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History of Balances Reversed

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of Panama, by Guillermo O. Chapman Jr.

Is there a suitable environment
for a Constituent?

Dr. Belisario Porras, architect of the
Panamanian nation

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Editorial**

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Editorial

IS THERE A SUITABLE ENVIRONMENT FOR A CONSTITUENT?

In the midst of the economic, labor, educational, health and political aftermath that the pandemic has left, groups have emerged in the arena that are promoting different modalities to achieve a constitutional reform or a new constitution.

The first question we must ask ourselves concerns the number of people who have had the curiosity or patience to read and understand the current constitution and the history of the constituents in Panama. I venture to say that, outside of the legal profession and some judicious politicians, and students of political science, most of the population is unaware of this text.

However, the structure of this document is technical and in most situations it requires the issuance of laws to enforce the rights, privileges

and obligations that emanate from a constitution.

A careful look at this promotional panorama allows us to identify that those who advocate for a new constitution seem to start from the premise that all the evils that afflict us would be resolved in one fell swoop, if we modified or erected a new constitution, and this is definitely not the case. certain.

In another vein, I haven't heard that the proponents have identified which issues in the current constitution are necessary for them and therefore would not require modifications, for example: the constitutional title of the channel, the issue of public finances, constitutional guarantees, the presidential system, among others.

Nor have I read a meticulous inventory on the

issues that would be subject to change and how the temptation would be resolved that once the constituent assembly or another measure of the original constituent is in force, the period of validity of the current government and other relevant guarantees would be respected. respect for the democratic system.

But it seems to me that the main concerns of citizens have to do with the existence of new strains of the virus in the world, when will the vaccination of the great national majorities accelerate? How will the economy be reactivated in a certain way and therefore decent employment? And what are the action plans to achieve an economic recovery commensurate with the fall that the gross domestic product of our country suffered during the past year?

This in turn is complemented by the concern of parents and teachers about when the educational process will return to normal through a return to the classroom.

Finally, the different economic social actors and the community are frustrated by a constant threat of returning to a partial or permanent confinement to the detriment of citizen freedoms.

Therefore, I respectfully bow to state that it is my concept ***"There is no environment for a constituency."***

It will dawn and we will see...L&E



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10 YEARS OF TAX JURISPRUDENCE - A HISTORY OF BALANCES REVERSED

Introduction:

This article summarizes the research effort of the Antequera Institute to measure directly the Administrative Tax Court in its 10 years of validity² and indirectly the DGi.

In the present effort we wanted to express in numerical terms:

1. What is the relationship of cases won and lost by the taxpayer in the TAT.
2. What kind of cases fails the TAT.
3. How long the governmental route lasts.
4. How much does the TAT cost the country?.

This article will be limited to these 4 points.

Then, in point 5, we will compare these numbers with the results of a similar effort that we made in 2005, as an analysis of the fiscal reform of that year³.

This example will allow us to compare:

1. The old appeals commission with the current TAT,
2. The amounts in dispute at the end of the 20th century and the beginning of the 21st century - vs - the amounts in dispute in the decade 2011 to 2020.

¹ LLM Int Taxation (Leiden). Socio Urbina & Asociados firma representante en Panamá de Morison KSi. Rector del Instituto Antequera.

² El TAT nació en virtud de la Ley 8 de 2010 aunque sus primeros fallos se emiten en 2011.

³ Páginas 157 y siguientes de este texto: <http://www.momentofiscal.com/images/Gaceta%20Fiscal%202.pdf>

3. The effectiveness of cases won by the DGI in the TAT vs. the budget of that entity.

Let's move on to see these points.

1. What is the relationship of cases won and lost by the taxpayer in the TAT.

To carry out this statistic, we analyzed the background cases in the TAT from 2011 to 2020 and we observed who was winning (treasury or taxpayer).

As a result, we observe the following:

At the beginning of the table we observe how, in percentage terms, the taxpayer lost almost everything that entered the TAT.

The first three years show how the taxpayer played a game where face is lost and stamp too.

The most unfavorable point for the taxpayer was 2012, which brought us 92% of victories for the treasury.

This metric is reversed in 2014 where the taxpayer begins to play with a greater chance of winning.



The situation is totally reversed in the last third of the graph where the taxpayer begins to be the clear winner with up to 76% of victories in 2020.

What can explain the great disparity in these numbers? With the intention of knowing what motivated this change, I allow myself to state the following possible reasons.

1.1. The treasury provided the first TAT officials.

One possible explanation is that the treasury provided the first TAT officials. One of the magistrates was an advisor to the MEF and another was a DGI official for many years. The same happened with his assistants and other officials.

These officials had a difficult fiscal chip to remove and, in part, this is due to their pro-fiscal bias reflected in a disproportionate advantage of this entity over taxpayer.

1.2. There was fear of the director at that time.

The saddest moments of the DGI were lived with the presence in the period when the TAT began of a Director of Revenues who, in the end, ended up convicted of common crime. This sad character perhaps inspired enough fear in the TAT officials who preferred to be conservative in their rulings and therefore pro-treasury.

This possible thesis is supported by the fact that absence, and then criminal conviction of this character came at a time when pro-treasury trend faded in the TAT.

This thesis is also supported by how extremely formalistic and closed to any proof that the TAT was in its beginnings. Cases such as TAT-RF-01-2012 illustrate how the TAT denied expert opinions and instead requested that they bring it evidence, understood as original invoices. Was this extreme formalism and recurrence to a kind of test priced show of fear of failing against a threatening Director?

1.3. There was no training for TAT officials.

A possible explanation for these numbers can be found in the relative little experience or training of TAT officials in the early years. This education has been deepening and of course the experience as well.

The same happened with the first magistrates of the TAT. Some did not have any training in taxation and were appointed because of their political closeness to the administration in office.

Is the greater number of taxpayer-friendly cases the result of increased personnel training in the TAT?

1.4. The taxpayer also trained and learned to better fight their cases.

Initially, the taxpayer also suffered shortcomings that he corrected along the way. This thesis would say that the taxpayer is today more skillful presenting and defending his cases and that is why we have better results in his favor.

Perhaps the most absurd case that serves to illustrate this point is in the ruling TAT-ADM-196 of 2012 where an appeal was denied because it was presented at the file and correspondence window of the MEF and not the TAT.

An error like that has not been repeated by the taxpayer.

1.5. The existing rule provides enough elements to fail a tax case, and fail it well.

Despite the enthusiasm that surrounded the approval of the Tax Code in 2019, I expressed my caution in various forums about the need for its existence for the mere fact of “better fail cases.” The reason many times expressed by those who proposed this code was the need to provide more guarantees to the taxpayer.

Although everything human is perfectible, I believe that the success of the taxpayer against the DGI, achieved in the absence of a Tax Code, shows that in our laws there are sufficient elements to fail a tax case and fail it well, without the need for more laws.

What else does this stat teach us:

In the last year of government, the taxpayer wins more cases than in the previous period. By having 2 changes of government, in the analyzed period, we can reach that conclusion since the last year of the Martinelli administration and the last year of the Varela administration indicate this.

We have mentioned the fear that could be instilled by the director of revenue that existed at the time TAT started. That director was removed from office in 2014. In that same year, the taxpayer began to win 54% of his cases, a figure significantly higher than the 17% (2011), 8% (2012) and 19%

(2013). Did the TAT intentionally wait for a change of government to rule in favor of the taxpayer?

With this statistic we can ask ourselves the question: Will the last year of the Cortizo administration be the moment where the taxpayer wins the most cases in his presidential term?

Key moments in the TAT change

Beyond the reasons why this statistic is reversed, I want to note the following moments that caused a turning point in the pro-fiscal trend of the TAT.

a. Judgment of August 13, 2012, the Honorable Supreme Court of Justice,

In this ruling related to the CAIR that was denied in the first instance for reasons of form.

In that same ruling, the Court takes the position it had assumed up to that date (2012) by saying that the taxpayer had to provide some alleged documents that neither specified in its ruling nor are they listed in any regulation of our country. In this way, it decides against the taxpayer.

The only thing that can be rescued from the ruling is Judge Benavides' vote rescue, who asks, for the first time at the Supreme Court level, what documents are these, what obliges the taxpayer to deliver them and who is in charge of the evidence in situations where the DGI simply says that it does not have documents that it did not ask for and that it has never defined what they are.

This was a significant variation of the previous judgments of Judge Benavides where little or nothing was elaborated on the need for an effort on part of the DGI to search for material truth. These failures even led to different results in the same situations.

In saving him, Judge Benavides even said:

“In the present case sub iudice, the Tax Administration was in the obligation ..., and in any case, to carry out all the pertinent investigations

with the sole purpose of establishing the material truth about the income statement filed by the taxpayer; that is, to demand each and every one of the documents and reports to the satisfaction, including information on the costing system applied ... in short, to carry out all the necessary steps to dispel any doubts about the applicant's claims..."

Added the Judge:

"...it's easy to see that, despite having the necessary powers, the General Directorate of Revenue did not carry out a detailed investigation that produced clear and precise results on the accounting system, especially..."

b. First ZigZageo of the TAT

The TAT, after denying how much CAIR was found, gives its first ZigZageo on September 27, 2012⁴, granting a CAIR to a law firm.

The CAIR that was denied in the first instance due to differences in the crossing of ITBMS information, differences in the cash method vs. the existence of accounts receivable and due to a difference in the taxpayer's depreciation method.

The TAT, in this ruling, stopped using its easy way out of denying CAIREs for formalistic reasons (TAT and details of other costs.) And (TAT disregards expert opinion in formalistic decision).

Unfortunately, the reasoning followed was only to mention that the taxpayer was a civil society. He did not carry out expert opinions or obtain any other means of proof. The poverty of the wording and argument of the ruling can be seen as a first approach to granting CAIREs despite the little elaboration of the magistrates on what was the cause of the change in their own previous doctrine.

What is recoverable from the ruling is that the TAT even said that these differences should have been

considered "indications" for the DGI and should not be part of a CAIR denial.

This was such a turning point that one of the magistrates saved his vote stating that "after several efforts", since he found "various contradictions in relation to what was presented and what was argued by the taxpayer" (words in quotation marks are from the magistrate).

Finally, and consistent with the title of this article, the magistrate notices a zigzag of this ruling with the jurisprudence of the TAT. The magistrate cites a Resolution where the TAT refrained from granting any term for the use of the traditional method despite having revoked the denial of the CAIR of the DGI⁵.

c. Judgment of the Accountant Magistrate (Alla P. Barrios)

The rescue mentioned above was followed by another rescue in the TAT that became another turning point. In ruling TAT-RF-012 of February 17, 2017, the Accountant Magistrate gives a true chair of law to his fellow lawyers to say that the articles cited by the ruling are not an excuse for the DGI not to prove their scope. For this, the magistrate cites article 156 of Law 8 of 2010.

According to the salvage, the DGI did not even include the scope work papers, so the file had "... total lack of procedural records" that allow it to verify the scope carried out.

For that magistrate, an ex officio test had to be issued to arrive at the "material" truth of the case as ordered by Article 147 of Law 8 of 2010. The magistrate indicates that this evidence should have requested the tables on which the scope is based in order to verify what the DGI said, including an example of what, according to him, the evidence provided by the treasury should have been.

For this, the accountant relies on article 150 of Law 38 of 2000, which indicates that the parties must prove

⁴ El número de expediente es: 081-2011 y la Resolución es TAT-RF-039 de 27 de septiembre de 2012.

⁵ Esto lo dice el magistrado por una discusión bizantina que ocupó el pensamiento del TAT en sus primeros años. Según esta discusión y, en atención a lo que ellos llamaban el principio de legalidad, no puede el funcionario de alzada conceder un plazo cuya atribución es privativa de las funciones del Director de Ingresos.

what is alleged. For the accountant, this includes the DGi, which is part of the process. By this article, the DGi had to provide the file with the evidence of what it said, consisting of "account details, accounting records or documents extracted from the company ..."

For the Magistrate, the preparatory documents for the scope become evidence when the taxpayer challenges the resolution. These tests, together with those provided by the taxpayer, are those that should serve for the TAT as an impartial third party to decide the case.

The accountant adds that in the absence of these tests, the taxpayer's ability to cross-test is summed up to zero since the DGI's resolutions do not have "sufficient explanation to know the origin, provenance, justification of the unpaid amounts." At this point the accountant adds that there is no equality between the taxpayer and the treasury.

In what we believe to be the most transcendental part of the rescue, the accountant indicates that the presumption of legality of the administrative act "... does not substitute a test, much less be a strong argument to impose on the presumption of innocence..." "It is added that this presumption acquires force when it is supported by preparatory acts. If not, according to the rescue, the good faith of the DGi will be in doubt.

The accountant continues by giving a chair of law to his colleagues and to the DGi, when referring to the burden of proof, discarding the concept that the taxpayer is the one who has it. The accountant indicates that the burden of proof is on the person who claims it. Here a distinction is made between ex officio administrative acts such as scope and others that are generated at the request of the taxpayer. In the former it indicates that it is the DGi that has to prove what it says and in the latter the petitioner must do so. Another piece perfectly outlined by the accountant is that the DGi, as custodian of the ITBMS returns, cannot claim that the taxpayer did not present them. For this, article 150 of Law 38 of 2000 indicates that they are obliged to check them as custodian of the statements presented.

Finally, the accountant indicates that effective judicial protection is violated with actions where

the DGi does not prove what it says in its scope.

c. Logistics Judgment

By 2018, the Court was more open to discussing the actions of the TAT and the DGI. At this time the Logistics case was judged.

In this judgment, the court indicates that the central point was the lack of "communication ...of the audit process" and the "ignorance to be heard" as established by the taxpayer's rights established in article 155 of the Law 8 of 2010.

According to the Court, Law 8 of 2010 and DG 109 of 1970 would determine whether or not due process was violated. Here the court analyzes due process by citing text that indicates that the right to be heard is part of this concept. According to the judgment, the right to provide evidence is part of the same due process.

In mentioning this, the court says it agrees with the taxpayer in the sense that he couldn't contradict the DGI or be heard. The Court adds that had it been heard by the DGI, it would have been allowed to clarify the points against it.

After this, the Court says that by violating Article 155 of Law 8 of 2010, the principle of legality contained in Article 52 of the Constitution was violated.

The Court adds that there was no evidence in the file that the DGI had carried out a detailed review of what the judgment considers a "duty." The court says, at this point, that there is no evidence whatsoever to support the DGI's position that the taxpayer "had full knowledge of the audit process." For this, the court mentions the same phrase used by the DGI when indicating that this was a "desk" audit.

According to the judgment, this made it impossible for the taxpayer to exercise a timely defense. At this point the court adds that the scope was made "innocent party" which violates the judgment that establishes that there is a contradictory.

The judgment ends by mentioning a tax principle of

“legal certainty” which, according to the judgment, guarantees the taxpayer confidence in public institutions and in the general legal order. For this they cite a judgment of February 27, 2007.

In this way, the Court gives reason to taxpayer and revokes the scope of the DGI.

One of the three magistrates saved his vote, the most relevant being one who mentioned verbatim that “it is worth noting that this Action for Protection is far from other Actions decided by the Plenary.”

The fact that one of the signatories of the judgment is surprised by the position of his colleagues indicates that this is a judgment that changes the trend in that court.

e. Director Complaint to Experts:

A director, and it was not the one who ended up convicted of common crime, came to criminally denounce his own expert and the taxpayer’s experts.

The complaint came about because that director read an identical text from the expert report of both experts. That director added that there were even spelling errors that made it impossible for them to occur without the coordination of the experts. In the mind of this director that was a crime.

I don’t understand what logic that director’s mind followed. The truth is that it is extremely intimidating to fail a case where the director of revenue has filed a criminal complaint.

In this case, TAT-RF-018-2019, the magistrates showed great courage in ruling against this intimidation of that director.

For this reason I mark this as another turning point, albeit late, in the sample.

Conclusion on these 5 turning points:

Surely there are more rulings that can be cited as turning points in national jurisprudence. However, we believe that these five, at the time they were

issued, contributed to the statistics showing how the pro-fiscal trend of the first years of the TAT is reversed.

2. What kind of cases fails the TAT?

In the period from 2011 to 2019, the TAT has at times been a billing court, an evidentiary control court, and a CAIR court.

Tipo de Caso	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Auto de Prueba Apelado	1	-	-	-	11	9	23	37	11	35
CAIR	128	43	46	48	2	19	34	-	1	35
Declaración de Prescripción	11	8	4	-	3	0	3	-	-	9
Defraudación Fiscal	2	-	-	-	3	4	4	2	-	1
Devolución de Impuestos	27	8	8	4	3	5	-	-	-	7
Excepciones - Cobro Coactivo	10	2	4	1	7	7	3	33	32	-
Exoneraciones	5	10	7	1	4	3	1	0	1	-
Facturaciones	61	77	24	9	74	50	13	3	27	-
Incidentes - Cobro Coactivo	10	9	6	2	12	10	5	19	13	-
Liquidaciones Adicionales	18	38	11	6	63	16	2	-	23	-
Otros Tributos	8	5	2	2	-	2	-	16	6	-
Práctic de Transferencia	-	-	-	-	-	-	-	-	-	5
Rectificativa	4	6	4	-	2	2	-	-	3	-
Terceros - Cobro Coactivo	4	-	4	-	2	-	2	-	2	-
Omisos en Impuesto Sobre la Renta	-	-	-	-	-	-	-	-	-	-
Tratados Tributarios	1	-	-	-	-	-	-	-	-	3

This is indicated by the sample in the table that precedes, where it is observed that the first year of the sample the TAT only saw CAIRs and the second went on to become a court of fines for bad billing.

2015 and 2016 were also years where the TAT was limited to seeing billing fines.

2.1. Shortage of audits in the period 2011 to 2020

The sample’s attention is drawn to the fact that additional settlements have never been the number one case failed by the TAT. This type of case only became the second type of case failed in 2015 and practically disappeared from the sample in 2014, 2017 and 2018.

What does this statistic show? On the one hand, it shows the little collection work that the DGI has had in

that period. To my surprise, while I was writing these lines, the DGI published an accountability document that does not mention comprehensive audits carried out by the institution in 2020. Does this mean that these audits are no longer carried out routinely? The scope must be a routine administrative act in the DGI and therefore, routine in the TAT. However, scope is never the most appealed act in TAT. It is even surprising that in some years there were not even cases such as 2018 and in another only 2 were presented (year 2017).

The surprise is even greater when a single reference to the number of comprehensive audits carried out by the institution in 2020 is not read in the DGI management report presented in March 2021.

When we see this point, we must ask ourselves if this is, in part, the result of the elimination of the figure of the Provincial Revenue Administration. This figure, eliminated in 2010, was in charge of signing scopes. This role was absorbed by the chief revenue officer, and they were never massively audited again.

At the same time, the legal department of the Provincial Revenue Administration was eliminated and merged with what was called the legal department of the DGI. At one point these two departments shared different roles (one normative and the other executive). By merging them, the DGI lost an element independent from the director that served as the basis for failing the scope reconsiderations.

2.2. Little sophistication of the appealed acts

On the other hand, we can note the lack of sophistication of the DGI's actions since Transfer Pricing cases are only shown in the last year of the table with 5 cases and those of tax treaties are only 4 with 1 in 2012 and others 3 at the end of the table. When I returned from studying in Panama there were a couple of professionals with master's degrees in international taxation. Today, I know of at least 30 professionals

with a master's degree in that area. This would mean that we have more specialists in international taxation than cases of this matter in our courts.

This trend does not seem to be able to be reversed in a short time since in March 2021 the DGI reported that it had carried out 5 transfer pricing audits in 2020.

We can do the same parallelism with what must already be several hundred magisters in taxation. When I returned to Panama with my recently obtained LLM degree in international taxation, there were only a handful of lawyers specialized in taxation. That handful divided a similar universe of cases to those today 300 or 400 magisters in taxation have to be divided.

At this point we must ask ourselves: have we trained lawyers in a specialization that they will never practice?

The case becomes particularly important when these magisters seem overqualified to attend traffic fines, pardons, fines for non-billing in the years where this was the number 1 case ruled by the TAT (years 2012, 2015 and 2016).

2.3. Good propaganda for system programmers

Although the TAT has not contributed much to expert tax litigants, it has been an interesting source of business for system programmers. Each billing fine imposed by the DGI is surely a tremendous advertisement for two people: 1. Sellers of Fiscal Printers, 2. Programmers of these computer systems.

I am convinced that for the small amount that these fines represent, no tax attorney can make a career out of these appeals.

2.4. Tax fraud law attacked non-existent problem

In the sample we did not observe more than 1 case of tax fraud. This fact contrasts with the implementation

⁶ Informe – Gestión, avances y logros de la DGI en tiempos de COVID. Publicado en la Web de la DGI en Marzo de 2021.

⁷ Informe – Gestión, avances y logros de la DGI en tiempos de COVID. Publicado en la Web de la DGI en Marzo de 2021.

⁸ Página 46 del Informe – Gestión, avances y logros de la DGI en tiempos de COVID. Publicado en la Web de la DGI en Marzo de 2021.

of the figure of fraud as a criminal offense.

Was this law necessary with only 1 case appealed in that matter? We understand that the FATF pressures were aimed at obtaining information that was impossible to exchange in the absence of this typification and, therefore, this adoption was largely due to this.

The future of this number of cases does not seem very promising since on Page 44 of the DGI management report presented in March 2021 only references are made to 16 cases where a process was started for possible tax fraud 9. This is only the beginning of what may be half of those cases ended with this presumption confirmed.

2.5. A TAT that can see other cases

Sometimes the thesis has arisen that the TAT should see other types of tax cases. Among these, the municipal, customs and CSS scopes are mentioned. With this, a kind of super tributary platform would be created.

Although I do not rule out this thesis, I do believe that the same problems of lack of collection that the DGI has are in the CSS, which has only been able to carry out 82 audits in 2020¹⁰. I do not know if these 82 audits are of little importance or of unappealable amounts due to their meager amount.

3. How long does the government route last?

Our sample measured the government route in terms of months. For this measurement we take into account the date on which the administrative act was issued by the DGI and the date of the administrative act issued by the TAT.

For this reason, the reader must understand that the term is greater than that expressed since there are preparatory acts prior to the date on which the administrative act is issued in the DGI.

Additionally, there is another equally indeterminate time between the time the administrative act of

the TAT was dated and the time it is effective (notified to the appellant). In extreme cases, the date of notification has taken 1 decade as evidenced by the ruling of TAT-ADM-337 of 2016.

Recognizing this limitation of the metric, let's take a look at this measurement.



In the attached graph we see how the government route went from 18.92 weeks to 56.04 weeks.

The trend has been to the increasing delay in the time it takes the government route despite seeing a slight improvement in this trend in 2016 and 2017.

This statistic only shows the cases where the TAT had a judgment of merits. Therefore, this statistic doesn't show how long other types of judgment take (appealed orders, subtraction of matter, non-admission, etc.).

What can explain the great disparity in these numbers ranging from a year and a half to almost 5 years? With the intention of knowing what motivated this change, I allow myself to state the following possible reasons.

3.1. More Analysis - Longer Time

The longer time that cases have taken in Panama may reflect a longer analysis time as the sample progresses. Perhaps this is the correlation between

⁹ Informe – Gestión, avances y logros de la DGI en tiempos de COVID. Publicado en la Web de la DGI en Marzo de 2021.

¹⁰ <http://www.antequerapana.com/cssaudito82empresasen2020.html>

the highest number of cases won by the taxpayer.

This greater analysis can be observed in rulings such as TAT-RF-2018 where the TAT asks DGI to take as mere indications for a scope or a fine alleged flaws found in the request of a CAIR.

In summary, cases like this indicate that the TAT is looking for more debate in the background and therefore more analysis than the once easy way out of denying the taxpayer's claims based on alleged flaws in the form.

3.2. The largest number of practice tests

If we look at the table of types of case ruled by the TAT, in some years, the appealed files form the first type of case seen. Specifically since 2014, which coincides with rulings that indicated the need for testing by the DGI.

By having to appeal an order, the taxpayer is forced to delay a decision for the simple fact of not having to remedy what we can consider as issues of form or incidental to the judgment on the merits.

3.3. More complexity of the cases ruled by the TAT

Although the sample shows that the TAT does not see particularly complex cases, we can discreetly observe deeper issues such as transfer pricing (4 cases) and tax treaties (5 cases).

These 9 cases don't explain, by themselves, extension of the term that government process lasted, although they do show a process that could expand it in the future.

3.4. The appeal per saltum or direct appeal did not contribute to the reduction of times

In the 2010 reform we contemplate a kind of per saltum appeal where the taxpayer could appeal directly to

the TAT without having to reconsider before the DGI.

Despite being a novel figure and despite having, for sure, shortened the times of some files, the introduction of this figure did not shorten the averages for the duration of the governmental process.

3.5. Our gubernatorial route lasts longer with computers than with Olympia machines

Those of us who read bugs written on Olympia machines cannot understand how it can take longer to make a mistake made on a computer. Since this 21st century, nobody has to go to a library to look for physical gazettes or to look for judicial records to consult rulings. Today, all of that exists in the cloud and can be downloaded onto a phone that you carry in your pocket.

However, this does not translate into more speed of the government route compared to 30 years ago.

In 2005, as a professor, I directed an investigation for the first master's degree in taxation that existed in our country. In that year, we analyzed the rulings from 1990 to 2003. In this effort, we observed that the contentious administrative procedure plus the complete governmental procedure lasted, at most, 5.6 years (1995) and at least a year and a half (1996).

These numbers are what today only the government process delays, without counting how long the contentious administrative process can last.

Let's see the table that at the time collected this statistic:

What changed in this country for a case to go from having a final judgment in 1.4 years in the 90s but take 5 times longer in 2020?

3.6. Is arbitration still an option?

Camilo Valdés in his doctoral thesis exposed the need for arbitration to, among other things, lower the delay in tax rulings.

I acknowledge that I am not convinced of the constitutionality of this figure but, given the growing tax arrears, we must consider it.

Recently, the Tax Code revived this figure again, but with drafting deficiencies that do not make the application of the figure 100% understandable.

4. How much does the TAT cost the country?

En el periodo analizado el TAT nos ha costado 31,6 millones de dólares.

Año	Número de casos	Duración ¹⁴	Monto de fallos ¹⁵	Ganados por DGI
1990	2	4.6	N/A	2 de 2
1991	3	3.5	N/A	3 de 3
1992	2	2.58	763.71	1 de 2
1993	6	4	14,012.63	5 de 6
1994	3	3.6	20,077.22	3 de 3
1995	9	5.6	530,618.34	4 de 9
1996	11	1.43	75,525.08	7 de 11
1997	14	1.98	250,357.76	7 de 14
1998	9	2.76	287797.19	8 de 9
1999	24	2.44	38,454.88	17 de 24
2000	8	4.20	70,414.94	6 de 8
2001	10	4.50	1,669,095.72	8 de 10
2002	3	4.86	235,076.28	1 de 3
2003	2	4.25	98,183.76	0 de 2
Total	106 ¹⁶	3.59 ¹⁷	274,198.12 ¹⁸	72 de 106 ¹⁹

Cuadro confeccionado en base a los Registros Judiciales de Sala 3era. de la Honorable Corte de Justicia.

This is what the numbers say when they show that the TAT started costing 2 million and today it is costing us 3 million.

This metric can be subdivided by failure and we would notice that the TAT started out costing a little over \$ 8,000 per case.

At the end of the sample, this metric exceeds \$ 34,000 per case.

Those of us who knew the predecessor of the TAT, the so-called Appeals Commission, will remember that those 34 thousand perhaps paid the salary of all the personnel of that entity and surely there was a good simple return.

For this reason, we must conclude that good justice is expensive.

5. How the TAT compares to its predecessor, the Appeals Commission:

In 2005, we conducted an analysis of the appeals commission of that year. We obtained the number of appeals that that entity failed¹¹. The data was obtained from 1992 to 2004.

At that time we wanted to measure the collection action of the DGI. We concluded that the DGI should improve its collection and therefore improve the number of audits that would ultimately be reflected in the number of cases appealed and taken to the 3rd Chamber.



As can be seen, the old appeals commission ruled 160 cases in 1996.

In its worst years, this entity failed 40 cases and 41 cases.

If we compare these numbers with the number of failures that the TAT makes, the reader will assume that after 20 years this number must have multiplied significantly. The reason for following this logic is that our GDP grew several times and additionally the taxes administered by the DGI also did so.

To illustrate this example, let's see that GDP in 1992 was \$ 6.6 trillion, while by 2020 it is 10 times that amount. The reader would expect the number of cases to increase at least as our GDP increases. With this logic in mind, the higher the

¹¹ Páginas 157 y siguientes de este texto: <http://www.momentofiscal.com/images/Gaceta%20Fiscal%202.pdf>

GDP, the higher the taxes charged by the DGI than the higher number of appeals would attend.

Another reason to expect more cases ruled by the TAT is in the higher amount of taxes collected by the DGI. In 1992 the ITBMS did not tax services and its rate was only 5%. There was also no transfer pricing regime, no tax treaties, we did not have information exchange treaties, nor was there a consolidated ISC regime.

Another reason to expect more cases failed by the TAT is in the larger population that our country has. In 1990 our population was 2.3 Million. By 2020 this figure has doubled. With twice the population, we must have at least twice as many active contributors to the national treasury. However, it is difficult to understand that in some years the TAT fails amounts similar to those that the old appeals commission failed.

For this reason, the question remains of what makes the cases failed by the TAT not grow with all these variables on the rise.

lower than those ruled by the old appeals commission?

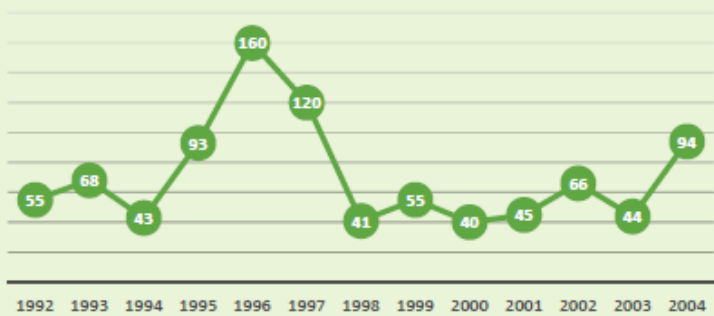
To my surprise, the excellent accountability document presented by the DGI in March 2021 does not make a single reference to the number of reconsiderations ruled by the legal department in 2020. Nor does it make references to the number of cases sent to the TAT in that year .

In no way can this question and its possible answer to a failure of the TAT be understood. That said, we must understand what happened in these 20 years so that the DGI does not produce a growing universe of cases that, in the end, are appealed.

At the 2020 Tax Congress of the College of Authorized Public Accountants of Panama, the TAT Magistrate presented a list of amounts in dispute per year at that institution.

The numbers presented by the Magistrate show the amounts that the taxpayer earned vs. those that the treasury earned.

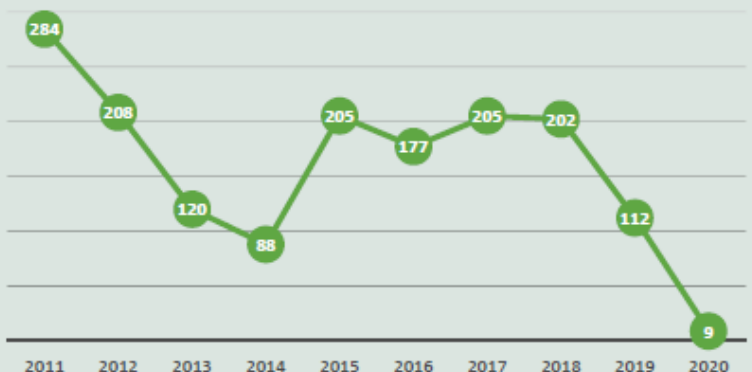
Comisión de Apelaciones Número de Apelaciones



It is surprising that the year 2019 has a lower number of cases ruled by the TAT (112) than those ruled by the appeals commission 23 years earlier (160).

The same surprise exists when comparing the number of cases ruled by the TAT in 2014 (88) vs the cases ruled by the appeals commission in 1995 (93). Does it make sense that 20 years, 4 tax reforms and 12 tax treaties later, the numbers of cases ruled on appeal remain very similar and, in some years, even

Número de Casos Fallados por el TAT



From these amounts we can deduce that the TAT costs us, in some years, more than what can potentially be charged in administrative acts subject to appeal.

Specifically, the year 2011 and the year 2020 are particularly absurd seen from the purely collection perspective. We say this since in those years the TAT budget exceeded the amounts that the treasury could potentially collect in those administrative acts.

¹² Esto ocurrió con la ley 45 de 1995.

Additionally, in the years 2012, 2014, 2017 and 2019, the amounts potentially collectible were not exceeded by much vs the TAT budget in those years.

I recognize that the work of the TAT is not only to rule large cases in favor of the treasury and therefore this metric could be unfair for the institution, even for the DGI. However, it should lead us to a deep reflection on the quality of scopes dictated by the DGI, as well as the effectiveness of the audit selection criteria used by that entity.

Is it logical that in this country we only have victories of the treasury for 3 million dollars but where the administration has to spend those same 3 million to resolve the appeals of these achievements?

collections to collections from the isthmus. In others the crosses that the Etax system could make.

At this moment it seems that electronic invoicing is the bet of our administration.

I do not doubt that all these efforts serve to improve collection but my feeling is that they distract the DGI from its collection work. Perhaps these ideas serve to make the manager on duty postpone audits due to promises of easy (or efficient) collection that another method can make.

This is likely to be the reason why audits yield nothing, or almost nothing, to the DGI. In 2005 we proposed the creation of the unit of large taxpayers so that the DGI did not waste time auditing any neighbor's child instead of looking for the large income generators. This initiative, which existed in the past, at times has come to be considered in the DGI but has not materialized.

Conclusions:

In this measurement we can see that the words of the failures, even via salvage, have power. Power to change trends in the Court, in the TAT and even in the DGI.

In the same way, those of us who have been linked to taxation for many years can see how the arguments, repeated frequently, penetrate the jurisprudence and the DGI. For this reason, I want to cite the case TAT-RF-101 of 2020 where the DGI orders a reorganization to avoid ruling against the taxpayer for purely formal reasons. I insist on citing that ruling since it would be unfair to indicate that the DGI did not learn anything in this period. As a corollary, I want to recall an old adage that what

Año	Monto	A Favor del Fisco	A Favor del Contribuyente
2011	3,658,331.14	1,304,248.03	354,083.11
2012	6,576,366.91	6,429,236.92	147,129.99
2013	23,967,332.75	21,848,236.92	2,118,760.85
2014	6,203,081.30	5,995,689.53	807,391.77
2015	37,227,810.39	26,253,770.99	10,974,039.40
2016	36,134,860.96	27,067,946.32	8,066,614.64
2017	9,583,056.69	4,375,224.19	5,212,832.50
2018	91,373,056.69	61,497,165.36	29,876,829.11
2019	34,717,559.86	6,606,909.98	28,110,649.88
2020	25,267,134.71	3,296,078.96	21,971,055.75

5.1. You will not charge anything if you audit clean

The arrival of the CAIR distracted the DGI from its main function: collecting taxes. With the implementation of this figure, the DGI realized that it was easier to say no to a CAIR than to do an audit. Unfortunately, priority was given to the easy.

After this distraction, others have arisen that make the institution wait for some magic bullet to solve, without much collection effort, the collection problem. That magic bullet has been the fiscal printer in the early 10s. On other occasions, the fantasy of outsourced

is not measured is not known, what is not known is not changed and what is not changed is not improved.

I believe that the measurement of the TAT will make us know that entity, so I encourage everyone to continue measuring this institution with a view to its continuous improvement.

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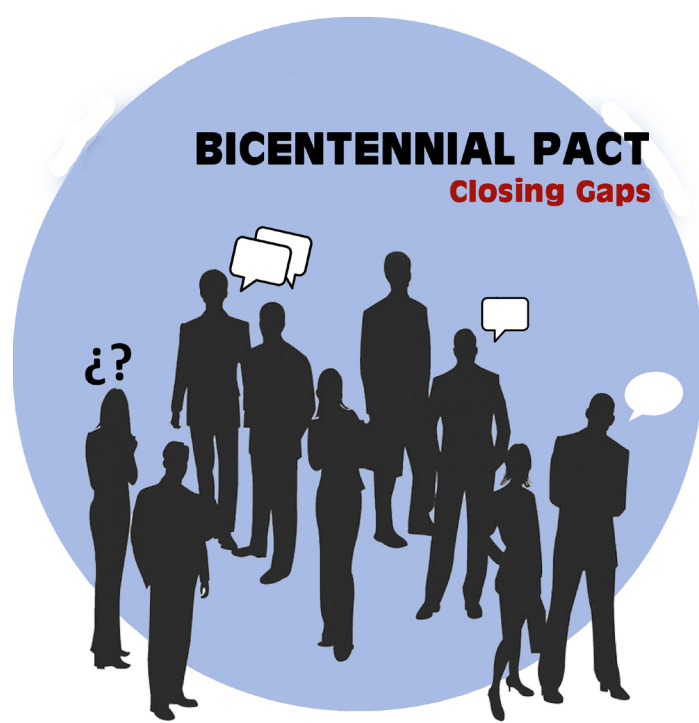
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CLOSING GAPS TO GENERATE A COMPETITIVE AND PROSPEROUS POST-COVID-19 ECONOMY

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On November 26, 2020, the Bicentennial Pact “Closing Gaps” was launched, an initiative of the President of the Republic, Laurentino Cortizo Cohen, with the aim of reaching national agreements on health, social security, education, economy, security and basic services, to lay the foundations for a better Panama, with the

participation of all the productive sectors of the country.

The process consists of five phases, reception of proposals by citizens, classification and scientific-technical feasibility, regional thematic commissions, national thematic commissions,

Cronograma y Ruta



<https://www.agora.gob.pa/>

conciliation and drafting commission.

After the initial phase, a total of 186,182 proposals were received, which have been divided into various thematic axes such as Closing the gap to generate a post-Covid-19, competitive and prosperous economy, Closing the gap for a Fair and Ethical State, Closing the gap in culture, Close the gap in Agro and food security, Close the gap in quality education for work and life, Close the gap in health: Towards universal access and coverage, among others.

Closing the gap to generate a post-Covid-19, competitive and prosperous economy

Receiving a total of 11,831 proposals, the fourth topic, Closing the gap to generate a post-Covid-19, competitive and prosperous economy, includes multiple entries that range from short suggestions to planned proposals based on studies.

Some of the most recurrent proposals are oriented to issues such as training of the young population from secondary education and the offering of complementary courses, the promotion of the tourism and agro-tourism industry, support for MSMEs, formalization of informal employment, market restrictions real estate, and the improvement of infrastructure and urban development and housing. In this edition we will mention five of the revised proposals:

1. Creation of the Agroindustrial free zone of central provinces.

Description of the proposal:

Promote agricultural and commercial production throughout the year in the central provinces (Coclé, Veraguas, Herrera and Los Santos). It will create a new food supply and distribution chain, taking advantage of future port of Aguadulce and that of Mensabé in Las Tablas. take advantage of landing strips in Tonos, Pedasí, Guararé, Chitré, Santiago, Penonomé and Río Hato.

2. Train our youth in Customer Service from Secondary

Description of the proposal:

Problem: Customer service culture is lacking. Solution: Train junior high school youth in this area from a young age. Exm. teaching these types of classes in the school curriculum. Result: University students would have more access to jobs in tourism, banking, retail, etc. with a real culture of customer service. P.S.: Make this a requirement for graduation.

3. The absence of effective policies to manage community organization resilient propoitive

Description of the proposal:

The natural disasters that occurred a few months ago in the highlands, comarcas, other regions of Veraguas, and their devastating effects are foreseeable, they should never have caused the loss of human lives and the absence of plans to mitigate their effects, but the limited organizational capacity of the communities and the inefficient support to related entities must be corrected in the short term.

The absence of effective policies to manage resilient community organizations that are proactive and capable of facing risk and disaster situations, planning to mitigate impacts and creating self-sustaining alternatives should end to become State policy.

We propose to develop a training and organization strategy for resilient communities aware of their reality, capable of preparing their risk maps, identifying their potential sources of solution and mitigation of the effects of a disaster, structuring their risk and disaster prevention and mitigation plan. , carrying out exchanges of experiences with other communities and countries that apply functional and successful measures, which have also had success in the management of infrastructures with investment from the state, municipalities and

with international support, in coordination with the national authorities of SINAPROC , MIDES and regionals such as CEPREDENAC, among others.

I hope to have resilient organized communities with enhanced capacities, aware of the reality and nature of their environment, self-managed and constructive with empowered citizens, at the national, regional and local levels.

4. Agro-Tourist and Academic Farm of Organic Production

Description of the proposal:

Problem: Abandonment of the activity of the Agricultural sector as an economic alternative in our province (Los Santos).

Proposal: Recovery of plots that were previously productive with traditional methods so that their owners can resume activity, but with the focus of organic and environmentally friendly production. The project will achieve a triple purpose:

1. Academic: Children are like little sponges. They are surprised and amazed by everything new and learn from each experience. Agro Tourism and Academic of Organic Production a unique opportunity to discover for themselves the natural environment, different activities related to the rural environment and the environment. These children are the future men and women whom we aspire to remain in the province and develop our region.

2. Agro Tourism: Training in organic and sustainable productivity techniques will give our producers the possibility to achieve an added value of their products. The orchards and various differentiated spaces with animals (domestic and non-domestic), through which children and adults observe and live first-hand educational experiences around the care of animals and

care of the garden crops. It becomes, therefore, an exceptional educational resource and with a tourist potential that diversifies the economy, reaching a hybrid of Agricultural-Tourist.

3. Healthy Production-Healthy Eating: The best way to achieve a healthy life is to eat safe and contaminant-free food, this being the main scope of the project since our families will learn to eat to live in quality, avoiding the high incidence of diseases and congenital disorders that we live today.

5. Ministry of Logistics.

Description of the proposal:

Problem: constant relegation and lack of monitoring of logistics sector plans.

Solution: creation of a Ministry of Logistics that develops and fulfills a national logistics strategy with a long-term vision.

Results: become the largest and most effective logistics Hub on the continent.

The revised proposals are just some of those contributed by citizens with the hope that through their participation some of the changes that our society urgently requires will take place, in the next delivery we will review and analyze more of these. *L&E*

The reader will be able to obtain more information regarding this citizen initiative in the following link:

<https://www.agora.gob.pa/?csrt=5261869036230319975>

CLOSE THE GAP FOR A FAIR AND ETHICAL STATE.

Ethics is not studied to know what virtue is, but to be virtuous.
-Aristóteles

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Corruption is a constant problem that exists in all latitudes and societies, but this evil besieges the Latin American region with particular fury, which has been immersed in this vice since time immemorial.

In all areas and spheres, the so-called “juega vivo” is just a euphemism with which we rename a cancer that consumes our society and the progress of our country. Despite being positioned among the economies with the highest and fastest growth in the world, Panama is also enshrined among the most unequal countries both regionally and globally.

Closing the gap to obtain a fair and ethical state is essential for the construction of a better Panama, since any progress made in any other area will be decimated if we don't have a fair and ethical state capable of overcoming the institutional crisis that it overwhelms us

and truncates our prosperity. So much is the relevance. That is why among the main issues to be addressed in the Bicentennial Pact we find with 5,097 proposals Topic # 5 “Closing the gap for a Fair and Ethical State.” In this edition we will mention five of the revised proposals:

1. MITRADEL as support for human migration solutions

Description of the proposal:

Problem: Foreigners compete for jobs with Panamanians.

In more developed economies, bulk of immigration, whether legal or illegal, of low-skilled labor drives economic growth by doing the jobs that country's citizens don't want to do for reasons

of a higher standard of living and education.

In 2018, undocumented immigrants were estimated to have \$ 20.1 billion in federal taxes.

However, with an average net graduation rate of 53%, according to 2019 numbers from the Ministry of Education, most Panamanians are low-skilled labor competing for the same jobs as immigrants.

Solution: That MITRADEL be more active.

Foreigners are hired because they do not know how the Labor Code protects them and they are paid less than Panamanians. Foreigners come to the country because they know they can get a job and, thanks to telecommunication, they maintain close ties with their countries of origin where they spread the word that they can get a job in Panama.

The solution is NOT an aggressive immigration policy but rather to change the incentives that illegal immigrants have to come or stay in Panama.

Many Panamanian businessmen are complicit in illegal immigration by exploiting human beings who come from desperate situations in their countries of origin.

The Ministry of Labor and Labor Development (Mitradel) must be more proactive in educating illegal immigrants about their labor rights; at no time should you deport or harass them. Likewise, it must create -or use more often, if it has one- a body of inspectors who are dedicated to appearing in medium and large companies and reviewing residence status of each employee and applying fines.

Through fines and advocating for the labor rights of illegal immigrants, we will not only have a more humane country - since every human deserves decent work and treatment regardless of their immigration status - but the economic incentives that employers have to hire illegal immigrants.

Therefore, it will be much more practical to give that job to a Panamanian collaborator.

2. Civic and political formation of the citizen from childhood.

Description of the proposal:

Include training in civic, citizenship and political education of children from school, so that they value the sense of belonging to be part of a society where they have rights and duties where there are laws to comply with and that govern their existence know their rights from children, so they can report when they are violated give civic training so that young people understand that their participation in the development of their country is a duty and a right, and is part of the commitment to be agents of social transformation.

3. Original constituent for a true objective participation in the national conversion towards a first world country.

Description of the proposal:

Problem: Despite the fact that the Republic of Panama in numbers appears regionally and even globally among the most privileged countries, it has even appeared among the countries with the

highest happiness index, we know that in reality it doesn't stop having the same problems as the rest of the countries with less positive numbers.

What is a fact is that the Panamanian is a noble and peaceful person of faith, who is satisfied with the crumbs that fall from the tables of those who hold political and economic power, who control the masses at will, which we see reflected in each presidential election; where each new government is not even capable of establishing or following up on a state policy, where the most important thing is not the appearance of what is done, but what is actually done or felt.

Solution: Establish an original constituent in which it is more possible, that the decision as to the way in which our country will be managed in the future, falls on objective people, as far as possible from private interests, which always contaminate any initiative of change to achieve a conversion into the fair and equitable government system, which guarantees the distribution of the great resources available to our country and the responsibility of conserving and managing them well, among all citizens for the benefit of all, valuing the contribution of each one, without discrimination on the part of the power groups towards a town, that is really protected by the laws of the state. Results: A fair country, whose numbers reflect reality in which all its citizens live, where the large amount of natural and economic resources result in benefits for all and not that example that is presented but that arises from traditional politics, where the most important it is the appearance that what you really do or feel.

A legal framework so that each citizen has clarity in the way in which the different

related aspects are handled, among these:

- **The duties and rights framed in the moral belief of the majority in search of the common good, without restricting the private freedoms of minorities, as long as they don't alter the private and public well-being of the majority, as in matters related to ideologies gender, abortion and social exclusion, among others.**

- **The special protection of the elderly, who can live their last days with dignity, considering the great contribution made to society during their productive years, who have a pension adjusted to the increase in the cost of living and have incentives and institutions where they can continue to contribute according to your means until the end.**

- **The protection of the human person from conception until they can fend for themselves as professionals, guaranteeing them a well-formed home, where each member fully knows their role and importance and can meet basic needs, academic training and ultimately a job worthy, framed in a scientific and fair planning.**

4. 100% public financing of electoral politics.

Description of the proposal:

For years, the Panamanian elections have been among the most expensive in the region. From the point of view of the candidates, the amount spent is not a guarantee of an electoral victory, but it does open doors along the way, particularly to be on the ballot. With regard to who contributes the money, with the permissiveness

of private funds, the door is open to illicit activities, from influence peddling by powerful donors, to the influence of drug trafficking and organized crime.

Although in the last electoral reform limits were introduced on the role of private money in the electoral process, I still feel an extraordinarily high amount, both the total that a candidate can spend, as well as the amount that an individual donor can contribute. With that in mind, by limiting electoral financing to only public money, there would be greater control of its use to prevent it from being invested in clientelist or proselytizing practices that contribute little to the voter's knowledge of the proposals or to making an informed decision. and conscious.

Some argue that 100% public financing would lead to a greater spending of all taxpayers' money, but what better use for these contributions than to invest in who will make the decisions of their destiny. In addition, it is false that it would necessarily imply a greater expense for the State, since by making public financing there is less incentive to waste to justify donations.

There are alternatives that would allow space for ideas, such as the official debates in the last elections, which don't involve exorbitant expenses. There are other arrangements that could be made to ensure that all candidates started more or less from the same starting point, or at least that money was not a significant advantage factor. You just have to apply creativity.

Finally, with public funding, there would no longer be potential favors to pay to donors. Controls would still be needed to avoid under-the-table donations in both cash and kind, but it would be a

step forward and a major obstacle for those who want to capitalize on their power and influence..

For a cleaner and fairer policy, based on ideas, we need 100% public electoral financing.

5. Implementation of the anti-corruption commitments of the #Transparency Challenge included in the 2019-2024 Action Plan of President Laurentino Cortizo´.

Description of the proposal:

Implement the 37 commitments of the #Transparent Challenge that don't require constitutional change, to which President Laurentino Cortizo committed himself and included in his Action Plan:

I ANTI-CORRUPTION LAWS:

To promote transparency in public management, I undertake to present to the National Assembly, in the first year of my mandate, laws on:

- 1. Conflicts of interest.**
- 2. Updating of the regulations of the declarations of patrimonial assets.**
- 3. Protection of whistleblowers.**
- 4. Review of the Penal Code in crimes against public administration.**
- 5. Updating of laws of the Court of Accounts and Transparency Authority.**

6. Anti-bribery law for the private sector.

II. TRANSPARENCY AND ACCOUNTABILITY:

1. Strict compliance with the Administrative Career Law in order to professionalize the public service.

2. Compliance with the Transparency Law in public management, access to information on use of State resources and citizen consultation of public works using Social Audits.

III. PUBLIC CONTRACTS:

1. Establish mechanisms to simplify public procurement procedures, guaranteeing transparency, economy, responsibility, efficiency, effectiveness and legal certainty.

2. Begin in first quarter and conclude before end of my first year in office a proposal for a comprehensive reform of Single Text of Law 22 on Public Procurement with broad citizen participation and consultation.

3. Adopt proactive transparency and accountability regulations in all public infrastructure contracting, following standards of the Public Infrastructure Transparency Initiative - CoST.

4. Don't return favors to campaign donors through public contracts or any other benefit.

IV. JUSTICE:

1. Continue justice administration reform agenda, agreed in State Pact for Justice, allocating resources to create the technical secretary to follow and monitor the reform agenda.

2. Defend and respect the independence of the Administration of Justice.

3. Promote compliance with Judicial Career, providing resources required so that by 2020 the entire system for appointing judges is operational and that by 2021 we will not have interim judges.

4. Appoint independent magistrates and attorneys without political, business or family ties to me or to any member of my cabinet, in strict compliance with Law 4 of 1999 on equal opportunities.

V. ACCESS TO INFORMATION, OPEN GOVERNMENTS AND DATA:

1. Comply with and strengthen Transparency Law, which regulates the right of access to information in the country.

2. Publish largest amount of open data on portal www.datosabiertos.gob.pa, specifically the government payroll, general budget of the State and execution by object of expenditure, information on public contracting, judicial system and performance/attention in service to citizenship (311).

3. Advance in the commitments of the Open

Government Alliance, to develop digital solutions to issues of social interest and transparency.

The limitation of space doesn't allow to detail monitoring of advances and setbacks in each of the commitments that we periodically publish in: <https://www.retotransparencia2019.org/>

"Money is enough when nobody steals" This phrase popularized by President Nayib Bukele reflects the sentiment of a population fed up with corruption and the institutional crisis. But obtaining a just and ethical state is not the exclusive task of political powers. This is a job that concerns us and requires the participation of everyone, from the president of the republic to infants in their first years of life, we must all participate by demonstrating ethical behavior and demanding the same from our peers, as they are very diverse the ethical instruments of practical application that can be used as a strategy to confront, prevent and control corruption.*L&E*



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CLOSING THE CULTURAL GAP

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A GORA has been the digital platform enabled for citizen participation for the Bicentennial Pact process: Closing Gaps. We are currently in the "Panama Propone" stage, in which different types of proponents such as: citizens, civil societies, academia, institutions and politicians propose their ideas and proposals, which will be classified by the Scientific-Technical Classification Committee and then continue with the next stage: "Panama decides"; Among the topics for the presentation of proposals is closing the cultural gap, which currently has 2,940 proposals.

Among these proposals, we have, for example, two proposals referring to reforms to the legal or regulatory framework, one is to legislate the work of Panamanian artists where fair competition in the entertainment sector is protected, promoted and fostered, the same being proposed by the Panamanian Union of Arts Professionals, the same proposal is addressed to both the Ministry of Culture and the Ministry of Labor, in part of the proposal they ask that both ministries cooperate with each other for greater support for artists and that the standards / laws are

matched for your rights and protection. In part, this proposal was born out of concern about the measures taken for the issue of the pandemic (Covid), they ensure that there are not so many negative post-pandemic effects and that there are conditions for fair labor reinstatement.

As for the Panamanian Association of Plastic Arts (APAP), they propose the creation of a law for the protection of material heritage assets, visual artists, cartoonists, painters, sculptors, photographers, etc. and its social security creating a tax on foreign artists who exhibit and sell in Panama and part of the collected goes to APAP, another point is that, in each event presented in Panama by an international artist, works by at least one artist are presented. Panamanian. And enforce and update the law 30 of October 23. From 1957 (specifically for art in public buildings). They hope that job and economic stability can be ensured for national plastic artists and create an assistance fund for them, give more seminars, workshops, trainings for teachers from the hand of the Ministry of Culture. *L&E*

Norms of INTEREST

ACTS OF POLITICAL VIOLENCE AGAINST WOMEN

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During the commemoration of International Women's Day, Law 202 of March 8, 2021, which modifies Law 82 of 2013 on violence against women, and Law 7 of 2018, regarding the prevention of discriminatory acts, are enacted.

Law 82 is modified in the sense of introducing that political violence against women includes all those actions and omissions, based on gender elements and given in the exercise of political rights that have the purpose or result of diminishing or nullifying recognition, enjoyment and/or exercise of these rights or of the prerogatives inherent to a public office.

It also provides that this type of violence can take place in any sphere, political, economic, social, cultural, civil, within the family or domestic unit or in any international relationship, in the community, in a party or political institution.

It establishes that political violence can be perpetrated by any person or group of person, including State agents, work colleagues, such as hierarchical superiors and

subordinates, political parties or their representatives, the media and in general any person or group of person. Numeral 20 is added to article 14, indicating that women victims of some form of violence have the right to obtain from their employers the necessary permits to receive the required treatments or to follow up on judicial processes, without affecting their labor rights, for which they must present evidence of the complaints filed and the proceedings carried out.

The foregoing implies that as long as the use of the permits is justified, this will not affect the remuneration nor will it eliminate or compensate any other license to which it is entitled.

Regarding the process to investigate and resolve cases of harassment, sexual or moral harassment, racism and sexism, it has been established that while the investigation lasts those who incur in any of the indicated conducts, another section, department, address or meeting room will be transferred. classes, unless the victim asks to be the transfer. *L&E*

TELEHEALTH IN PANAMA

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Through Law 203 of March 18, 2021, the guidelines for the development of telehealth in Panama are established and other provisions are issued.

The purpose of Law 203 is to develop telehealth in Panama, under the doctor-patient modality, as a method of support to the Ministry of Health and the Social Security Fund in matters of Health, with the purpose of contributing to the decongestion of hospitals, conducting preventive and/or initial diagnoses more quickly and monitoring patients remotely, complying with the principles of efficiency, universality, solidarity, comprehensiveness, unity, quality and the other basic principles contemplated in this law.

This modality can be used by any private entity that so wishes, as long as it complies with the guidelines established in Law 203.

The regulation in question contemplates the definition of a plural number of terms, among which we highlight the definition of tele-education in health, which is the use of information and telecommunication technologies for the educational practice of health at a distance.

It is understood by tele specialist, the doctor or health professional, trained in the management of telemedicine located in a consulting center and who provides support to a Consulting Center in the components of promotion, prevention, diagnosis, treatment or rehabilitation of the health, through the use of information and communication technologies (ICT).

Telemedicine is the provision of distance health services, in the components of promotion, prevention, recovery or rehabilitation, by qualified health professionals who use information and communication technologies designed and endorsed for this purpose, and that allows real data to be exchanged automatically, synchronously or asynchronously, in order to facilitate the population's access to high-quality health services at a distance.

Another aspect to mention is that telehealth is the set of activities related to health, services and methods, which are carried out remotely with the help of information and telecommunications technologies. Includes, among others, Telemedicine and Tele-education in health.

It has been established that the general principles

of telehealth are efficiency, universality, solidarity, comprehensiveness, unity and participation. Likewise, one of its principles is quality of health care, understood such as provision of health services to individual and collective users in an accessible and equitable manner, through an optimal professional level, taking into account the balance between benefits, risks and costs, in order to achieve the adherence and satisfaction of said users.

Law 203 provides that telehealth will have the objective of improving access, continuity and quality of clinical care, both initial and preventive, with the purpose of positively impacting the health sector, decongesting the public health system of primary care through conducting preventive and/or initial remote diagnoses with greater speed, through the use of information and communications technology (ICT). Within this context, it is equally intended that:

- 1. Make health care accessible to people living in rural or isolated communities.**
- 2. Provide resolution capacity to health care services.**
- 3. Facilitate access to health services for those who have mobility, time or transportation limitations.**
- 4. Improve communication and coordination of care between members of a healthcare team and a patient.**
- 5. Provide support for self-management of medical care.**
- 6. Generate accessibility in real time to the medical records of patients, by different appropriately authorized health professionals, to facilitate consultation and medical follow-up.**
- 7. Facilitate the collection of epidemiological data and their measurement, in order to contribute to the creation of public health policies.**

However, there must be informed consent, by which

the person responsible for a telehealth or telemedicine activity must obtain the informed consent of the patient or user or their representative and inform them of how the care works through the use of information technologies. and communications, the scope, the risks, the benefits, the responsibilities, the handling of privacy and confidentiality, the handling of your personal data, the contact protocols according to the category of telemedicine used, the conditions for the prescription of technologies in health, the procedures to follow in emergency situations, the procedures to follow due to technological failures including communication and the risks of confidentiality violations during virtual consultations, among others.

It is important to note that consent will be recorded in the clinical history of the person, who, with their signature, digital, electronic or handwritten as the case may be, will declare that they understood the information provided and that they agreed to be treated in this mode.

On the other hand, the objective of telemedicine is to facilitate access and improve the quality and efficiency of health services in any of its phases: promotion, prevention, diagnosis, treatment, rehabilitation, prevention and palliation, in addition to generating information epidemiological, for the implementation of timely public health strategies that can improve the health indicators of the locality, region or area where telemedicine is implemented.

This modality of provision of services can be offered and used by any provider of health services, in any area of the national geography, in the services determined to enable said modality and category, as long as it complies with the regulations that regulate the matter.

It is worth mentioning that the categories of telemedicine are interactive telemedicine, non-interactive telemedicine, tele expertise and tele monitoring, the latter being the relationship between the health professional and a user wherever he is, through an infrastructure technology that collects and transmits clinical data remotely, so that the provider can carry out clinical follow-up and

review or provide a response related to such data.

It is important to comment that in the provision of medical services that are provided by telehealth or telemedicine, the same limitations that are established for the practice of face-to-face medicine in Panama will govern.

Law 203 modifies article 291 of the Criminal Code on crimes against the legal security of electronic media, by introducing numeral 4 and which after modification will remain like this:

"The conducts described in articles 289 and 290 will be aggravated from one third to one sixth of the penalty if they are committed against the data contained in databases or computer systems of:

1. Public offices or under your tutelage.
2. Public, private or mixed institutions that provide a public service.
3. Banks, insurance companies and other financial and stock market institutions.
4. Hospitals or any type of entity that handles information related to medical data.

The penalty will also be aggravated in the manner provided in this article when the acts are committed for profit.

These sanctions will be applied without prejudice to the applicable sanctions if the data referred to in this chapter consist of confidential information with restricted access, referring to the security of the State, according to the provisions of Chapter I, Title XIV, of the Second Book of this Code."

Finally, we have that Law 203 will come into force within the three months following its promulgation, that is, as of June 19, 2021. *L&E*



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REGULATE FISHERIES AND AQUACULTURE

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With the enactment of Law 204 of March 18, 2021, fishing and aquaculture is regulated in our country, by establishing that it will apply to all aquatic resources throughout the national territory, in continental waters and in the Marine areas under the sovereignty and jurisdiction of Panama, without prejudice to the powers that other national institutions may exercise.

It has been provided that Law 204 shall apply to all natural or legal personnel, national or foreign, who are engaged in aquaculture, fishing, related or fishing-related activities, as well as in marine areas located beyond the jurisdiction of Panama, all nationals or foreigners aboard a Panamanian vessel and under the Panamanian flag.

It will correspond to the Aquatic Resources Authority of Panama, it constitutes the governing body of the State to administer and ensure compliance and application of Law 204, as well as its regulations on aquaculture, fishing, related activities and activities related to fishing.

Its general objectives include managing and promoting the sustainable use of aquaculture and fishery resources, as well as supporting and facilitating scientific and technological research in fisheries, aquaculture and related activities, promoting the strengthening and orderly and sustainable growth of the aquaculture to guarantee private investment, promote the increase of aquaculture activities, related activities and the rational management of fisheries, to achieve sustainable use based on the ecosystem approach and establish promotion measures that promote and guarantee economic investment in this area. competitiveness, both locally and in exports in fishing, aquaculture, related activities and activities related to fishing.

On the other hand, it will correspond to the Authority to prepare, execute, direct, supervise, evaluate, monitor, review and promulgate the National Plan for the Conservation and Administration of Fisheries and Aquaculture as a framework instrument for the exercise

and development of aquaculture activity, fishing, related activities and activities related to fishing in the areas under the sovereignty and jurisdiction of Panama and by Panamanian and foreign nationals aboard Panamanian vessels beyond the jurisdictional waters, in coordination with the competent authorities.

Within this context, the Authority shall establish the conditions to carry out the exercise of fishing activities, including the management of the methods and fishing gear that may be used, the vessels and their particularities, as well as the areas, species and fishing seasons, trying to reduce incidental catches, in coordination with the competent authorities.

Likewise, the Authority will have to adopt all the conservation, management and inspection measures that are necessary to prevent, combat, discourage and eliminate illegal, unreported, unregulated fishing, being able to regulate those measures that are not contemplated in this standard, in accordance with international agreements, conventions and treaties.

Regarding fishing, related activities and related to fishing in the national territory, in continental waters and in marine areas under the sovereignty and jurisdiction of Panama, for direct or indirect use, it will be classified as commercial and non-commercial, being within the commercial small scale or artisan, medium scale, large scale and international service. Within non-commercial fishing, it is found for research, sport and domestic consumption.

Thus, it is provided that every vessel, with the exception of those that, engaged in fishing for domestic consumption, must have a license that authorizes fishing, related or fishing-related activities..

However, in terms of aquaculture resources, aquaculture is defined as the agricultural activity oriented to the cultivation, production and reproduction of aquatic

organisms, in their complete biological cycle or in part of the cycle, under confined conditions, through the use of methods and cultivation techniques for its controlled development, in the national territory, in continental and continental waters and in marine areas under the sovereignty and jurisdiction of Panama.

It should be noted that Law 204 creates the National Aquaculture Commission as a multisectoral, consultative and advisory body of the Authority and will be integrated among others by the minister of MIDA, MICI, MIAMBIENTE, general administrator of the Aquatic Resources Authority, a representative of the associations of aquaculture producers of the micro and small companies, as well as of the large companies and the associations of professionals specialized in aquaculture.

Law 204 also modifies several legal norms within which we highlight paragraph 4 of article 6 of Law 4 1994 that grants preferential interests to the agricultural sector, by including aquaculture within the activities that qualify to receive the discount in the rate of interest.

It has been established that, after a period of ten years, counted from its promulgation, the Law must be reviewed and if necessary modified according to existing needs, in order to ensure adequate regulation, for the sustainability of the aquaculture, fishing, related or fishing-related activities.

Finally, we have from the enactment of the Law, there will be a term of six months for its due regulation. *L&E*

PROPERTY TAX AND MUNICIPAL EXPENSES

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FIn recent days, Law 205 of March 19, 2021 was enacted, by which some articles 112-D are modified; 112-E and 112-G of Law 37 of 2009 that decentralizes the Public Administration.

The modification of article 112-D focuses on the introduction of a transitory paragraph that allows that, during the fiscal period of 2021, the municipalities may allocate 100% of the remaining balances, both operating and investment, that they receive as property tax, including all balances committed in fiscal years 2016, 2017, 2018, 2019 and 2020, for municipal operating expenses.

Law 23 establishes that once the resource for the administrative operation of the municipality has been assured and in the face of the existence of remnants of the operating items, both the mayors and the communal boards may allocate part of these resources to finance investment projects, after consultation citizen, investment that must be paid directly by the municipality.

Similarly, due to the emergency condition decreed

by the National Government, the municipalities may hire temporary personnel, prior municipal agreement, to carry out specific tasks that mitigate problems and emergency situations during and after the emergency period, under remuneration that does not exceed the minimum wage.

To article 112-E, numeral 8 is added, which contemplates that the operating, administrative and social works or investment expenses of the municipalities during the 2021 fiscal period and the remaining operational expenses in the 2022 fiscal period, can be covered. for resources from property tax.

The latest modification focuses on article 112-G, upon introducing numeral 5, which establishes that during fiscal 2021, the municipalities will distribute the municipal funds from the property tax in proportion to the operating expenses of each administrative unit, taking into account the services they provide to the community, the territorial extension and the population density. *L&E*

THE TAX REGIME OF INCENTIVES FOR FOOD PRODUCTION AND EXPORTS IS MODIFIED

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The Ministry of Economy and Finance issued Executive Decree No. 90 of March 2, 2021, by means of which Title IV of Executive Decree No. 7 of March 12, 1987 that regulates the tax regime of incentives in favor of agricultural production and exports of Law 2 of March 20, 1986.

Executive Decree No. 90, modifies article 5 in the sense of indicating that taxpayers who wish to benefit from the agricultural exemption contained in article 764 of the Fiscal Code must present a series of documents, before the modification reference was made to article 20 of Law 2 of 1986.

Within this context, the cadastral value of the farms that can benefit from these benefits was increased, whose value should not exceed B/. 350,000.00. Before the reform, the farm shouldn't have a value higher than B/. 100,000.00.

Another aspect to mention is that the exoneration will be granted for a term of ten extendable years, previously it was granted for five extendable years. The exemption is granted from the date the farm started agricultural activities, in accordance with the certification

issued by the Ministry of Agricultural Development.. Three new articles are introduced which are namely the sixth article-A; seventh-A and seventh-B. that establish:

- 1. The General Directorate of Revenues of the MEF is empowered to carry out a visual inspection of the properties that are the object of the exemption request, when so required.**
- 2. In the event that the request for certification is denied by the Ministry of Agricultural Development, the producer will have the right to reiterate it after no less than six months, as long as the causes that gave rise to the denial have been addressed, without prejudice to the fact that they may be file the established appeals.**
- 3. The General Directorate of Income and the Ministry of Agricultural Development are empowered to coordinate the necessary procedures for the exemptions to be carried out automatically.***L&E*

ADEQUATE LEGISLATION OF SEA

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Through Executive Decree No. 160 of March 3, 2021, Executive Decree No. 86 of February 22, 2013 is modified, which regulates the Maritime Labor Convention, which was ratified by Panama, with Law 2 2009.

From a reading of the recital of Executive Decree No. 160, it is evident that the modification is due to the fact that the 2006 Maritime Labor Convention was amended by the International Labor Organization, through amendments 2014, 2016 and 2018, which makes it necessary to implement these modifications in Panama.

Several articles are added, one of which is related to employment agreement and establishes that seafarers' employment agreement will continue to have effect when a seafarer is held in captivity on board or outside the ship as a result of acts of piracy or armed robbery against ships, regardless of whether the date set for its termination has expired or whether any of the parties has notified its suspension or termination.

In this sense, it is provided that when seafarers are held in captivity on board or outside the ship as a result of acts of piracy or armed robbery, they will continue to be paid salaries and other benefits, in accordance with the employment agreement or of the applicable collective agreements, including the sending of remittances, during the captivity period and until the seafarer is released and repatriated, or in the event that the seafarer dies during captivity until the date of his death determined in accordance with the legislation national.

Regarding the insurance policy, after the reform, it must be issued by a protection and compensation club or insurance company that is included in the list of recognized companies, issued by the Panama Maritime Authority. This requirement operates as a financial guarantee system to ensure that seafarers are properly repatriated in the event of abandonment.

For the purposes of repatriation, with the amendment to

the norm, seafarers will only lose the right to repatriation in the event of voluntary and permanent abandonment of the ship without authorization from the shipowner. Executive Decree No. 160 provides that all vessels will be required to carry an insurance policy issued by the protection and compensation club or insurance company endorsed by the AMP, as a financial guarantee to guarantee payment of compensation in the event of death or prolonged disability of seafarers as a result of an occupational accident, disease or risk, which must be carried on board the ship.

It has been established that seafarers must receive advance notice to notify that shipowner's financial guarantee will be canceled or terminated and guarantee provider must notify competent authority that guarantee has been canceled or rescinded. These have been some of the most relevant aspects or points of the modifications and adjustments to the seafarers' legislation. *L&E*

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ELIMINATE USE OF TOURIST CARD

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The Ministry of Public Security issued Executive Decree No. 88 of March 16, 2021, by means of which the tourist card is eliminated to enter the national territory for nationals of the Republic of Cuba and the Dominican Republic.

Consequently, any foreigner of Cuban or

Dominican nationality who requires to enter national territory, must apply to the Panamanian consulate in the country of origin or through a proxy at the headquarters of the National Migration Service for a tourist visa, in accordance with the procedures and established requirements. *L&E*

RURAL AQUEDUCT ADMINISTRATOR BOARDS

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Through Resolution No. DM-0108-2021 of March 5, 2021 issued by the Ministry of the Environment, the exemption established for regulated payments, corresponding to the application process for the Permanent Concession of the Right to Use of Water, was permanently approved. by the Rural Aqueduct Administrative Boards (JAAR's) for domestic activities.

It contemplates that the Administrative Boards of Rural Aqueducts that are not under the jurisdiction of the Ministry of the Environment will not be exempt

from the payments required for the process of concession of water use, as is the case of publications in a national newspaper of the viability statements and tax stamps corresponding to the water use contract.

The Resolution in question indicates that the JAAR's must make the annual payments corresponding to the annual inspection and water use fee set out in the permanent water use contract, which will depend on the number of people who will benefit from the supply system. of water. *L&E*



Consult Doctrine and **JURISPRUDENCE**

CITY COUNCIL SECRETARY MAY EXECUTE AS A NOTARY

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The Public Prosecutor's Office issued Consultation C-SAM-08-2021 of March 3, 2021, by means of which it solves a question raised by the president of the College of Notaries Public of Panama and which is related to the proceedings as notaries of the secretaries of the Municipal Councils of some districts of the national territory.

The Attorney General maintains that the secretary of the Municipal Council may exercise functions as a notary, only in the cases established in articles 1718 and 1719 of Civil Code; article 88 of the Family Code; Article 2116 of the Administrative Code; Law 62 of December 18, 1958; and, Article 21 of Decree Law 2 of May 24, 1955, modified by Article 60 of Law 129 of December 31, 2013, that is, in places that are not the head of the Notary Circuit or in places where there is no notary.

Adds the Attorney General, noting that he considers that the regulations are clear when establishing the exceptional cases in which the secretary of the Municipal Council may intervene, however, we must make it clear that it is not that other functions are being granted to said municipal official, rather, they will exercise the functions of a Notary Public in exceptional situations and in places that are not the

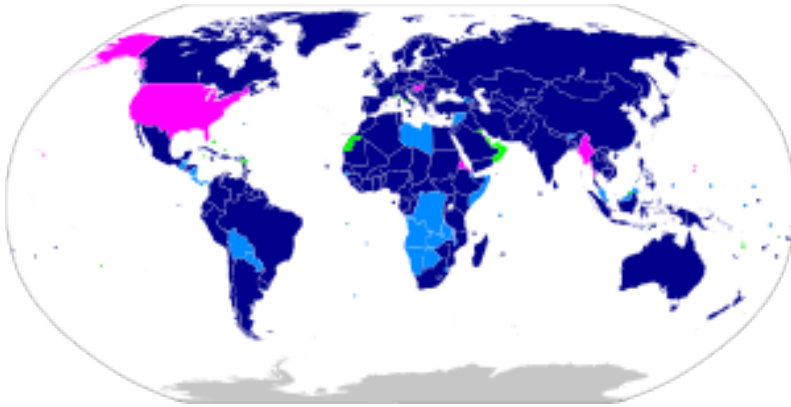
head of the Notary Circuit, that there is no notary or that for a certain reason who should present a document and cannot be transferred to the respective place.

It bases its criteria, on the Administrative Code and the Civil Code, which regulate matters concerning the functions exercised by the notary, and conceptualizes within its norms, the exceptional cases or situations in which the secretary of the Municipal Council can carry out notarial tasks.

It concludes by stating that, from the aforementioned regulations, it is clearly established the cases in which only and exclusively the secretary of the Municipal Council can exercise notary functions and exceptionally include when they can exercise such special powers, the determining factor being "in places that are not headwaters of Notarial Circuits or in the absence of a notary".

In this regard, it reiterates that, in the exercise of the notarial functions, the secretaries of the Municipal Councils must act in accordance with the duties, obligations and standards provided for in our legal system. *L&E*

FISCAL SYSTEMS WORLDWIDE



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Tax systems on personal income:

- **No personal income tax.**
- **Territorial.**
- **Based on residence.**
- **Based on citizenship.**

Countries that tax income generally use one of two systems: territorial or residence-based.

In the territorial system, only local income is taxed, that is, income from a source within the country.

In the residence-based system, residents of the country pay taxes on their worldwide income (local and foreign), while non-residents pay taxes only on their local income.

Furthermore, a small number of countries also tax the worldwide income of their non-resident citizens in some cases.

Countries with a residence-based tax system generally allow deductions or credits for the tax that residents already pay to other countries on their income abroad.

Many countries also sign tax treaties with each other to eliminate or reduce double taxation.

In the case of corporate income tax, some countries allow the exclusion or deferral of specific items of foreign income from the tax base.

Individuals

The following table summarizes the taxation of local and foreign income of individuals, according to their residence or citizenship in the country. It includes 244 entries: 194 sovereign countries, their 40 dependent territories (most of which have separate tax systems), and 10 countries with limited recognition.

In the table, income includes any type of income that people receive, such as work or investment income, and means that the country taxes at least one of these types. *L&E*

Country or territory	Local income taxes	Taxes on foreign income of		Notes and sources
		residents	non-resident citizens	
 Antigua and Barbuda	No	No	No	No personal income tax.
 Bahamas	No	No	No	No personal income tax.
 Bahrein	No	No	No	No personal income tax.
 Brunei	No	No	No	No personal income tax.
 Caiman Islands	No	No	No	No personal income tax.
 Kuwait	No	No	No	No personal income tax .
 Mónaco	No	No	No	No personal income tax.
 Omán	No	No	No	No personal income tax.
 Pitcairn Islands	No	No	No	No personal income tax.
 Qatar	No	No	No	No personal income tax.
 San Bartolomé	No	No	No	No personal income tax.
 Saint Kittsand Nevis	No	No	No	No personal income tax.

 Turks and Caicos	No	No	No	No personal income tax.
 United Arab Emirates	No	No	No	No personal income tax.
 Vanuatu	No	No	No	No personal income tax.
 Vatican	No	No	No	No personal income tax.
 Wallis and Futuna	No	No	No	Sin impuesto sobre la renta de las personas físicas.
 Occidental Sahara	No	No	No	No personal income tax.
 North Korea	No*	No**	No	There is no income tax for resident citizens, taxation of foreigners based on residence, territorial taxation of non-resident citizens.* Except foreigners and non-resident citizens. ** Except foreigners.
 Angola	yes	No	No	Territorial taxation.
 Anguilla	yes	No	No	Territorial taxation.
 Belize	yes	No	No	Territorial taxation.
 Bermudas	yes	No	No	Territorial taxation.
 Bután	yes	No	No	Territorial taxation.
 Bolivia	yes	No	No	Territorial taxation.

 Botswana	yes	No	No	Territorial taxation.
 British Virgin Islands	yes	No	No	Territorial taxation.
 Costa Rica	yes	No	No	Territorial taxation.
 Congo Democratic Republic	yes	No	No	Territorial taxation.
 Djibouti	yes	No	No	Territorial taxation.
 Eswatini	yes	No	No	Territorial taxation.
 Georgia	yes	No	No	Territorial taxation.
 Guatemala	yes	No	No	Territorial taxation.
 Guinea-Bissau	yes	No	No	Territorial taxation.
 Hong Kong	yes	No	No	Territorial taxation.
 Lebanon	yes	No	No	Territorial taxation.
 Libia	yes	No	No	Territorial taxation.
 Macao	yes	No	No	Territorial taxation.
 Malawi	yes	No	No	Territorial taxation.
 Malasia	yes	No	No	Territorial taxation.

 Marshall Islands	yes	No	No	Territorial taxation.
 Micronesia	yes	No	No	Territorial taxation.
 Namibia	yes	No	No	Territorial taxation.
 Nauru	yes	No	No	Territorial taxation.
 Nicaragua	yes	No	No	Territorial taxation.
 Palau	yes	No	No	Territorial taxation.
 Palestina	yes	No	No	Territorial taxation.
 Panamá	yes	No	No	Territorial taxation.
 Paraguay	yes	No	No	Territorial taxation.
 Santa Elena, Ascensión and Tristán da Cunha	yes	No	No	Territorial taxation.
 Seychelles	yes	No	No	Territorial taxation.
 Singapur	yes	No	No	Territorial taxation.
 Somalia	yes	No	No	Territorial taxation.
 Siria	yes	No	No	Territorial taxation.
 Tokelau	yes	No	No	Territorial taxation.

 Tuvalu	yes	No	No	Territorial taxation.
 Zambia	yes	No	No	Territorial taxation.
 Iran	yes	yes *	No	Taxation of citizens based on residence, territorial taxation of foreigners. * Except foreigners.
 Irak	yes	yes *	No	Taxation of citizens based on residence, territorial taxation of foreigners. * Except foreigners.
 Phillipines	yes	yes *	No	Taxation of citizens based on residence, territorial taxation of foreigners. * Except foreigners.
 Saudi Arabia	yes *	yes **	No	Taxation of citizens based on residence, territorial taxation of foreigners.*Only from comercial activities. ** Only from commercial activities of citizens of Cooperation Council for the Arab States of the Gulf
 Abjasia	yes	yes	No	Taxation based on residence.
 Afganistán	yes	yes	No	Taxation based on residence.
 Akrotiri and Dhekelia	yes	yes	No	Taxation based on residence.
 Albania	yes	yes	No	Taxation based on residence.
 Argelia	yes	yes	No	Taxation based on residence.
 American Samoa	yes	yes	No	Taxation based on residence.

 Andorra	yes	yes	No	Taxation based on residence.
 Argentina	yes	yes	No	Taxation based on residence.
 Armenia	yes	yes	No	Taxation based on residence.
 Artsaj	yes	yes	No	Taxation based on residence.
 Aruba	yes	yes	No	Taxation based on residence.
 Australia (including  Christmas Island ,  Cocos Island and  Norfolk Island)	yes	yes	No	Taxation based on residence.
 Austria	yes	yes	No	Taxation based on residence.
 Azerbaiyán	yes	yes	No	Taxation based on residence.
 Bangladesh	yes	yes	No	Tributación basada en la residencia.
 Barbados	yes	yes	No	Taxation based on residence.
 Bielorrus	yes	yes	No	Taxation based on residence.
 Belgium	yes	yes	No	Taxation based on residence.
 Benin	yes	yes	No	Taxation based on residence.
 Bosnia and Herzegovina	yes	yes	No	Taxation based on residence.

 Brasil	yes	yes	No	Taxation based on residence.
 Bulgary	yes	yes	No	Taxation based on residence.
 Burkina Faso	yes	yes	No	Taxation based on residence.
 Burundi	yes	yes	No	Taxation based on residence.
 Camboya	yes	yes	No	Taxation based on residence.
 Camerun	yes	yes	No	Taxation based on residence.
 Canada	yes	yes	No	Taxation based on residence.
 Cabo Verde	yes	yes	No	Taxation based on residence.
 Centroafrican Republica	yes	yes	No	Taxation based on residence.
 Chad	yes	yes	No	Taxation based on residence.
 Chile	yes	yes	No	Taxation based on residence.
 China	yes	yes	No	Taxation based on residence.
 Colombia	yes	yes	No	Taxation based on residence.
 Comoras	yes	yes	No	Taxation based on residence.
 Congo	yes	yes	No	Taxation based on residence.

 Cook Islands	yes	yes	No	Taxation based on residence.
 Croatia	yes	yes	No	Taxation based on residence.
 Cuba	yes	yes	No	Taxation based on residence.
 Curacao	yes	yes	No	Taxation based on residence.
 Chipre	yes	yes	No	Taxation based on residence.
 Checz Republic	yes	yes	No	Taxation based on residence.
 Denmark	yes	yes	No	Taxation based on residence.
 Dominica	yes	yes	No	Taxation based on residence.
 Dominican Republic	yes	yes	No	Taxation based on residence.
 Oriental Timor	yes	yes	No	Taxation based on residence.
 Ecuador	yes	yes	No	Taxation based on residence.
 Eqipt	yes	yes	No	Taxation based on residence.
 El Salvador	yes	yes	No	Taxation based on residence.
 Guinea Ecuatorial	yes	yes	No	Taxation based on residence.
 Estonia	yes	yes	No	Taxation based on residence.

 Cook Islands	yes	yes	No	Taxation based on residence.
 Croatia	yes	yes	No	Taxation based on residence.
 Cuba	yes	yes	No	Taxation based on residence.
 Curacao	yes	yes	No	Taxation based on residence.
 Chipre	yes	yes	No	Taxation based on residence.
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 Ecuador	yes	yes	No	Taxation based on residence.
 Eqipt	yes	yes	No	Taxation based on residence.
 El Salvador	yes	yes	No	Taxation based on residence.
 Guinea Ecuatorial	yes	yes	No	Taxation based on residence.
 Estonia	yes	yes	No	Taxation based on residence.

 Ethiopia	yes	yes	No	Taxation based on residence.
 Falkland Islands	yes	yes	No	Taxation based on residence.
 Faroe Islands	yes	yes	No	Taxation based on residence.
 Fidji	yes	yes	No	Taxation based on residence.
 Finland (including )	yes	yes	No*	Taxation based on residence. * Except ex residents, temporarily.
 France (including overseas departments)	yes	yes	No*	Taxation based on residence. * Except in Mónaco. a
 French Polinesia	yes	yes	No	Taxation based on residence.
 Gabón	yes	yes	No	Taxation based on residence.
 Gambia	yes	yes	No	Taxation based on residence.
 Germany	yes	yes	No	Taxation based on residence.
 Ghana	yes	yes	No	Taxation based on residence.
 Gibraltar	yes	yes	No	Taxation based on residence.
 Greece	yes	yes	No	Taxation based on residence.
 Groenland	yes	yes	No	Taxation based on residence.

 Granada	yes	yes	No	Taxation based on residence.
 Guernsey	yes	yes	No	Taxation based on residence.
 Guinea	yes	yes	No	Taxation based on residence.
 Guayana	yes	yes	No	Taxation based on residence.
 Haiti	yes	yes	No	Taxation based on residence.
 Honduras	yes	yes	No	Taxation based on residence.
 Island	yes	yes	No	Taxation based on residence.
 India	yes	yes	No	Taxation based on residence.
 Indonesia	yes	yes	No	Taxation based on residence.
 Ireland	yes	yes	No	Taxation based on residence.
 Man Island	yes	yes	No	Taxation based on residence.
 Israel	yes	yes	No	Taxation based on residence.
 Italy	yes	yes	No*	Taxation based on residence. * Except in tax havens..
 Ivory Coast	yes	yes	No	Taxation based on residence.
 Jamaica	yes	yes	No	Taxation based on residence.

 Japan	yes	yes *	No	Taxation based on residence. * Only citizens and permanent residents.
 Jersey	yes	yes	No	Taxation based on residence.
 Jordan	yes	yes	No	Taxation based on residence.
 Kazajstan	yes	yes	No	Taxation based on residence.
 Kenia	yes	yes	No	Taxation based on residence.
 Kiribati	yes	yes	No	Taxation based on residence.
 Kosovo	yes	yes	No	Taxation based on residence.
 Kirquistan	yes	yes	No	Taxation based on residence.
 Laos	yes	yes	No	Taxation based on residence.
 Letonia	yes	yes	No	Taxation based on residence.
 Lesoto	yes	yes	No	Taxation based on residence.
 Liberia	yes	yes	No	Taxation based on residence.
 Liechtenstein	yes	yes	No	Taxation based on residence.
 Lituania	yes	yes	No	Taxation based on residence.
 Luxemburg	yes	yes	No	Taxation based on residence.



 Madagascar	yes	yes	No	Taxation based on residence.
 Maldivas	yes	yes	No	Taxation based on residence.
 Mali	yes	yes	No	Taxation based on residence.
 Malta	yes	yes	No	Taxation based on residence. * Only domiciled in Malta or if the income is remitted to Malta.
 Mauritania	yes	yes	No	Taxation based on residence.
 Mauricio	yes	yes	No	Taxation based on residence.
 México	yes	yes	No*	Taxation based on residence.. * Except in tax havens, temporarily.
 Moldavia	yes	yes	No	Taxation based on residence.
 Mongolia	yes	yes	No	Taxation based on residence.
 Montenegro	yes	yes	No	Taxation based on residence.
 Montserrat	yes	yes	No	Taxation based on residence.
 Morocco	yes	yes	No	Taxation based on residence.
 Mozambique	yes	yes	No	Taxation based on residence.
 Nepal	yes	yes	No	Taxation based on residence.

 Dutchland (including the Dutch Caribbean)	yes	yes	No	Taxation based on residence.
 New Caledonia	yes	yes	No	Taxation based on residence.
 New Zealand	yes	yes	No	Taxation based on residence.
 Niger	yes	yes	No	Taxation based on residence.
 Nigeria	yes	yes	No	Taxation based on residence.
 Niue	yes	yes	No	Taxation based on residence.
 North Macedonia	yes	yes	No	Taxation based on residence.
 North Cyprus	yes	yes	No	Taxation based on residence.
 Norway	yes	yes	No	Taxation based on residence.
 Pakistan	yes	yes	No	Taxation based on residence.
 Papua New Guinea	yes	yes	No	Taxation based on residence.
 Perú	yes	yes	No	Taxation based on residence.
 Poland	yes	yes	No	Taxation based on residence.
 Portugal	yes	yes	No*	Taxation based on residence. * Except in tax havens, temporarily .

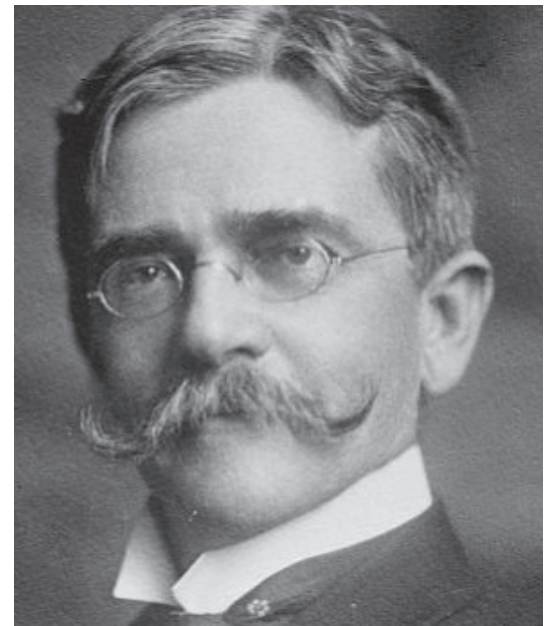
 Puerto Rico	yes	yes	No	Taxation based on residence.
 Romania	yes	yes	No	Taxation based on residence.
 Russia	yes	yes	No	Taxation based on residence.
 Ruanda	yes	yes	No	Taxation based on residence.
 Santa Lucía	yes	yes	No	Taxation based on residence.
 San Martín	yes	yes	No	Taxation based on residence.
 San Pedro and Miquelon	yes	yes	No	Taxation based on residence.
 Saint Vicent and Granadines	yes	yes	No	Taxation based on residence.
 Samoa	yes	yes	No	Taxation based on residence.
 San Marino	yes	yes	No	Taxation based on residence.
 Santo Tomé and Príncipe	yes	yes	No	Taxation based on residence.
 Senegal	yes	yes	No	Taxation based on residence.
 Serbia	yes	yes	No	Taxation based on residence.
 Sierra Leona	yes	yes	No	Taxation based on residence.

 Sint Maarten	yes	yes	No	Taxation based on residence.
 Eslovaquia	yes	yes	No	Taxation based on residence.
 Eslovenia	yes	yes	No	Taxation based on residence.
 Salomon Islands	yes	yes	No	Taxation based on residence.
 Somalilandia	yes	yes	No	Taxation based on residence.
 South Africa	yes	yes	No	Taxation based on residence.
 South Korea	yes	yes	No	Taxation based on residence.
 South Osetia	yes	yes	No	Taxation based on residence.
 South Sudan	yes	yes	No	Taxation based on residence.
 Spain	yes	yes	No*	Taxation based on residence.
 Sri Lanka	yes	yes	No	Taxation based on residence.
 Sudan	yes	yes	No	Taxation based on residence.
 Suriname	yes	yes	No	Taxation based on residence.
 Svalbard	yes	yes	No	Taxation based on residence.
 Swedena	yes	yes	No*	Taxation based on residence.

 Switzerland	yes	yes	No	Taxation based on residence.
 Taiwan	yes	yes	No	Tributación territorial en general, pero tributación basada en la residencia bajo el impuesto mínimo alternativo
 Tajikistan	yes	yes	No	Taxation based on residence.
 Tanzania	yes	yes	No	Taxation based on residence.
 Thailand	yes	yes	No	Taxation based on residence. * Only if the income is remitted to Thailand in the same year it is earned.
 Togo	yes	yes	No	Taxation based on residence.
 Tonga	yes	yes	No	Taxation based on residence.
 Transnistria	yes	yes	No	Taxation based on residence.
 Trinidad and Tobago	yes	yes	No	Taxation based on residence.
 Tunisia	yes	yes	No	Taxation based on residence.
 Turkey	yes	yes	No*	Taxation based on residence. * Except income not taxed by other countries of Turkish government employees or companies.
 Turkmenistan	yes	yes	No	Taxation based on residence.
 Uganda	yes	yes	No	Taxation based on residence.

 Ucrania	yes	yes	No	Taxation based on residence.
 United Kingdom	yes	yes	No	Taxation based on residence.
 US Virgin Islands	yes	yes	No	Taxation based on residence.
 Uruguay	yes	yes	No	Territorial taxation in general, but taxation based on residence for certain investment income.
 Uzbekistan	yes	yes	No	Taxation based on residence.
 Venezuela	yes	yes	No	Taxation based on residence.
 Vietnam	yes	yes	No	Taxation based on residence.
 Yemen	yes	yes	No	Taxation based on residence.
 Zimbabwe	yes	yes	No	Taxation based on residence.
 Eritrea	yes	No	yes	Territorial and citizen taxation. Foreign income of non-resident citizens is taxed at a reduced flat rate.
 Hungary	yes	yes	yes *	Taxation based on residence and citizenship. Non-resident citizens who do not meet the exceptions pay taxes in the same way as residents. * Except people with dual nationality and residents of countries with tax treaties.
 Myanmar	yes	yes	yes	Taxation based on residence and citizenship. Foreign income of non-resident citizens, except
				wages, is taxed at a reduced flat rate.
 United States (including  Guam and  North Marianas Islands)	yes	yes	yes	Taxation based on residence and citizenship. Non-resident citizens pay taxes in same way as residents, but with a limited exemption for foreign earned income.

Politics



Picture: <https://www.panamaviejaescuela.com/belisario-porras/>

DR. BELISARIO PORRAS, ARCHITECT OF THE PANAMANIAN NATION

Rafael Fernández Lara - Independent Lawyer
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Dr. Belisario Porrás Barahona is, according to my criteria, one of the most important Panamanians in our entire national political history. Or, as the famous Dr. Carlos Iván Zúñiga would say, "the emblematic figure of the centenary".

He came to the world on November 28, 1856 in Las Tablas, Isthmus Department, Nueva Granada. The son of the lawyer Demetrio Porrás Cavero and the simple lady Juana Gumercinda Barahona. His virtuous mother soon died of a short illness, which made his grandmother, Doña Francisca, take care of him, due to the occupations of his father.

From a young age Belisario showed good feelings and integrity of character. The contacts that from his youth had with Doctor Gil Colunje and General Buenaventura Correoso, marked his interest in joining liberalism, despite the fact that his father was a conservative. At the age of 14, he moved to Bogotá at the request of his father to continue his studies. He then entered the National University in Bogotá, where he completed his studies with

a Doctor of Law and Political Science degree. Very young he was appointed Interim Secretary of the First Court of the Circuit of Panama and then Librarian of the National Library. He is then appointed Consul in Brussels, Belgium, to perfect his studies in Europe. Later he returns to Panama and is appointed as Lawyer of the French Canal Company, a position in which he remains for approximately two years.

He then joined the Colombian Liberal Party and was elected Deputy to the Departmental Assembly. After his work in the Assembly was finished, he set up his law office, Porrás, Filós Law Firm, where he achieved a large clientele. Subsequently, Dr. Porrás initiated, through his articles published in the press, a strong opposition against the government of Rafael Núñez, originating a persecution against him by the Nuñistas that led him to voluntarily go into exile in Central America, where he served as Professor of Law and Geography in both Nicaragua and San Salvador. In the exercise of his professional and teaching duties, he was surprised by the Colombian civil revolution and through the illustrious

Doctor Eusebio A. Morales, a call from the liberals of Panama was transmitted to him to assume the leadership of the civil revolution in the Isthmus and obtain his settlement in the formation of an armed expedition. Thus he abandons the privileged social and political position that he enjoyed in Central America.

With the help of the Liberal General José Santos Zelaya, President of Nicaragua, and the president of Ecuador, Eloy Alfaro, Dr. Porras led the landing of the revolutionary force in Punta or Península Burica, Province of Chiriquí, on March 31, 1900, in the Momotombo ship, with a battalion of volunteers from Ecuadorians, Nicaraguans, Hondurans, Peruvians, Constans, and distinguished liberals such as Eusebio A. Morales, Carlos A. Mendoza, and Paulo Emilio Morales.

Upon his arrival, Dr. Porras assumed the status of Civil and Military Chief of the Department of Panama. He appointed Doctors Carlos A. Mendoza and Eusebio A. Morales as Secretaries of Government and Finance respectively and the brave military man, General Emiliano J. Herrera as Chief of Military Operations. Three days later, the expedition members led by Porras defeat David's garrison, followed by the capture of Chame and Bejuco, and then head to Panama City..

On July 24, 1900 the expedition, including the Isthmus Liberals, were defeated at the Battle of Calidonia Bridge. Days after the defeat, Dr. Porras leaves the lands of the Isthmus and goes into exile again in Central America, dedicating himself to teaching. The Thousand Day War between conservatives and liberals lasted from 1889 to 1902, claiming the lives of approximately 5,000 Panamanians and between 50,000 and 100,000 Colombians. This conflict ended in 1902 with the signing of the Treaty of Wisconsin.

On November 3, 1903, after 82 years under the rule of Colombia, the Department of Panama becomes independent and becomes an independent state, in the Republic of Panama.

Months before the independence of Panama, Dr. Belisario Porras disagreed with this separation process, because he opposed the Treaty between the United States and Colombia for the construction

of an interoceanic canal because he considered it an affront to the sovereignty of Colombia.

Before independence, Dr. Porras declared that if independence were granted, his country would fall into the clutches of the North American empire, an opinion embodied in an article entitled "Reflections on the Canaleras or La Venta del Istmo".

Dr. Porras was not inclined towards small states and maintained that "properly alliances between a powerful state and a weak one are but an overlap of one to the other, and predominance over it." For this reason, he originally did not accept the position of Confidential Agent before the Central American governments, nor that of Minister Plenipotentiary before said countries, nor that of member of the National Convention for the Province of Los Santos, a position that he didn't occupy.

Dr. Belisario Porras returned to Panama in 1904, now active in the Panamanian Liberal Party and immediately began to become active with true patriotism through his articles and conferences, always seeking progress and the best for Panama. Then his friends took him to occupy a position on the Municipal Council of Panama City. He then he is appointed Member of the Coding Commission; member of the Treaty Studies Commission and on the Board in charge of organizing the celebrations for the centenary of General Tomás Herrera.

In 1905, adversaries and enemies of Dr. Porras, in their desire to remove him from political life definitively, lined up their batteries towards the Supreme Court of Justice, in order for the high Court to withdraw his Panamanian nationality, based mainly on his opposition initial to the independence of the Panamanian nation, qualifying it as a traitor.

The Supreme Court of Justice, by ruling of November 15, 1905, decided that Dr. Porras had lost the status of Panamanian, since he had not recovered it because he had not requested his rehabilitation from the Legislative Organ. The ruling caused outrage in all corners of the country, in the national and international press, causing demonstrations against the ruling and showing solidarity with the liberal leader Dr. Belisario Porras.

On March 13, 1906, Dr. Porras asked the National Assembly to restore his Panamanian nationality and this State Organ unanimously approved his complete rehabilitation in his character and condition as a Panamanian citizen and the full enjoyment of the inherent rights. to that citizenship.

Subsequently, Dr. Porras continued and increased his participation in politics, becoming one of the great leaders of Panamanian liberalism. In 1910 he was a delegate to the Pan American Conference in Argentina; he was appointed Minister Plenipotentiary of Panama in Washington, where he served with tact, patriotism and honesty; he was also a Proxy in the border disputes with Costa Rica. President Pablo Arosemena unjustly dismissed Dr. Porras as Ambassador and he, upon returning to Panama, is received by the Panamanian people with enormous enthusiasm.

In 1912, Dr. Belisario Porras Barahona, faced Pedro A. Díaz in the elections and for the first time was unanimously elected as Constitutional President of the Republic of Panama by the Assembly of Electors for the four-year period 1912/1916, despite that his candidacy suffered hostilities and attacks by the government in power. Even ministers of state were dismissed for sympathizing with Dr. Porras.

Dr. Porras imposed himself on the candidate of President Pablo Arosemena with tact, intelligence and insight, becoming the supreme leader, the undisputed leader, the representative of liberalism to which everyone owed respect, veneration and compliance. This great leader of liberalism and the Panamanian nation, whom his enemies called a traitor at the time, served as the nation's first magistrate from 1912 to 1916. The second time was from 1918 to 1920 and the third and last from 1920 to 1924. He has been the Constitutional President of the Republic of Panama who has exercised presidential power for longest amount of time, approximately 10 years.

During the three periods in which Dr. Belisario Porras Barahona held the high office of Constitutional President, he carried out works of great magnitude that consolidated the national organization of our incipient republic as a Free, Sovereign and

Independent State. It is enough to remember some of them: the promulgation of the National Codes; he ordered the public finances; carried out transport and communication works such as the Chiriquí railway that linked David, Bugaba and Boquete and tried to extend it to other towns; the hygiene of the nation in general improved considerably; faced the border problem with Costa Rica; founds the important Hospital Santo Tomás in the capital city; built national highways; tried to negotiate a new canal treaty with United States; creates important entities such as Children's Asylum, Civil Registry, Public Registry in neighborhood of La Exposición, the National Archive, the National Museum, the General Directorate of Statistics.

Dr. Porras organizes public instruction; he attends the opening of the Interoceanic Canal in 1914; nationalized the National Lottery; and from that time on he was concerned about taking measures against the ecological problem. He created the legal mechanisms that gave institutionality to the country. Undoubtedly and history records it, Dr. Belisario Porras helped through his political support and as a true national leader and liberalism to several Panamanians to occupy the Presidency of the Republic, among them, Ramón Maximiliano Valdéz, Rodolfo Chiari Robles among others.

Dr. Porras was the ruling Liberal Party's mentor and guide. A man with outstanding abilities and his service record and his brilliant intellectual gifts demonstrate this, as well as having served as the First Magistracy of the Nation, facing the vices that threatened the honesty of the State. The three times that he held the Presidency of the Republic, he definitely performed it with the physiognomy of a statesman. He always highlighted in him his passion for the underdog, for the people, for having penetrated so much in the crowds and to achieve that prodigious popularity he always managed to have those qualities of intelligence and heart.

He was a persecuted, slandered and also betrayed leader and he was one of the few authentic statesmen that the republic has had, attached to the norm of work for the honor and benefit of the Panamanian nation. History and future generations cannot deny the preeminence of this citizen, who increased the prestige

of the republic without seeking wealth and splendor for him. Porras Barahona revealed impressive virtues of a good politician because he identified him with the majority of the Panamanian people, respecting the property of the State based on his honesty.

His passion for public service was always present, hence the 1928 electoral tournament Dr. Porras tried to run for his National Cheer Coalition Party, but was forced to withdraw in favor of Dr. Jorge E. Boyd. Later, in the presidential elections of 1936, he ran for the United Liberal Party, finishing third after withdrawing from the presidential candidacy the day before the elections. We cannot forget that this illustrious Panamanian at one point in his life was deprived of his citizenship and in response to that injustice, fate then and history now, he was rewarded with the high honor of having been the Constitutional President of the Republic three times. the Republic of Panama.

The patriot, Dr. Belisario Porras Barahona, was a writer, journalist, poet, teacher, diplomat, military man, politician, and Panamanian president. Dr. Porras was a genuine statesman, who helped forge and coordinate a newborn homeland to independent life.

At 85 years old, aged from struggles after having carried out a fruitful and eternal work, his death occurred on August 28, 1941, without being able to be welcomed in the Santo Tomás Hospital, a medical center that he built despite the opposition of adversaries who they called it "the White Elephant" because of its large size. Precisely the statesman who had the vision of building a very large public hospital could not be admitted because all his rooms were full.

The news of his death spread rapidly throughout the republic and reactions were one of stupor and grief. His name will remain present in the memory of Panamanians for the great love and affection that he always professed to Panama. His legacy has been immortalized for all generations who love their country because, above all, he will always be considered and remembered as the "Architect of the Panamanian Nation". *L&E*



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Panamanian ECONOMY

COMMENTS ON THE CONSUMER PRICE INDEX (CPI): JANUARY 2021

Source: GCRP

The National Urban CPI presented an increase of 0.3%. The groups that registered increases were: Transportation in 1.6%; Alcoholic beverages and tobacco at 0.5%; Housing, water, electricity and gas in 0.4%; Food and non-alcoholic beverages at 0.2%, and Miscellaneous goods and services at 0.1%.

Transportation group reflected an increase in two of its seven classes. Greatest variation was in class "Fuels and lubricants for personal transportation equipment" at 6.8%, due to the growth in the price of automobile fuel. The increase registered in the Alcoholic beverages and tobacco group was the result of the increase in three of its four classes. The class with the greatest variation was "Wine" at 1.8%.

The group Housing, water, electricity and gas showed growth in three of its eight classes. The greatest variation was in the "Gas" class at 1.7%, due to the increase in the price of the 100-pound gas tank..

Increase observed in Food and non-alcoholic beverages group was due to increase in nine of

its eleven classes. The greatest variation was in the "Legumes-Vegetables" class in 1.0%, due to the increase in the price of legumes and tubers.

The Miscellaneous Goods and Services group posted growth in four of its ten classes. The class with the greatest variation was "Jewelry, wall clocks and wrist watches" at 0.7%, due to rise in price of jewelry. The groups Clothing and footwear; Health; Recreation and culture, and Restaurants and hotels remained unchanged.

The groups that reflected decreases were: Education in 1.4%; Furniture, articles for the home and for the ordinary maintenance of the home, and Communications both in 0.1%. The drop presented in the Education group was due to the reduction in one of its four classes, "Tertiary education" in 4.5%, due to the decrease in higher education (tertiary).

The group Furniture, articles for the home and for the ordinary maintenance of the home presented drop in seven of its eleven classes. The class

with the greatest variation was "Large tools and equipment" in 0.5%, due to the reduction in the price of tools for the home. The decrease observed in the Communications group was due to a 1.0% drop in one of its two classes, "Telephone equipment".

• Interannual variation of the National Urban CPI (January 2021 compared to January 2020):

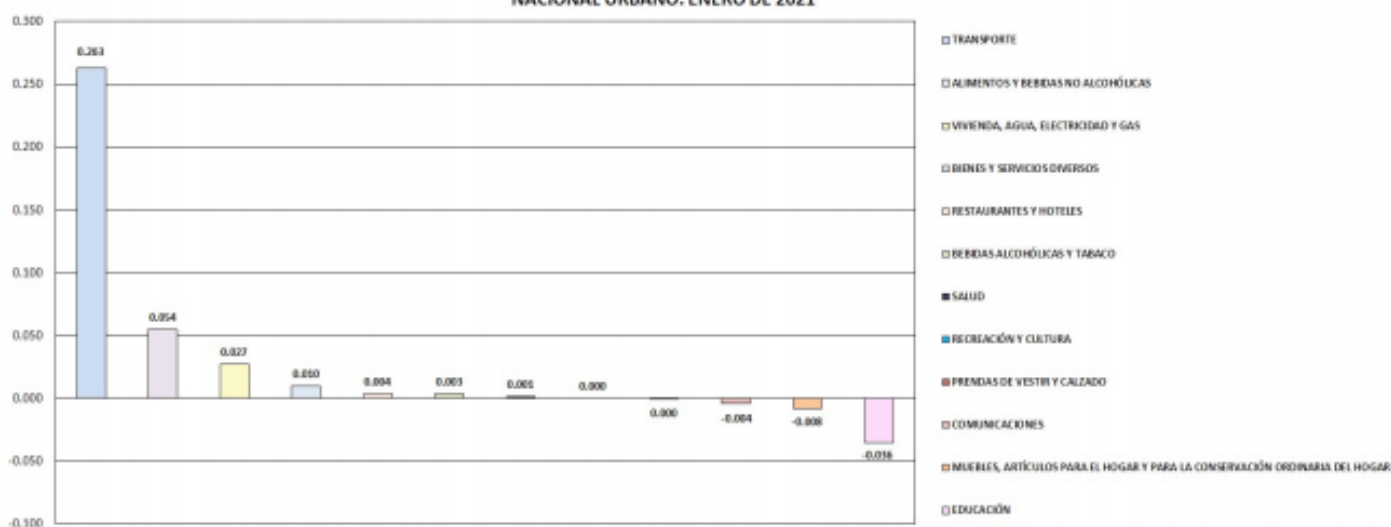
The National Urban CPI showed an interannual variation of -1.4%. In the groups that were observed decreases were: Housing, water,

electricity and gas in 9.6%; Education in 7.9%; Transportation in 3.6%; Communications, and Recreation and Culture both at 0.3%; and Clothing and footwear by 0.2%. The Miscellaneous goods and services group remained unchanged.

Groups that registered increases were: Furniture, articles for the home and for the ordinary maintenance of the home in 1.1%; Alcoholic beverages and tobacco at 1.0%; Food and non-alcoholic beverages at 0.6%; Health at 0.5%; and Restaurants and hotels in 0.2%. *L&E*

A continuación, la gráfica con la incidencia mensual por grupo del IPC Nacional Urbano de enero de 2021:

Gráfica 1. INCIDENCIA MENSUAL DEL ÍNDICE DE PRECIOS AL CONSUMIDOR NACIONAL URBANO: ENERO DE 2021



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.

RETURN OF THE PANAMANIAN ECONOMY

Source: World Bank

Latin America and the Caribbean (LAC) suffered more damage to health and the economy from the COVID-19 pandemic than any other region, but as the region begins to rebound, the opportunity for transformation opens significant in key sectors, according to a new World Bank report.

Due to the pandemic, the Gross Domestic Product (GDP) in the Latin American and Caribbean region (except Venezuela) fell 6.7% in 2020. A return to growth of 4.4% is expected for 2021. In comparison with the Bank's projections at the end of 2020 of a fall of 7.9% by 2020 and a GDP expansion of 4.0% by 2021.

The enormous shock caused by the pandemic could lay the foundation for increased productivity through economic restructuring and digitization. Other opportunities also arise from innovations in the electricity sector, according to the World Bank's semiannual report for LAC, 'Back to Grow'.

The sharp contraction caused by the pandemic last year had enormous economic and social costs. The unemployment rate in general increased and poverty soared, although in some countries the massive use of social transfers did much to cushion the social impact of the crisis.

The COVID-19 crisis will have a long-term impact on the economies of the region. Lower levels of learning and employment are likely to reduce future earnings, while high levels of public and private borrowing can strain the financial sector and slow down the recovery.

Despite these challenges, there are positive areas. International trade in goods remained relatively good, despite sharp decline in trade in services, particularly tourism. Most commodity prices are higher than before COVID-19 crisis, partly thanks to China's early recovery. This is a good thing for exporters of agricultural and mining products.

Remittances to the region rose compared to pre-pandemic period, a very important issue for several countries in the Caribbean and Central America.

Likewise, capital markets remained open for most of the countries in the region. In fact, debt taking abroad increased, helping to mitigate the economic and social impact of the COVID-19 crisis. Most countries in the region have run significant budget deficits since the beginning of the pandemic. The additional spending was used to strengthen health systems, provide transfers to households, and help businesses. At the same time, the implementation of proactive measures helped debtors and reduced the risk of financial crises.

For example, hotel and personal services can suffer long-term damage, although information technology, finance and logistics will expand. In the medium term, the gains may be greater than the losses. The greatest transformation may result from accelerated digitization, which could lead to greater dynamism in financial intermediation, international trade and labor markets.

Technology is also an opportunity to transform the energy sector. Latin America and the Caribbean has the cleanest electricity generation matrix of all developing regions, mainly due to the abundance of hydroelectric energy. The region should have the cheapest electricity in the developing world, but instead has the most expensive, essentially due to inefficiencies.

Businesses and households in the region pay much more for the electricity they consume than it would cost to generate it. These inefficiencies are reflected in frequent blackouts, technical and commercial losses, overstuffed public companies, and abuses of market power by private generators.

With an appropriate institutional framework, technology can increase competition in the sector, thereby reducing

the price of electricity and increasing the share of renewable energy. For example, distributed generation can make companies and households depend on their own energy sources, such as solar panels, and buy or sell electricity on the grid depending on the time of day. Additionally, an increase in cross-border electricity trade can take advantage of differences in installed capacity, generation costs, and demand seasonality to generate mutual benefits. However, this efficiency improvement will only take place if electricity can be bought and sold at an appropriate price.

While there are signs that the region's economies are recovering and hopes that this upheaval will have some positive outcome, the outlook for this year remains uncertain. Vaccination rollout has progressed slowly in the region and herd immunity could only be achieved by the end of 2021. Also, new waves of infections may occur as new variants of the virus emerge. As we actively prepare to rebuild better, the priority remains protecting human life and livelihoods.

Taking into account all of the above, the World Bank presented the prospects for economic growth, placing Panama among the countries with the highest economic growth of 9.9% followed by Peru with 8.1%.

However, to achieve this growth, Panama will have to face the public debt, due to the expiration of the agreed terms, as well as the reactivation of the economy, poverty reduction to preserve the investment grade.

"As economies rebound this year, some sectors and companies will win and others will lose," said Martín Rama, World Bank chief economist for the Latin America and Caribbean region. "This pandemic gave rise to a process of creative destruction that can result in faster growth but that can also widen inequality within and between countries in the region". *L&E*

TOWARDS A NEW ECONOMIC AND SOCIAL VISION OF PANAMA

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In recent days, Dr. Guillermo O. Chapman Jr. presented the work entitled Towards a new economic and social vision of Panama, which details and breaks down the Panamanian economy where we are and where we should go.

Dr. Chapman Jr. tells us that “the motivations for writing this document are, on the one hand, the signs of a recession marked by the contraction of economic activity and unemployment, which has reached, in the Panamanian economy, one of the deepest levels since the end of the Second World War, and, on the other hand, that, despite the fact that the living conditions of the population have improved, to a notable degree, in the course of the last three decades, this improvement it has not been in tune with GDP growth and there are still significant pockets of poverty, as well as one of the worst levels of inequality in the world ”.

The document analyzes the economic performance of the last three decades in our country, the factors that explain how we got to the current situation and the prospects for the future. After that, it refers to the social panorama of Panama, to later enter to analyze the economic model. Another aspect that is addressed are the historical factors that have influenced the formation of the current structure of our economy, presenting an action plan for a new economic and social vision of the country. It also presents an annex that refers to the actions that it considers should be carried out to cushion the effects of the pandemic in the remaining period of activity. Because it is considered of interest and so that the

author’s considerations reach them as they were raised, without going into an analysis of it, we present a summary and conclusions reached by the author, so that they may be the subject of debate, discussion and contributions. as Dr. Chapman points out Jr.

“SUMMARY AND CONCLUSIONS”

This document attempts to define the structure or model of the Panamanian economy, deals with its transformation, and includes a diagnosis of the economic and social performance of the last three decades, it is, therefore, a thesis on how it was formed and the proposals for its transformation .

During the thirty years from 1990 to 2020, in the evolution of the Panamanian economy, the following elements stand out:

- **GDP expanded at the fastest rate in the Latin American region, driven by a very high level of investment financed by external indebtedness, a period during which construction, mining and domestic trade were the most dynamic sectors..**
- **The unemployment rate remained above double digits, from 1989 to 2001, to drop to 4.3% in 2012.**
- **High GDP growth occurred despite low total factor productivity, attributable to the poor quality of education and the training of qualified human resources, rigidities in the labor market, shortage**

of trained personnel, barriers legal and excessive bureaucratic procedures.

• The economic growth pattern of the last thirty years seems to have come to an end because, given the low level of domestic savings and the difficulties anticipated in obtaining external and internal financing in the magnitudes of the last decade, it will be difficult to maintain the quota investment of the past.

The social panorama of the country is characterized by great inequality in income distribution and by high levels of poverty and social indicators that are not in line with the average income of Panamanians. Inequality in income distribution is mainly explained by the difference in value added or GDP per employed person between the "modern" and traditional sectors, which employ the majority of the working population. They also contribute to inequality, the poor quality and coverage of education and health.

Our economic and social model is characterized by being a commercially open economy, with a dollarized monetary system since the beginning of the 20th century and an internationally integrated banking sector. Panama pretends to be a market or capitalist economy, but it is a distorted, patrimonial capitalism, with an executive power that distributes concessions. In the absence of general laws that merit the confidence of investors, we have become the country of special laws and contract-law. The reduced size of the economy has facilitated the proliferation of oligopolies, without the Panamanian State having the mechanisms that a capitalist economy needs to regulate monopolies, oligopolies and public services.

The economic function of the isthmus has been, to a large extent, determined by its position and geographical configuration, as well as by the infrastructure that was created over the centuries. The economic history of Panama has been filled with a series of boom events, virtual "currency rains", during which, the decisions adopted by the hegemonic powers, at various times, implemented activities that generated in our environment, with relative ease, significant income from the rest of the world.

With the beginning of the Republic, in 1903, and the treaty on the Panama Canal of the same year, the creation of institutions aimed at generating foreign exchange through the sale of services began, but, on that occasion, originated by Panamanians. The rationale behind these initiatives was an intuitive reaction by businessmen, supported by governments, to overcome the limitations of the political model that the United States implemented in the Canal Zone. These initiatives include, among others, the adoption of the dollar as legal tender, the corporation law, tax territoriality, the Colon Free Zone and the air hub.

Panamanian governments have not formulated long-range public policies to face the social consequences of the model. This can be attributed to the belief that future "currency rains" will offer solutions from abroad and the existence of an unwritten pact between governments and civil society, by which the former agree to keep the level of taxation, as well as not acting with energy and efficiency in the collection of taxes, and society, not demanding strict accountability from them.

Faced with this reality, the transformation of the model requires carrying out profound changes in the structure of the State. To achieve this evolution, the operations of the government sector must be rationalized and made transparent, the quality of social services, especially in health and education, must be improved at a level consistent with the country's per capita income, and the productivity of the economy increased in general, through structural and sectoral policies, so that these activities can pay better wages.

The image of the model that I propose is an economy like that of democratic countries in northern Europe and Asia, with a population size similar to ours, that have a high and equitably distributed level of income per inhabitant, excellent indicators of social services, transparency and low levels of public and private corruption, in short, a Welfare State or a Social Market Economy.

The document contains an annex with proposals for actions in the short term, during the year 2021, aimed at facilitating overcoming the economic and social effects of Covid-19." *L&E*

MONTHLY INDEX OF ECONOMIC ACTIVITY (IMAE): JANUARY 2021

Source: GCRP

The Monthly Index of Economic Activity (IMAE) in the Republic, for January 2021, decreased by 14.63%, compared to its similar in the previous year, based on preliminary information, due to the effect of the COVID-19 pandemic.

This index contracted considerably, due to the effects of the health emergency caused by COVID-19. Among the economic sectors that were affected were: Hotels and restaurants, Other community, social and personal service activities, Construction, Commerce, Financial intermediation, Manufacturing

industries, Electricity and water, Real estate, business and rental activities and Transportation, storage and communications, among others.

However, some activities in particular registered positive results such as: the export of copper ore and its concentrates, fish and fish fillet (fresh, refrigerated and frozen), the generation of renewable electricity, Canal tolls, telecommunications, movement of containers of the National TEU Port System, the production of milk and its derivatives, as well as private health services. *L&E*

World ECONOMY

THERE ARE CONTINUED DEFICIENCIES IN THE DEGREE OF PREPAREDNESS OF COUNTRIES TO DISTRIBUTE VACCINES AGAINST COVID-19

Source: World Bank

As countries undertake the largest vaccination campaign in history, the World Bank has collaborated with governments, the World Health Organization (WHO), the United Nations Children's Fund (UNICEF), the Global Fund and the Alliance Global for Vaccines and Immunization (GAVI) in assessing the readiness of countries to safely distribute COVID-19 vaccines in 128 low- and middle-income countries. The results indicate that the level of income and other economic indicators correlate little with the degree of readiness to administer the vaccines. The report focuses on 10 key indicators, such as cold chain and logistics, prioritization of population groups, budgeting, training of health personnel and security surveillance, among others..

The first results show that 85% of the countries that participated in the evaluations have developed national vaccination plans and that 68% have established safety measures, such as systems for reporting adverse reactions. However, only 30% have developed plans to train the large number of vaccinators that will be needed and only 27% have created strategies for social mobilization and public commitment to promote vaccination among the population. Given the worrying

attitude of indecision that is observed in a large part of the population with respect to vaccines, strategies are urgently needed to generate confidence, acceptance and demand for vaccines. Countries affected by conflict and fragility situations (37 out of 128) scored lower than other countries in almost all indicators.

"Many developing countries are preparing ambitious plans to distribute the COVID19 vaccine," said Mamta Murthi, Vice President for Human Development at the World Bank. "Although most countries are sufficiently prepared to start inoculating their populations, there are still significant gaps that need to be addressed urgently for large-scale vaccinations to be successful."

The World Bank is providing \$ 12 billion for developing countries to purchase and distribute vaccines, screening tests and treatments, and to strengthen health and vaccination systems to ensure that doses reach those who need them. Our vaccination programs, for which USD 3 billion of the USD 12 billion available have been used, will reach more than 40 countries in the short term. Readiness assessments will guide our projects and help governments and health professionals

better understand and manage the complex task of vaccinating a large adult population in a very short time.

Other results that the evaluations show:

- **Although some countries have poor preparedness, most have prepared well enough in most essential areas to begin their immunization campaigns as soon as they receive the vaccines.**
- **Having well-functioning national childhood immunization systems is not a strong indicator of a country's readiness to deliver vaccines for the adult population, as is the case with COVID-19.**
- **The poor correlation between gross domestic product and preparedness indicates that countries with more developed economies are not necessarily better prepared for mass vaccination programs.**
- **The distribution of vaccines against COVID-19 represents an opportunity to create a sustainable and environmentally friendly cold chain that could be useful well beyond the current crisis.**

Fair, comprehensive and rapid access to effective and safe vaccines against COVID-19, especially in poor countries, is vital to saving lives and contributing to the global economic recovery. Until the pandemic is contained in all countries, none of them will be safe from outbreaks, nor will they be able to focus all their efforts on overcoming the deepest global recession in the last eight decades. *L&E*



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ACTION MUST BE IMMEDIATELY TO ADDRESS THE HUGE EDUCATIONAL CRISIS IN LATIN AMERICA

Source: World Bank

As a result of the COVID-19 pandemic, the Latin American and Caribbean region is currently experiencing an unprecedented educational crisis that requires action now to mitigate and even reverse its effects, according to a new World Bank report.

Due to the massive closure of schools, as of February 2021, around 120 million school-age children had lost or were at risk of missing a full year of face-to-face school calendar, with serious educational impacts, the report warns. Let us act now to protect the human capital of our children: The costs and response to the impact of the COVID-19 pandemic on education sector in Latin America and the Caribbean.

“Learning poverty”, defined as the percentage of 10-year-olds unable to read and understand a simple story, could have risen from 51% to 62.5%. This could amount to an additional 7.6 million children in “learning poor” primary education in the region.

According to the publication, it is essential to act urgently in order to reverse the situation. The countries of the region should prepare for the

Safe and effective reopening of schools nationwide, with the necessary funding and tools so they can open smoothly.

“This is the worst education crisis ever seen in the region and we are concerned that it could have serious and lasting consequences for an entire generation, especially among the most vulnerable sectors”, said Carlos Felipe Jaramillo, World Bank Vice President for Latin America and the Caribbean. “Governments must act urgently to make up lost ground and seize the opportunity to improve education systems by taking advantage of new technologies.”

Policies should focus on ensuring that the reopening of schools reaches all school-age children, creating the conditions for an effective hybrid education, in which face-to-face education and distance education coexist in the same schools, which will constitute the new normal for the next several months. At the regional level, less than 43% of primary schools and less than 62% of secondary schools have access to the internet for educational purposes.

“An effective reopening requires important decisions both administratively and pedagogically”, noted Emanuela Di Gropello, one of the lead authors of the report and a practice leader for education at the World Bank in Latin America and the Caribbean. “It is also vital to quickly close the digital gaps that still persist and take advantage of the current crisis to drive transformations that were necessary even before the pandemic..”

In the longer term, the goal is to build education systems that are more inclusive, effective and resilient. There are numerous examples of effective programs, which could be institutionalized and replicated in the region. Among others, early warning systems that allow identifying students at risk of dropping out, such as those implemented in Peru, Chile and Guatemala. Likewise, there are educational information and management systems that are offering good results in many countries, including Colombia and Uruguay. And the adaptive learning technologies that are used for example in Ecuador and the Dominican Republic help to deliver teaching at the appropriate level.

According to the report, after 10 months (one school year) of no classes, 71% of students in the early years of high school may not be able to adequately understand a text of moderate length. Before the pandemic the figure was 55%. And if the schools remain closed for another three months, the percentage would rise to 77%. Furthermore, these losses are not the same for all sectors, but mainly affect the bottom quintile on the income scale, which according to the report could have widened the already high socioeconomic gap in terms of educational outcomes by an additional 12%.

In the future, the enormous loss of education, human capital and productivity could translate into a fall in aggregate income at the regional level of \$ 1.7 trillion, or approximately 10% of the base estimate.

To these negative impacts are added the possibility that school dropouts will increase by at least 15% due to the pandemic and, also, to the interruption of services that many children received in schools, such as school feeding programs, which they benefited 10 million students in the region. The closure of schools concludes the report, has dramatic physical, psychological and emotional consequences for children, adolescents and young people. *L&E*



IDB MACROECONOMIC REPORT: KEY TAX REFORMS FOR POST-PANDEMIC RECOVERY

Source: IDB

Latin American and Caribbean countries urgently need to implement fiscal reforms to pave the way for a sustainable post-COVID recovery, according to the Inter-American Development Bank's Annual Macroeconomic Report.

The report's baseline hypothesis is that the region will grow 4.1 percent this year after falling 7.4 percent last year, when there was the worst annual slump on record since 1821. It also forecasts that that expansion slows to 2.5 percent per year in 2022 and beyond.

To achieve a higher growth rate, the region needs to implement a series of reforms that improve productivity, help connect companies to global value chains, and promote digital economy and job creation in an inclusive, sustainable and resilient.

The base case assumes that vaccine deployment programs will proceed as planned, that economies will remain open, and that global economy recovers vigorously. But a more pessimistic scenario, with

lower growth in the global economy and potential financial shocks, could see regional growth slow to just 0.8 percent this year and suffer a drop of -1.1 percent in 2022, according to projections of the IDB. The positive scenario envisions a growth of 5.2 percent in 2021 and 3.9 percent for next year.

The economies of Latin America and the Caribbean are emerging from the crisis caused by the coronavirus with high unemployment rates and with their health systems pushed to the limit. The crisis has affected vulnerable populations more severely, further exacerbating inequalities in the region.

Opportunities for a More Solid and Sustainable Growth in the Post-pandemic was announced during the IDB's Annual Meeting held virtually in Barranquilla.

"Latin America and the Caribbean has a narrow path ahead, but clearly defined, to emerge stronger from the social and pandemic shocks of recent years," said IDB Chief Economist Eric Parrado.

"Healthy tax systems can help us unleash our potential, leveraging the reallocation of resources in all sectors to boost productivity growth, promote formal employment, and achieve a greener future that challenges the false dichotomy between economic growth and environmental sustainability ", he added.

Governments provided US\$ 485 billion in fiscal support during the pandemic, with packages representing an average of 8.5 percent of GDP, but a figure that hides the fact that a few countries that implemented large packages, while more than two-thirds of the countries provided much more modest support, on the order of 3 percent of GDP or less, reflecting the existence of available fiscal space. In contrast, fiscal packages in advanced economies averaged 19 percent of GDP.

Negative impacts on income and higher expenditures brought the average primary balance from -0.5 percent of GDP in 2019 to -5.4 percent in 2020. The overall fiscal deficit rose to 8.3 percent of GDP from 3 percent in 2019. Public debt grew from 58 percent in 2019 to 72 percent in 2020. The report predicts that it will continue to increase, reaching 76 percent in 2023.

However, a strong recovery accompanied by reforms would stabilize the debt at 72 percent and it could then begin to fall, the report highlights. Countries with high tax revenues and a high level of expenditures would significantly benefit from greater efficiency both in terms of taxes and expenditures.

Public revenues could save more than 4 percent of GDP with better targeting of social transfer programs, matching public wages with those of the private sector, and optimizing government purchases, among other measures. Countries with low tax receipts should seek to increase their revenues without sacrificing growth. Those higher income and savings should go to carefully selected projects that can have a strong social and growth impact, in particular infrastructure

works necessary to build a digital economy that creates more job opportunities for the economy of the future.

Given the fiscal challenges and high levels of indebtedness, improving fiscal institutions should be a high priority issue, "said Andrew Powell, IDB Senior Advisor and one of the report's coordinators. "Stronger institutions would give a higher degree of credibility and allow a more gradual adjustment with lower interest rates to ensure debt sustainability," he added.

The report recommends that governments take advantage of current low international interest rates to reduce their interest payments, with more financing from international financial institutions to reduce payments or replace more expensive debt.

Impacts on employment and poverty

Labor markets were heavily impacted by both external shocks and internal closures. Some 26 million jobs were lost in 12 countries in the region between February and October 2020, a figure that fell to 15 million in February 2021. Due to this shock, projections indicate that extreme poverty will increase from February 12, 1 percent to 14.6 percent, while moderate poverty would rise from 11.7 percent to 14.6 percent.

Only a strong recovery could generate a significant drop in these rates.

The region faces the opportunity to take advantage of regional and global value chains as companies seek to diversify and strengthen their supply chains. A bottom-up regional integration approach could restructure trade agreements and boost regional value chains.

In addition to the health crisis, the region faces an environmental crisis. The adoption of ambitious climate goals does not presuppose any sacrifice in terms of jobs or growth. Countries should invest in a

more environmentally sustainable future that aims to achieve zero net carbon emissions within a reasonable period of time. Appropriate policies can help create 15 million jobs in the region by 2030 while increasing growth by more than one percentage point per year.

“While economic recovery from Covid-19 could already be underway, previous crises have shown that the pace of recovery can be irregular and progress more slowly

in high-productivity sectors,” said Eduardo Cavallo, Principal Economist at IDB and co-coordinator of project. “An increase in productivity through innovation and relocation, together with efficient investment in quality infrastructure with strong spillover effects on other economic sectors, will help region to seize opportunities to achieve more vigorous sustainable development in post-pandemic stage.” He added. *L&E*

Tasas de crecimiento regional en los escenarios de shock

América Latina y el Caribe		
2020		-7,3
2021	Escenario base	4,4
	Escenario negativo	0,8
	Escenario positivo	5,2
2022	Escenario base	2,6
	Escenario negativo	-1,1
	Escenario positivo	3,9
2023	Escenario base	2,6
	Escenario negativo	1,8
	Escenario positivo	2,9

Crecimiento promedio anual del PIB 2021-2023

	Crecimiento en el escenario base	Escenario negativo	Escenario positivo
América Latina y el Caribe	3,2	0,5	4,0
Cono Sur excepto Brasi	3,5	0,3	4,4
Centroamérica y el Caribe	2,9	-0,3	3,8
Brasil	2,7	0,9	3,2
México	2,9	-0,5	3,8

Fuente: Cálculos del BID.

Nota: El escenario base emplea las proyecciones del FMI provenientes de las Perspectivas de la Economía Mundial de enero 2021. El escenario negativo considera shocks negativos a Estados Unidos y a la Zona euro que son consistentes con el escenario negativo planteado por las Perspectivas de la Economía Mundial 2020 y son elaborados a partir de un modelo estadístico para formular un escenario consistente para América Latina y el Caribe. El escenario positivo considera un mayor crecimiento económico y una corrección financiera moderada.

2020 EDITION OF THE ECLAC STATISTICAL YEARBOOK OFFERS A SET OF STATISTICS ON DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN

Source: ECLAC

The Economic Commission for Latin America and the Caribbean (ECLAC) released today the Statistical Yearbook of Latin America and the Caribbean 2020, accessible through the internet, which presents a statistical overview that accounts for the social, economic and environmental development of the countries of the region based on the information that was available until December 2020.

This annual publication contributes to the generation of knowledge about Latin America and the Caribbean and, therefore, constitutes an essential reference for the comparative analysis between countries with descriptive statistical data..

The Statistical Yearbook 2020 is organized into three chapters. The first presents demographic and social aspects that include indicators of population, work, education, health, housing and basic services, poverty and income distribution and gender. According to

these data, the population of Latin America and the Caribbean reached 654 million inhabitants by 2020, with an annual growth rate of 0.8%.

In recent years, poverty and extreme poverty have been characterized by an increasing trend, even before the social costs of the COVID-19 pandemic manifested. In 2019, poverty in Latin America reached 30.5% of the population, which corresponds to 187 million people, including 70 million in extreme poverty (11.3% of the population). Compared to 2018, these figures represented an increase of 0.7 percentage points in poverty and 0.9 points in extreme poverty.

The report illustrates with recent information the various prevailing inequalities in the region. While the participation in total income is 35.6% for the richest decile, it doesn't exceed 2% in the case of the poorest decile. Almost half of the urban employed continue to work in low-productivity and

low-skilled jobs. The participation rate of women in the workforce is almost 27 percentage points lower than that of men. The percentage of young people between the ages of 15 and 24 who don't attend school or participate in the labor market is less than 10% among men and exceeds 25% among women, mainly for taking on unpaid domestic and care work.

The second chapter presents economic information related to national accounts, balance of payments, foreign trade and price indices, among others. The Yearbook shows that the low growth of the regional GDP of 0.1% registered in 2019 generated a decrease in the average GDP per inhabitant, which reached 8,361 dollars. Differences between subregions continue to prevail; In 2019, the Caribbean exceeded the level of GDP per inhabitant of the Latin American subregion by 23.2%. ECLAC projections for 2020 show a 7.7% drop in GDP in the region, as a result of the impact of the COVID-19 pandemic.

For its part, the current account balance reduced its deficit in 2019, reaching a negative balance of 96,295 million dollars, equivalent to 1.8% of regional GDP.

Regarding intraregional trade, in 2019 intraregional exports reached 12.6% of total exports, while intraregional imports with respect to total imports represented 13.5%. For its part, the price-of-trade index in the region (based on 2010), had a slight increase in 2019 of 0.7% compared to the level of 2018 for Latin America.

In 2019, consumer prices registered a variation of 430.6% for Latin America and the Caribbean, a figure that is highly affected by inflation in Bolivarian Republic of Venezuela. By excluding this value, regional variation would reach 7.2%. Regarding the composition of this figure, the greatest contribution would be the prices of food goods, reaching a variation of 8.6% (without considering the figure for Venezuela).

The third chapter offers statistics and environmental indicators for the region. Metrics on physical conditions, land cover, ecosystems, biodiversity, environmental quality, land, energy, water and biological resources, air emissions, disasters, human settlements, environmental regulation and governance stand out. As every five years, this year 2020 corresponds to the publication of updated statistics of regional wooded areas by the Food and Agriculture Organization of the United Nations (FAO). These are fundamental figures for the region, considering the important role of forests not only as providers of livelihood and livelihood for the populations settled in forested areas but also as the largest repository of terrestrial biological diversity on the planet and as a key element for mitigation and adaptation to climate change.

In the last 30 years, Latin America and the Caribbean has seen its forest area decrease and in particular it has lost natural forests, both in absolute terms and in relation to the land area. Between 1990 and 2020, the proportion of regional forest cover systematically decreased from 53% to 46% of the territory (from 1,070 million to 932 million hectares). The total loss of area covered by forests in the entire region in this period reached the magnitude of 138 million hectares, equivalent to little more than the area of Peru. The trend in the reduction of regional forest is mainly explained by the decline experienced in the large forested countries. Brazil is home to 53.3% of the forests of the entire region, and in the last 30 years it has lost 92.3 million hectares of forest. *L&E*



Cultural Agenda

By: Mariela de Sanjur
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THEATER

- La Estación Virtual Theater

- Histeriotypes.

- Aba Theater:

- The Wizard of Oz from April 11 to May 23.
- The women when they get together from April 14 to May 16.

- Pacific Theater

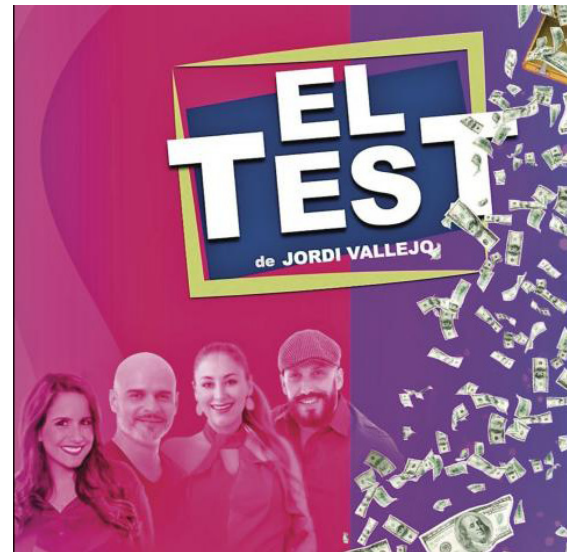
- For Rent: from April 8.
- PoliGranja: Sundays.
- The Test until April 22.

- La Plaza Theater: Las Perfectas, reservation at 6029-0841.

- 4x4 from April 13.

- National Theater: information at www.teatronacional.org.

- Colloquia at the Nacional:
- April 6: Theater Appreciation with Edwin Cedeño.
- April 7: Dramaturgy with Arturo Wong Sagel.
- April 13: How to present a photographic portfolio for viewing with PhotoLab Panama.
- April 15: Artistic Production with Thyrza Guerrero, Gina Cochez, Ana Suarez and Mónica Miguel Franco.



MUSEUM

- MAC:

- Mesotropics, free entry, book visit on the web.

- Interoceanic Museum of the Panama Canal:

- It reopened on March 26 and features recently renovated rooms with never-before-seen pieces. Reserve your ticket at: museodelcanal.com.

- Biomuseum:

- Open Saturdays and Sundays from 1:00 p.m. at 5:00 p.m., information at www.biomuseo.com.
- Don't miss the virtual workshops.

BiOMUSEO



MUSEO DE ARTE
CONTEMPORANEO

- April 28: International Workers' Health and Safety Day.
- April 29: International Dance Day
- April 30: Noise Awareness Day.
- April 30: International Jazz Day.

Important Dates

- April 2: International Autism Day.
- April 2: International Children's Literature Day.
- April 4: National Day for the Prevention and Fight against Obesity.
- April 4: International Mine Hazard Information Day.
- April 7: World Health Day.
- April 7: Good Deeds Day.
- April 8: Buddha's birthday.
- April 10: Harpy Eagle Day.
- April 11: World Parkinson's Day.
- April 14: Police Day.
- April 15: Watermelon Slice Incident.
- April 15: National Art Day.
- April 21: World Creativity and Innovation Day.
- April 22: World Earth Day.
- April 23: World Book and Copyright Day.
- April 23: World Spanish Language Day.
- April 23: Librarian Day.
- April 26: National Secretary's Day
- April 26: World Intellectual Property Day
- April 27: International Noise Awareness Day
- April 27: International Theater Day.

Religious Holidays

- April 2: Good Friday.
- April 3: Holy Saturday.
- April 4: Easter.
- April 4: San Benito.
- April 11: Feast of Divine Mercy. *L&E*



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

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

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