate of Economic and Social Analysis believes may have the benefit of lower oil prices for a few months in the year, sales are doing then Iran the lifting of economic sanctions, possibility of shorten fight against the Islamic state and Iraq also increase its oil exports, and Saudi Arabia maintains its decision not to reduce the quantities exported petroleum, food and beverages.

However, in a special way in the economy of Panama, a prolonged dry season, for sure, it will absorb a large part of increases in income produced by decrease in price of petroleum. In this regard, contrary to price level of

**Fuente:** Ministerio de Economía y Finanzas (MEF)

goods and services grouped in Transport, food and beverages increased, both those made at home and outside, in restaurants. Highlights include increase in the price level of beef (5.5%), fish (3.8%) and vegetables (4.1%).

It also stands out the increase in price level of Communications, for price paid by consumers for telephone equipment purchased from the market, since cost of residential telephony services, mobile or other means remained unchanged in price level compared to last year's average. I&E



METROPOLITAN ÓPERA HD LIVE IN  
PANAMA

Panama Canal Miraflores Theatre

# Manon Lescaut

Boletos de venta en:

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Rivera, Bolívar y Castañedas

Sábado  
05 marzo '16  
12:45 p.m

Más información: 209-5900 / 366-6200

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## THE WORLD BANK REDUCES FORECASTS 2016 TO 37 OF 46 COMMODITY PRICES INCLUDING OIL

**Fuente:** Banco Mundial

The World Bank reduced its forecast to \$ 37 in price of crude oil by 2016 at the latest edition of Commodity Markets Outlook while in October had projected a price of \$ 51 per barrel.

The decline in projection reflects several factors related to supply and demand: the fact that exports of Islamic Republic of Iran have recommenced ahead of schedule; greater resilience of US production because of spending cuts and efficiency improvements, mild winter in northern hemisphere and weak growth prospects of main emerging markets, according to the latest quarterly report the World Bank.

Oil prices fell 47% in 2015 and further down is expected, in terms of annual average of 27% in 2016. However, a gradual recovery throughout the year is expected from current low levels, for several reasons.

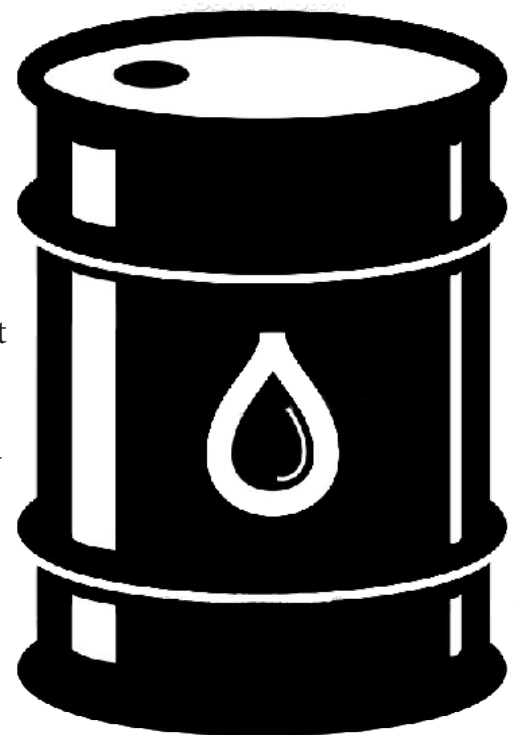
First, it appears that sharp drop in oil prices in early 2016 is not fully justified by fundamentals of supply and demand, and is likely to be reversed in part.

Secondly, it's expected that oil producers with high costs continue making losses ever made production cuts, which will likely offset any additional capacity ente-

ring the market. Third, a partial rebound in demand is expected, after a moderate recovery in global growth.

According to forecasts, recovery in oil prices will be lower than rallies that came after sharp falls in 2008, 1998 and 1986. The outlook for prices are subject to significant downside risks.

“It is likely that oil prices and commodity remain low for some time”, said John Baffes, senior economist and lead author of the report Commodity Markets Outlook. “While we believe it is possible that prices will rise slightly in the



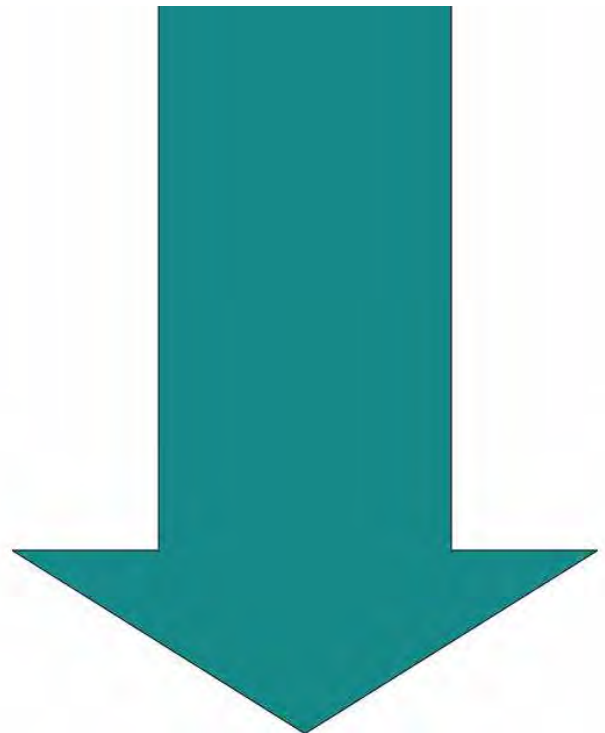
next two years, even large downside risks remain.”

Beyond oil markets, it's expected to price indices of major commodities down in 2016 because supply remains high and, in case of industrial raw materials, because of slowdown demand in emerging market economies. In total, they revised down projections for this year corresponding to 37 of 46 commodity prices analyzes the World Bank.

Emerging market economies were the main source of growth in demand for commodities since 2000. For that reason, deterioration of growth prospects of these economies is affecting prices of raw materials. A further slowdown in key emerging markets reduce growth of trading partners and global demand for commodities.

“Low commodity prices are a double-edged sword: consumers in importing countries benefit, but producers in net exporting countries suffer”, noted Ayhan Kose, Director of Analysis Group Outlook Development Bank Worldwide. “It takes time for benefits of lower prices of commodities are transformed into a stronger economic growth among importers, but commodity exporters suffer the consequences immediately.”

It's expected that prices are not related to energy down 3.7% in 2016, with a 10% reduction in metals after a decline of 21% in 2015 because of decline in demand for market economies emerging and improvements in terms of new capacity. According to forecasts, agricultural prices will drop by 1.4%, with cuts in almost all major commodity groups, reflecting adequate production prospects despite fears related to El Niño, acceptable levels of reserves, a drop in the cost of energy and stabilization of demand for biofuel.<sup>L&E</sup>



## WHO PARTICIPATION IN RESEARCH AND DEVELOPMENT IN CONNECTION WITH VIRUS ZIKA



Fuente: OMS

**W**HO is reviewing current research and development (R & D) related to Zika virus to prioritize medical and strategies whose development should be accelerated products, and results will be examined as soon as possible by expert advisory committees.

At the moment, most of the research that could be useful for Zika virus have been carried out in relation to other flavivirus, such as dengue or yellow fever.

Diagnostics products are of utmost urgency in order to distinguish virus Zika other mosquito-borne flaviviruses causing similar diseases.

On February 5 call was made to businesses and other interested entities to submit to WHO possible products under procedure “Evaluations and lists of emergency,” which ensures that products accepted have reasonable levels of quality and efficiency, and it allows UN agencies, non-governmental organizations and countries acquire them with confidence.

There are at least 12 groups working on vaccines against the virus Zika. All of them are in early stages of development, and marketing authorization could take several years.

There have been some studies on preventive measures that could work the same way as in malaria prophylaxis.

Spraying followed by controlled release of genetically modified mosquitoes is a possibility to consider to stop spread of Zika.

*WHO is also working on:*

- Networking support regulatory agencies to expedite the approval of clinical trials in countries.
- Promotion of sampling in due course and exchange of data between groups involved in R & D studies on virus Zika, to ensure that R & D count on the best scientific evidence.

WHO efforts in R & D virus Zika are part of a general work to establish a roadmap (Project R & D) for better preparedness in this area, relying on experience during work of R & D in relation to outbreak of ebola in West Africa.

The roadmap will allow to launch an emergency response in R & D as early and efficiently as possible to emerging diseases against which there is little or no responsiveness.

In December 2015 WHO held a consultative meeting to identify a limited number of pathogens that immediate priority must be given with respect to preparation in R & D. It was considered that Zika virus poses a serious risk and that additional measures are needed as soon as possible. <sup>1&E</sup>

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## ECLAC INTRODUCES TWO NEW STUDIES ON EFFECTS AND MEASURES TO CLIMATE CHANGE IN LATIN AMERICA

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Fuente: CEPAL

The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) presents ten new studies on climate change in Latin America that analyze link between this phenomenon with styles of development, its interface with energy sector and its impact on agricultural activities and on biodiversity, as well as adaptation and mitigation measures and environmental fiscal reforms to try to minimize its effects.

These publications, conducted by the Division for Sustainable Development and Human Settlements of ECLAC, are the result of work carried out in the framework of EUROCLIMA, a cooperation program between the European Union and Latin America, with funding from the bloc, in which the regional agency of the United Nations has been in charge of the development component of public policies for mitigation and adaptation to climate change.

The report Climate change and energy in Latin America the main determinants of supply and demand for energy in the region, possible paths relative to economic growth are studied and climate change and major public policies in this sector. Two other publications - Climate Change and agricultural activities in Latin America and the climate change and its impacts on biodiversity in Latin America - analyze effects of climate change on agriculture and biodiversity, respectively.

In addition, Measures of adaptation and mitigation to climate change in Latin America and the Caribbean stu-

dy: An overview summarizes the main public policies on adaptation and mitigation implemented or considered in the region, while the report Adaptation on climate change Latin America and the Caribbean delves into options and conditions for successful adaptation initiatives.

Environmental tax reform in Latin America in fiscal instruments used at regional and international level and some lessons to design these reforms are extracted are reviewed.

This issue is also addressed in The political economy of environmental tax reform in Latin America, which analyzes political processes and resistance to which such initiatives must face, from development to implementation.

Moreover, the report Environmental Federalism in Latin America: a review analyzes, based on different objectives and circumstances, what level of national, state or municipal government should be in charge of environmental policy and what conditions are for it succeed. cases of Argentina, Brazil and Mexico and outside the region, China is studied.

Finally Eight thesis on climate change and sustainable development in Latin America, pointing to unsustainability of current style of development of the region and effects of climate change also enhance historic weaknesses of that style of development arise, as argued Styles of development, structural heterogeneity and climate change in Latin America. L&E

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# FEED THE CITIES: A KEY CHALLENGE FOR SUSTAINABLE DEVELOPMENT

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Fuente: FAO

**P**rovide healthy food to growing urban population of the planet requires forging stronger links between rural producers and urban markets and create food systems that are socially inclusive, environmentally friendly and less waste, said today Deputy Director General FAO Natural Resources, Maria Helena Semedo.

Semedo spoke today at opening of a meeting organized by FAO in Global Forum for Food and Agriculture (GFFA) that takes place during the International Green Week in Berlin this year from 15 to 24 January 2016.

Noting the difficulties experienced by many cities to ensure regular and stable to adequate food for all access, said the situation “will worsen as a growing proportion of hungry live in urban areas.”

More than 50 percent of the world’s population now lives in urban areas and this percentage is expected to increase to 70 percent by 2050, particularly in developing countries.

The growing impact of climate change, including storms, floods and other extreme weather events pose an additional threat to people in cities, especially the poor, have access to food.

Reinventing food systems and

make them more sustainable. To address these needs, food systems -in stages of production, distribution and consumption must become more sustainable, according to FAO. This includes ensuring access and active participation of all stakeholders, farmers and small farmers throughout the supply chain and value. It is therefore crucial to drastically reduce losses and food waste, which are particularly high in urban areas. This includes measures such as redistributing unused food and groceries and even the use of waste as fertilizer or to generate energy.

Semedo also highlighted the role played by rural populations contributing to food security of those living in cities.

“Feeding cities said great opportunities for creating sustainable development both in cities and in rural areas especially when family farmers and small farmers are linked to these markets.”

The urban and pre-urban agriculture is also an important component of food systems with innovative techniques such as hydroponics -the cultivation of plants in water solutions with minerals and household and vertical gardens that create jobs, provide nutritional diversity and contribute to healthy food in towns and cities.

Integrate food in urban planning is “essential”.

Food security and nutrition “are still often ignored” in planning and urban development, but this must change if international community is to achieve the objective of sustainable development 11 of the Agenda 2030 for Sustainable Development, which involves having cities inclusive, safe, resilient and sustainable, as Semedo.

To do this, “it is essential to integrate food into urban planning,” he said, noting that while urban and metropolitan authorities are increasingly involved in local, national and global dialogues on food systems, “much remains do”.

This should be an inclusive process, bringing governments, private sector and civil society, so that social, economic and ecological complexities of food systems are reflected, Semedo said.

Global networks of cities and the Covenant on Milan Urban Food Policy.

It’s necessary that cities share their experiences through global networks, as a way to encourage wider adoption of good practice. Semedo cited as an example the Covenant on Milan Urban Food Policy, approved by more than 100 municipalities around the world at the Expo in Milan in October 2015. The FAO plans to organize a global meeting of mayors in 2016 to support the work of Covenant.

On the other hand, the FAO has also been associated and leads various initiatives such as Food for the Cities, and meeting urban food needs. Semedo is expected to intervene at a summit of agriculture ministers on Saturday January 16 GFFA within the program. L&E





## PANAMANIAN CHAMBER OF CONSTRUCTION (CAPAC): WATER RESOURCE MANAGEMENT FOR SUSTAINABLE CONSTRUCTION SECTOR

**F**aced with different scenarios with which we have had to face in recent years as a result of climate change, both at national and regional level, it has been our pleasure to participate in the Forum entitled “Climate Change Adaptation and Management of Water Resources for Construction Sector Sustainability”, organized and conducted by Panamanian Chamber of Construction (CAPAC), on 16 February 2016.

This initiative of the construction sector, which is part of a series of programs that is making this union, makes us reflect on the concern that has generated one of the most important aspects on issue of water: conservation of our water resources; This not only be considered as part of a state policy but must be a priority for all individuals who are part of Panamanian population, taking into account different uses of this resource (domestic, agro-industrial activities subject, industrial, as a source of energy, as a means of communication).

In this sense, it can be said that the aim of the forum was to highlight that construction activity Ought be aimed at gradual modification of construction methods and the adoption of techniques to achieve sustainable development, so the event was participation of representatives from both public and private sector.

Maybé Mendieta - Abogada  
[maybe.mendieta@rbc.com.pa](mailto:maybe.mendieta@rbc.com.pa)

Among the exhibitors officials of Ministry of Environment (engineers Noel Trejos, Director of Integrated Watershed and engineering Rosilena Lindo, Director of Climate Change Unit), representatives of Panama Canal



Authority (engineer Carlos Vargas, were Executive Vice President of Environment, Water and Energy), University of Panama (Bachelor Rolando Gordon, Dean of the Faculty of Economics), Humid Tropics of Latin Ame-

rica and the Caribbean - CATHALAC (Freddy Picado, PhD - director General) and Panama Green Building Council (engineer Roberto Forte, Executive director).

Within the agenda of that forum were part issues of national and international interest such as water situation in Panama and actions for conservation and resource management, impact of the operation of third set of locks in the basin and area of influence, global actions to adapt to effects of climate change, effects of climate change in Panama and proposed adaptation, impact of migration on sustainability of cities and sustainable building techniques for efficient water use. In view of importance that represents conservation of our water resources, we wish to highlight the salient issues discussed during development of this forum:

- On 12 August 2015 declaring a state of emergency session of Cabinet Council.
- On 15 February 2016, the state launched the National Plan for Water Security, which will be developed in order to ensure supply of drinking water for coming years and whose public consultation phase will begin February 24, 2016 in provinces of Herrera and Los Santos, continuing provinces of Chiriqui, Bocas del Toro and regions; later in provinces of Veraguas, Panama and West Panama and conclude in the sector of East Panama, Darien province and other regions.
- The Water Security challenges has Panama are summarized as follows: achieve 100% sustained coverage with quality water and basic services, ensuring that security in a changing climate, maintaining functional conditions increasing sound infrastructure of water and sanitation and evolve into a culture of responsible water use.
- Strategies planning and urban plans should pay special attention to climate information and effects of climate change: knowledge of viable development projects and areas that must be maintained and preserved (watershed) areas; avoid construction in vulnerable areas.

- In Panama, with Law No. 8 of 2015 creating Ministry of Environment is recognized for first time that there is climate change and therefore the need for a national policy against it including technology transfer and training.
- Panama in recent months has been affected by marked variations in their patterns of temperature and precipitation, so that process of adaptation to climate change, involves the adoption of a "climate proofing". This strategy may include structural measures (construction of dikes, breakwaters and embankments) and non-structural (land use, building codes, policies interagency coordination).
- Internal migration in recent years, creating a need to implement measures in construction to make adaptive structures to Climate Change in order to achieve sustainable development of cities, mediated among which the reuse of water in the site or rainwater and use water only for basic needs, increased efficiency of water-using appliances (eg implementation of certification tools, communication and purchase - certification Leed).

In conclusion, Panama is one of the few countries blessed with this natural resource water, which can be considered a renewable resource and always when diligently controlled use and treatment. It's for this reason that as people responsible and committed to environment is our duty, and also a necessity if we think of future generations, protect and care for water resources, preventing pollution of them and implementing measures, both public and private, to avoid jeopardizing rational use of these natural resources, with different uses -food, energy, logistics, etc. and self regenerative capacity thereof.

Besides avoiding thus future involvement of economic, industrial, recreational or technical, agricultural, whose processes, methods require water component and can generate some negative affected progress of the country, a situation which would be affected not only sector or some sectors but the entire population L&E

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## COPA AMERICA 2016 CENTENARY

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**C**entenary Copa America will be a special edition of the Copa America, main soccer competition between national teams of South America, and the world's oldest still in effect.

The tournament will be organized by CONMEBOL and CONCACAF, in celebration of centenary of creation of the first, and will take place from 3 to 26 June in United States.

The event was officially announced jointly by CONCACAF and CONMEBOL on May 1, 2014, but implementation was questioned product of corruption scandal in FIFA of 2015.

Finally, in August 2015, Juan Angel Napout, -president of the CONMEBOL-, confirmed completion of the event but not host it, because it doubted its realization in the United States, as initially thought. This change was due to the recent cases of corruption in FIFA, involving executives of the organizing associations, and eventually create doubts about this option, as the prosecution of New York is carrying out investigations and many of managers couldn't enter US territory.

Finally, president of CONMEBOL announced in September 2015, to be held in United States, and would remain, at once, headquarters of the following two editions of the Copa America: Brazil in 2019, and Ecuador in 2023.

It will be the first purely continental tournament since the Pan American Cup, played in 1952, 1956 and 1960. In turn, it will be the fourth time CONMEBOL perform one of their tournaments in the United States, previously performed



the Recopa Sudamericana in 1990, 2003 and 2004.

The Cup will be held as part of an agreement between CONMEBOL and CONCACAF, a special edition of the Copa America (45th edition since its inception in 1916), among usual four-year cycle, and will feature a field expanded to 16 teams, above the usual 12, with 10 teams from CONMEBOL and CONCACAF 6.

### Panama against the best of America

The national team of Panama was in Group D alongside Argentina, Chile and Bolivia. Before two who were in the final of the Copa America in Chile.

Panama to Bolivia debuts this event in Orlando, June 6; then it will face Argentina, on June 10 in Chicago; to close at Philadelphia on June 14 against Chile.

After meeting the rivals who will Panama Copa America Centennial, coach Hernan "Bolillo" Gomez said that all the groups are tough tournament.

The group is difficult for everyone and the remaining keys are equally complicated, added the national strategist.

## Analysis of coach of national team of Bolivia

Bolivian coach Julio Cesar Baldivieso, after hearing draw for the Centennial Cup, said that Bolivia touched a strong, tough group and that the event will seek to play well and not make mistakes to advance as far as possible.

It's a strong group, a difficult group with defending champion and Argentina, but the parties have to play them to death, said The Emperor after draw of the tournament commemorating centenary of Conmebol.

Baldivieso added that in this tournament you have to play with anyone either the defending champion Chile or Panama debutant. Challenge is difficult, complicated, but we will come up with a good team, said Bolivian coach.

## TaTa Martino reactions

It seems that the "Tata" Martino was satisfied with the draw, which must not have trouble overcoming the first phase.

He also referred to the last Copa America they will play the most difficult group, adding that now it's up to others. También se refirió al hecho de ser Leo Messi quien carga a Argentina; "Leo no puede ser el salvador constante. Tiene que ser el equipo el que lo ayude".

## Satisfied striker Luis Tejada

Luis "Matador" Tejada, the most virtuous of the moment Panamanian footballer, chatted and played two very specific issues: his physical condition and Group D of Copa America Centennial, where the selection of Panama was located with Argentina, Bolivia and Chile.

### "TO PLAY WITH THE BEST"

According Tejada are teams that help us a lot to the claims that we have to qualify for a World Cup.

Physical condition of the Juan Aurich's player is fine; only had a strained right hamstring and is doing therapy to return

as soon as possible to the court, it was just a scare and said he was ready and available for the Panamanian selection.

Los Grupos quedaron conformados de la siguiente forma:

#### Group A

USA  
COLOMBIA  
COSTA RICA  
PARAGUAY

#### Group B

BRASIL  
ECUADOR  
HAITI  
PERU

#### Group C

MEXICO  
URUGUAY  
JAMAICA  
VENEZUELA

#### Group D

ARGENTINA  
CHILE  
PANAMÁ  
BOLIVIA

## Legionnaires status of the national team of Panama

SWithout doubt, the market Panamanians abroad football has moved in this year window change as long ago could not.

A lot of players yard have migrated in search of their dreams; and another mass of legionaries have changed, always with hope of extending its way into complicated world of international football.

At least 15 transactions soccer Panamanians abroad have been handled in this market situation, say many, portends a great future for Isthmian Football in the dream of reaching their first World upgraded.

**Sergio Moreno:** After much speculation and rumors about fate of chorrillero front, Deportivo Municipal of Peru, a team that also participate in the next edition of Copa Sudamericana, second most important Southern Cone, has been with its services. Moreno, 23, traveled to Inca soil to put his signature on the contract and join "aldermen" on loan for one year with option to purchase.

**Jhamal Rodriguez:** The skillful player Chorri- llo FC, starts an affair with the Santos de Gua- piles, of the Costa Rican first division soccer.

**RENÁN ADDLES:** The colonense gunner, one of best per- formers in the last tournament of the Panamanian Soc- cer League (LPF), was seduced by Juan Aurich, also of Peru, where he formed a fearsome trident with his com- patriots Luis “matador” Tejada and Ricardo Buitrago.

**Valentin Pimentel:** The Plaza Amador lanky midfiel- der emigrated to Colombian football with La Equidad.

His good performances with the Panamanian national team made him target of several major clubs internatio- nally, however, Vacamonte native bent by the insurer.

**Brunet Hay:** Scorer of race, which wasn't a good passage by Salvado- ran soccer, Hay returned to Costa Rica to play with Limon. His good performances with Herediano and Perez Zeledon opened a spa- ce called “King of the Caribbean”.

**Harold Cummings:** One of the fastest growing Panamanians and popularity in recent years is undoubtedly the colonen- se Harold Cummings, who decided to continue his ca- reer in the Liga Deportiva Alajuelense of Costa Rica.

Chose Red fullback tico soccer, he says, because it's a great showcase to show his quality and make the leap to Europe.

**Jaime Penedo:** Emblem and wa- rrranty man in Central Ameri- can soccer, the goal of the Red also bent by the Costa Rican soccer, which signed champion Deportivo Saprissa, where he will partner of Adolfo Machado.

**Roberto Nurse:** Panamanian- Mexican, Nurse, after fulfil-

ling the dream of reaching the first division of Az- tec soccer with Dorados de Sinaloa, return to rise with the Miners of Zacatecas. Despite the good performan- ce scorer last season, the club used it as a change agent.

**Edwin Aguilar:** His return to Deportivo Anzoáte- gui of Venezuela full of hope to the fans of “aurirro- jo”, after starting last season due to financial problems of the entity. Aguilar is one of the most beloved pla- yers by the fans of the club and will be safe figure.

**Rolando Escobar:** “The Gifted” lives a very similar to the Aguilar case. Deportivo Anzoá- tegui star in the not too distant

past, emigrated to FC Dallas MLS in search of bet- ter opportunities; now that DANZ solved some setbacks money, returns to extend his legacy.



**Alvaro Salazar:** After a soccer adventure in Viet- nam, colonense Alvaro Salazar joined the Tala'ea El- Gaish SC, of the Egyptian Premier League. The striker, a wanderer in football, has also played for teams from Chile, Ecuador and El Salvador, among others.

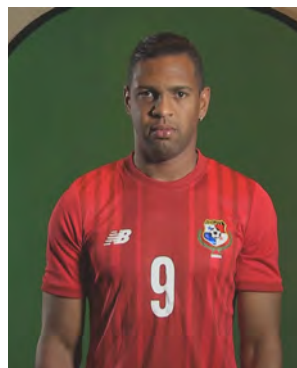
These transactions already confirmed other assumptions that, if realized, would increase these numbers add up.

Including Armando Cooper is rumored to already have everything arranged to go to play Major Lea- gue Soccer (MLS) with the Vancouver Whitecaps.

The elegant Plaza Amador midfielder Josiel Nunez be sitting at the table negotiating joining the Deportes Quindio in Colombia, but also speak in his ear teams American soccer.

Pedro Jeanine is scheduled to make full presea- son with the Montreal Impact in MLS and, de- pending on performance, could stay at the club.

With this list of players we can make a good pre- sentation in the Copa America Centennial, and we have a good seedbed for what is coming: the World



## Activities for March 2016:

### Theater:



- Theatre Miraflores Locks: Opera Manon Lescaut HD MetOpera March 5th, 12:45 p.m.
- ABA Theatre: "Married by Day, Single by Night" from 16 March to 3 April.
- ABA Theatre: There was once in the forest from 28 February to 10 April.
- Anayansi theater, ATLAPA: Musical "MAMMA MIA" from 18 to 20 March.
- Teatro La Station: Spouses until 20 March.
- Theatre Guild of Ancon: The Complete Works of William Shakespeare "(Reduced) 3 to 5, 10 to 12, 17 to 19 March.
- Children's Theatre Bambalinas: Work "Pirate Red Beard and the singing of the Sirens" until 20 March.
- Circle Theatre: Turning 50 "Stand-up Comedy Show by Aaron Zebede about getting (or almost not reach) to the 50's will be appearing in only two functions, on Wednesday 30 and Thursday 31 March.

### Film Premieres:

- The resurrection of Christ, Uncover the mystery, March 10.
- Kung Fu Panda 3: March 10.
- Batman vs Superman Origin of Justice: March 24.

### Festivals:



- Full Moon Drums: March 23.
- FAE, Panama International Festival of Performing Arts from 3 to 9 March. Balboa Theatre, Teatro Anita Villalaz And Ateneo City of Knowledge.
- Solnic Festival March 13 The City of Knowledge, Clayton

- Historical summer INAC: March 31 at the Plaza de la Torre de la Catedral, Panama Viejo. 3, 10 and 17 March on the steps of the National Institute of Culture Casco Antiguo. -
- Beer Fest Panama 2016, Figaly Parking Lot 18 and March 19
- MacroFest 2016 from 14 to 20 March in the Quincennial and Old Town Square.
- X Festival Art in the Park 2016 (Penonomé) will be held on 11 and 12 March, starting with a concert on Friday 11 from 7:30 pm. The expo and sale of paintings will be held on Saturday 12 from 8:00 a.m. to 4:00 p.m., organized by the Art Foundation in Penonomé Park.
- Chefs duel.

### Museums:



- MAC: Taiwanese Film Cycle.
- March 1: To jump boys.
- March 15: The Legend of Formosa 1895.
- MAC "Alfredo Sinclair in the MAC: Signs of time" until March 6.
- MAC-Sala Muta: Serendipidia until 27 March.

### Concerts and presentations:



- Laureano and Emilio return #Recargados, March 5th, Hotel Panama.
- "IL DIVO" Tuesday, March 8, 2016. Ruins of Panama Viejo.
- HoliOne March 26 - Secret Location.
- Joey Montana and Friends, March 3 Anayansi Theatre, ATLAPA.
- Concert by Panama National Symphony Orchestra

and Musica Viva Choir, March 23, 7:00 p.m. St. Francis of Assisi Church (Casco Viejo).

- Concert performed by the Philharmonic Orchestra of the University of Panama, March 27, 4:00 p.m. Church of St. Francis of Assisi (Casco Viejo).



Fairs:

- EXPOCOMER 2015 from 9 to 12 March at the Atlapa Convention Center.
- South Sona Fair, Tiger of San Lorenzo 6 to 8 March.
- Feria de Santa Fe of Darien 2 to 6 March.
- International Fair of David, Chiriqui from 10 to 20 March.
- Colón coasts and mountains Fair 11 to 14 March.
- Fair Chitr-Calobre, Veraguas 13 to 15 March.
- Agricultural Fair, crafts, folk and tour of San José de Tole, Chiriqui 18 to 22 March.
- Tonosí Valley Fair, Los Santos 2 to 6 March.
- Fair Tortí, Chepo Wednesday 2nd to Sunday 6 March.
- Orchid Expo in Boquete, Chiriqui Thursday 17 to Sunday 20 March Boquete district (Fairgrounds).
- Colón National Fair March 30 to April 3.
- Capira Agricultural Fair March 31 to April 3.
- Brides Wedding Expo in 12 to March 13 in the Great Hall of the Hotel Riu Plaza Panama Panama.
- 2016 Summer Auto Fair is the first fair of cars second in Panama. 19 and March 20 will be held at the Atlapa Convention Center.

Important dates:



- March 8: International Women’s Day.
- March 12: Arbor Day.
- March 20: International Day of Happiness.
- March 21: Equinox.
- March 21: International Day against Racial Discrimina-

tion.

- March 21: International Day of Poetry.
- March 21: International Day of people with Down Syndrome.
- March 22: World Water Day.
- March 23: International Meteorologist Day.
- March 24: Tuberculosis Day.
- March 27: International Theatre Day.
- March 30: China Ethnicity Day.
- March 30: Senior Citizen Day.



Religious festivities:

- March 8: San Juan de Dios.
- March 17: St. Patrick.
- March 19: San Jose.
- March 20: Palm Sunday.
- 23 to 24 March: Purim.
- March 24: Holy Thursday.
- March 25: Good Friday.
- March 27: Easter Sunday.

Sports:



- World Baseball Classic from 17 to 20 March at the Rod Carew Stadium.
- XIII Golf Tournament “Expocomer” which will be held on Friday March 4 at the Golf Club of Panama, at 12:00 p.m. Fundayuda benefit.
- A Day at RACES, President Remon Racetrack Sunday, March 6.
- Ultimate Combat Challenge # 27, Megapolis Convention Center on March 19.

## *Alianzas alrededor del Mundo*

Mitrani, Caballero, Rosso Alba, Francia, Ojam & Ruiz Moreno- ARGENTINA

Guevara & Gutiérrez S. C. Servicios Legales- BOLIVIA

Machado Associados Advogados e Consultores- BRASIL

DSN Consultants Inc- CANADÁ

Lewin & Wills Abogados- COLOMBIA

Rivera, Bolívar y Castañedas- PANAMÁ

Espinosa & Asociados- CHILE

Lawnetworker S.A. Asesores Legales- ECUADOR

Peter Byrne & Associates- ESTADOS UNIDOS

Machado Associados Advogados e Consultores- ESTADOS UNIDOS

Ortiz, Sosa, Ysusi y Cía., S.C.- MÉXICO

Estudio Rubio Leguia Normand & Asociados- PERU

Adsuar Muñoz Goyco Seda & Pérez-Ochoa, P.S.C.- PUERTO RICO

Pellerano & Herrera- REPÚBLICA DOMINICANA

Alvarado & Asociados- NICARAGUA

Torres, Plaz & Araujo- VENEZUELA

Facio & Cañas- COSTA RICA

