

**Annex I**  
**List of Panama**

<b>Sector:</b>	All sectors
<b>Sub-sector:</b>	
<b>Classification:</b>	
<b>Type of Reservation:</b>	National Treatment (Article 10.02) Senior Management and Boards of Directors (Article 10.08)
<b>Measures:</b>	Article 288 of the Political Constitution of the Republic of Panama of 1972 (including the reforms and the constitutional act of 1983). Article 16 of Executive Decree 35 of May 24, 1996. Published in Official Gazette 23,046 of May 29, 1996.
<b>Description:</b>	<u>Investment</u> Only the following may engage in retail business: <ol style="list-style-type: none"><li>1. Panamanians by birth.</li><li>2. Individuals that when the Constitution of 1972 took effect were naturalized and married with Panamanian (of either gender) or have children with Panamanian (of either gender).</li><li>3. Panamanians by naturalization who are not included in the previous case, after three years of the date in which they will have obtained his definitive permit.</li><li>4. Panamanian or foreign juridical persons and foreign natural persons who where engaged in lawful retail activities when the 1972 Constitution entered into force.</li><li>5. Juridical persons formed by Panamanians or foreigners empowered to act as such individually according to article 288 of the Political Constitution, and also those that, without being constituted in the form herein expressed, where engaged in retail business on the moment this Constitution took effect.</li></ol> <p>However, foreigners not authorized to engage in retail business may participate in those companies that sell products manufactured by themselves.</p> <p>To run a retail business means to engage in sales to the consumer or the representation or agency of manufacturing or mercantile enterprises or any other activity that the Law classifies as pertaining to such a business.</p> <p>Farmers or craftsmen who sell its own products are excluded from this rule.</p>
<b>Phase-out:</b>	None

**Sector:** All sectors

**Sub-sector:**

**Classification:**

**Type of Reservation:** National Treatment (Article 10.02)

**Measures:** Articles 285 and 286 of the Political Constitution of the Republic of Panama of 1972 (includes the reforms and the Constitutional Act of 1983).

**Description:** Investment

No foreign government nor foreign official or semi-official institution or entity may acquire dominion on any part of the national territory, except in the case of the seats of embassies as provided under the Law.

Foreign individuals or companies and Panamanian companies whose capital is entirely or partly foreign may not purchase public or private property located within 10 kilometers of the national borders.

**Phase-out:** None

**Sector:** All sectors

**Sub-sector:**

**Classification:**

**Type of Reservation:** National Treatment (Article 10.02)

**Measures:** Article 280 of the Political Constitution of the Republic of Panama of 1972 (includes the reforms and the Constitutional Act of 1983)

**Description:** Investment  
The majority of the capital of private enterprises engaged in public utilities that operate in the country, shall be Panamanian, except in the cases established by Law, which shall also defines them.

**Phase-out:** None

<b>Sector:</b>	All sectors
<b>Sub-sector:</b>	
<b>Classification:</b>	
<b>Type of Reservation:</b>	National Treatment (Article 11.03) Senior Management and Boards of Directors (Article 10.08)
<b>Measures:</b>	Article 316 of the Political Constitution of the Republic of Panama of 1972 (includes the reforms and the Constitutional Act of 1983).  Article 86 of Law No. 19 of June 11, 1997, by means of which the Panama Canal Authority is organized. Published in the Official Gazette No. 23,309 of June 13, 1997.
<b>Description:</b>	<u>Investment and Cross-Border Trade in Services</u>  The Panamanians shall have preference over foreigners for positions in the Panama Canal Authority. Provided that the position is difficult to fill and that all channels for hiring a qualified Panamanian have been exhausted, a foreigner may be hired instead of a Panamanian, subject to the authorization of the Canal Authority Administrator. If the only applicants to a position with the Panama Canal Authority are foreigners, preference shall be given to those foreigners with Panamanian spouses or those who have lived in Panama for ten consecutive years.
<b>Phase-out:</b>	None

<b>Sector:</b>	Artistic activities
<b>Sub-sector:</b>	Musicians and artists
<b>Classification:</b>	CPC 9619 Other entertainment services CPC 96191 Theatrical producer, singer group, band and orchestra entertainment services
<b>Type of Reservation:</b>	National Treatment (Article 11.03) Performance Requirements (Article 10.07)
<b>Measures:</b>	Article 1 of Law No. 10 of January 8, 1974, establishing rules to protect national artists and musical performers. Published in the Official Gazette No. 17,518 of January 23, 1974. Article 1 of Executive Decree No. 38 of August 12, 1985 that contains protective norms national artists and musical performers. Published in the Official Gazette No. 20,381 of August 30 of 1985.
<b>Description:</b>	<u>Investment and Cross-Border Trade in Services</u> Any employer who hires a foreign orchestra or musical group shall be required to hire a local Panamanian orchestra or musical group to perform at each one of the premises or places where the foreign orchestra or musical group performs and shall be under such obligation for the duration of the foreign group's contract. In these cases, the Panamanian orchestra or musical group shall receive at least the amount of B/.1,000.00 per performance, of which each member of the group shall receive a sum no less than B/.60.00. Panamanian artists performing alongside foreign artists must be hired on the same footing and with the same professional considerations, even as pertains to promotions, publicity, and advertising related to the event, regardless of the media used therefore. The hiring of foreign artists for promotions, or the charitable donation or exchange of any nature of its services or works, shall only be approved if it does not adversely affects or displace a Panamanian artist and in any case it must be submitted to evaluation by an expert to determine the value of the service and/or work provided for the purpose of paying union fees and dues.
<b>Phase-out:</b>	None

<b>Sector:</b>	Tourism
<b>Sub-sector:</b>	Travel agencies
<b>Classification:</b>	CPC 7471 Travel agency and tour operator services
<b>Type of Reservation:</b>	National Treatment (Articles 10.02 and 11.03)
<b>Measures:</b>	Article 2 of Law No. 73 of December 22, 1976, by means of which the business of Travel agency is regulated. Published in the Official Gazette No. 18,244 of December 30, 1976.
<b>Description:</b>	<u>Investment and Cross-Border Trade in Services</u> To engage in the business of Travel Agency is required to observe the requirements stipulated for engaging in retail business in Panama, as recorded in page I-PA-1/31.
<b>Phase-out:</b>	None

<b>Sector:</b>	Communications
<b>Sub-sector:</b>	Services of transmission of radio and television programs
<b>Classification:</b>	CPC 9613 Radio and television services
<b>Type of Reservation:</b>	National Treatment (Articles 10.02 and 11.03) Most-Favored-Nation Treatment (Article 11.04) Senior Management and Boards of Directors (Article 10.08)
<b>Measures:</b>	Article 280 of the Political Constitution of the Republic of Panama of 1972 (includes the reforms and the Constitutional Act of 1983).  Articles 14 and 25 of Law No. 24 of June 30, 1999, by means of which the public services of radio and television are regulated and other measures are dictated. Published in the Official Gazette No. 23,832 of July 5, 1999.  Articles 152 and 161 of Executive Decree No. 189 of August 13, 1999, by means of which the Law No. 24 of 1999 is regulated. Published in the Official Gazette No. 23,866 of August 18, 1999.
<b>Description:</b>	<u>Investment and Cross-Border Trade in Services</u>  Concessions to operate radio or television stations shall be granted to natural or juridical persons. In the case of natural persons, it is required that the concessionaire has the Panamanian citizenship. In the case of juridical persons, their effective shareholders, that is to say, the natural persons that control, de facto or de jure, the property and the power of vote of the respective shares or quotas of participation, shall be Panamanian citizens in not less than the sixty five percent (65%). In such cases, shares or quotas of participation of the juridical persons shall be nominative.  Except as provided in Article 280 of the Constitution, this requirement does not apply to paid public radio and television services and, thus, more than 50 percent of the capital of these concessions may be foreign owned.  For open radio and television services, whether Type A or Type B, each of the directors, administrative partners, fiduciaries, founding council members, and all principal directors or administrators of the respective company must meet the same nationality requirements.  Services Type A: Radio and television services for which an assignment by the Public Utility Regulatory Entity is required for the operation and exploitation of main frequencies (no de enlace) for transmission.  Services Type B: Radio and television services for which an assignment by the Public Utilities Regulatory Entity is not required. It shall also be understood as services Type B the concession for those public radio and television services which require frequencies for the exclusive transmission of educational, cultural, scientific, medical or environmental assistance, meteorological or traffic information, as determined by the Public Utilities Entity.  Under no circumstances may a foreign government, or a company or consortium owned by a foreign government or in which a foreign government has a controlling interest, provide, by itself or through a third party, public radio or television services or hold a controlling interest, directly or indirectly, in companies that provide such services.

All concessionaires of public telecommunications services and their subsidiaries are prohibited from operating public radio and television services while they are operating public telecommunication services under a temporary exclusivity regime.

Announcers must be Panamanian to obtain a license.

Concessionaires of public radio and television services may not broadcast, during their programming, any type of advertisement originating within Panama containing announcements made by announcers who do not have a license issued by the Panamanian regulatory entity, except in the case of reciprocity rights, pursuant to the appropriate international treaties and agreements that have been ratified by Panama.

**Phase-out:**

None

**Sector:** Communications

**Sub-sector:** Telecommunication services

**Classification:** CPC 752 Telecommunication services

**Type of Reservation:** National Treatment (Article 10.02)

**Measures:** Article 21 of Law No. 31 of February 8, 1996, by means of which rules for the regulation of the telecommunication in Panama are dictated. Published in the Official Gazette No. 22,971 of February 9, 1996.

**Description:** Investment  
In no case a foreign government or consortium in which a foreign government has dominion, control or majority participation, may operate by itself or by an interposed person, telecommunication services; or to be shareholder or majority partner, directly or indirectly, of enterprises that operate telecommunications services.

**Phase-out:** None

**Sector:** Education

**Sub-sector:**

**Classification:** CPC 92 Education services

**Type of Reservation:** National Treatment (Article 11.03)

**Measures:** Article 96 of the Political Constitution of the Republic of Panama of 1972 (includes the reforms and the Constitutional Act of 1983).

**Description:** Cross-Border Trade in Services  
Panamanian history and civic education shall be taught by Panamanians.

**Phase-out:** None

**Sector:** Electrical energy

**Sub-sector:**

**Classification:** CPC 171 Electrical energy

**Type of Reservation:** National Treatment (Article 10.02)  
Senior Management and Boards of Directors (Article 10.08)

**Measures:** Articles 32 and 45 of Law No. 6 of February 3, 1997, by means of which the regulatory and institutional framework for rendering public services in electricity is issued. Published in the Official Gazette No. 23,220 of February 5, 1997.

**Description:** Investment  
It is required to be a Panamanian in order to be member of the Board of Directors of the electrical enterprises of the State.

**Phase-out:** None

<b>Sector:</b>	Crude petroleum and natural gas
<b>Sub-sector:</b>	
<b>Classification:</b>	CPC 120 Crude petroleum and natural gas
<b>Type of Reservation:</b>	National Treatment (Article 11.03) Local Presence (Article 11.06) Performance Requirements (Article 10.07)
<b>Measures:</b>	Articles 21, 25, 26 and 71 of Law No.8 of June 16, 1987, by means of which the activities related to hydrocarbons are regulated. Published in the Official Gazette No. 20,834 of July 1, 1987.
<b>Description:</b>	<u>Investment and Cross-Border Trade in Services</u> When the contractor is a foreign juridical person, it shall establish itself or open a branch in the Republic of Panama. Contractors that hires foreign technical personnel for the accomplishment of his operations is obliged to establish a scholarship system in favor of his Panamanian personnel. Contractors may apply for the exemption of import tax on machineries, equipment, spare parts and other articles necessary for carrying out the activities proper of their respective contracts, as long as there is no supply of the same produced in the country, of acceptable quality and competitive price, as determined by the Ministry of Commerce and Industries. Contractors and subcontractors may acquire goods and contract services from abroad, provided that such goods and services are not available in Panama, or did not fulfill the normal specifications required by the industry as determined by the National Directorate of Hydrocarbons of the Ministry of Commerce and Industries.
<b>Phase-out:</b>	None

<b>Sector:</b>	Operation of mines
<b>Sub-sector:</b>	Extraction of non-metallic, metallic (except precious minerals) minerals, precious alluvial minerals, precious non alluvial minerals, fuel minerals (except hydrocarbons) and reserve minerals
<b>Classification:</b>	CPC 14 Metal ores CPC 15 Stone, sand and clay CPC 16 Other minerals
<b>Type of Reservation:</b>	National Treatment (Articles 10.02 and 11.03) Performance Requirements (Article 10.07)
<b>Measures:</b>	Articles 4, 5, 130, 131, 132 and 135 of Decree Law No. 23 of August 22, 1963, by means of which the Code of Mineral Resources is approved. Published in the Official Gazette No. 15,162 of July 13, 1964.  Article 11 of Law No.3 of January 28, 1988, by means of which the Code of Mineral Resources is reformed. Published in the Official Gazette No. 20,985 of February 8, 1988.
<b><u>Description:</u></b>	<b><u>Investment and Cross-Border Trade in Services</u></b>  Foreign governments or States, foreign entities or official or semi-official institutions, juridical persons in which there is direct or indirect participation of any foreign government or State may not obtain mining concessions or be contractors by itself, nor by an interposed person, neither could they operate or benefit from these mining concessions.  Foreign governments, foreign official or semiofficial organizations or entities, juridical persons in which there is direct or indirect participation any foreign government or State, may not acquire, possess or retain, for use in mining operations in Panama, any equipment or material without previous and special authorization issued through a Decree of the President of the Republic and signed by all the Cabinet members.  Preference shall be given to Panamanians for positions in all phases of mining operations, in accordance with the Labor Code.  All the concessionaires, with exception of those that only possess concessions for exploration or extraction of minerals of Class A for use in construction, should provide at their costs instruction and theoretical and practical training to Panamanian employees that should be professional and specialized workers, in educative or professional institutions, and on the facilities or activities, within or out of the country.  Notwithstanding the previous paragraph, the holders of mining concessions and contractors that engage in these operations may employ foreign executive, scientific, technical and expert personnel, in case that it is necessary for the efficient development of the mining operations and subjected to the following conditions:  1. That foreign personnel does not exceed 25% all the personnel used by the concessionaire nor the salaries that they receive exceed 25% the total of salaries when engaged in mining operations covered by extraction, benefit or transport concessions; and

2. That foreign personnel does not exceed 25% all the personnel used by a contractor nor the salaries that they receive exceed 25% the total of salaries when the said carries out mining operations.

The Directorate General of Mining Resources shall establish the terms and conditions in which such foreign persons may be employed.

With exception of holders of concessions of exploration or extraction of minerals of Class A, all the other concessionaires shall also establish programs related to their mining operations in the country for the benefit of all the non specialized and semi-specialized workers, so that they can learn more efficient methods to carry out mining operations. The nature and scope of such training programs of training shall be reported annually to the Directorate General of Mineral Resources.

Class A minerals are those found at twenty (20) meters depth, vertically measured from the surface, used normally and primarily for construction or as fertilizers, or those constituted as slag heap of abandoned mines.

**Phase-out:**

None

<b>Sector:</b>	Exploration and exploitation of non metallic minerals used as construction, ceramic, refractory and metallurgical materials
<b>Sub-sector:</b>	
<b>Classification:</b>	CPC 15 Stone, sand and clay CPC 16 Other minerals
<b>Type of Reservation:</b>	National Treatment (Articles 10.02)
<b>Measures:</b>	Article 3 of Law No. 109 of October 8, 1973, by means of which the exploration and exploitation of non-metallic minerals used as construction materials, ceramics, refractory and metallurgical are regulated. Published in the Official Gazette No. 17,520 of January 25, 1974.  Article 7 of Law No. 32 of February 9, 1996, by means of which the Laws Nos. 55 and 109 of 1973 and Law No. 3 of 1988 are modified. Published in the Official Gazette No. 22,975 of February 14, 1996.
<b>Description:</b>	<u>Investment</u>  Only Panamanian natural persons and juridical persons organized and incorporated in Panama may apply to the Directorate General of Mineral Resources of the Ministry of Commerce and Industries for making contracts for the exploration and operation of limestone stone, sand, quarry stone, tufa, clay, gravel, debris, feldspar, plaster and other non-metallic minerals, used as construction, ceramic, refractory and metallurgical materials.  The following could not make the contracts mentioned in the previous paragraph by itself or by interposed persons, neither could they operate or benefit from them:  1. Foreign governments, official or semi-official entities or institutions;  2. Juridical persons in which there is direct or indirect participation of any foreign government, except when the Executive Branch, upon a justified request previously submitted by the interested juridical person, decides otherwise.
<b>Phase-out:</b>	None

<b>Sector:</b>	Fishing
<b>Sub-sector:</b>	Fish and other fishing products
<b>Classification:</b>	CPC 04 Fish and other fishing products
<b>Type of Reservation:</b>	National Treatment (Articles 10.02 and 11.03) Local Presence (Article 11.06) Performance Requirements (Article 10.07)
<b>Measures:</b>	<p>Article 286 of the Fiscal Code of the Republic of Panama, approved by Law No. 8 of January 27, 1956, modified by the Law No. 20 of August 11, 1994, by means of which some articles of the Fiscal Code are modified and other provisions are adopted. Published in the Official Gazette No. 22,601 of August 16, 1994.</p> <p>Articles 5 and 6 of Decree Law No. 17 of July 9, 1959, by means of which rules for fishing are laid down and the export of fish products in the Republic of Panama is regulated. Published in the Official Gazette No. 13,909 of August 18, 1959.</p> <p>Article 1 of Decree No. 116 of November 26, 1980, by means of which modifications and additions are made to Decree No. 4 of March 12, 1965, regulating fishing in all the national territory, and Executive Decree No. 50 of July 19, 1972. Published in the Official Gazette No.19,217 of December 15, 1980.</p> <p>Article 3 of Executive Decree No. 124 of November 8, 1990, by means of which provisions for regulating the capture of shrimps are promulgated. Published in the Official Gazette No. 21,669 of November 20, 1990.</p> <p>Articles 4 and 7 of the Executive Decree No. 38 of June 15, 1992, by means of which fishing of Tuna in the jurisdictional waters of the Republic of Panama is regulated. Published in the Official Gazette No. 22,062 of June 23, 1992.</p>
<b>Description:</b>	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>Fishing in jurisdictional waters of the Republic of Panama is reserved for Panamanians when the products obtained thereby are to be sold for immediate consumption in the national territory.</p> <p>Natural and juridical person of Panamanian nationality and the foreigners with residence in the Republic of Panama can fish freely in the territorial sea, rivers, tidelands and lakes that limit the property or that, being navigable or floatable, they cross upon them, in beaches and shorelines and uncultivated land, whenever fishing is legal and that they provide themselves with the corresponding fishing license.</p> <p>Foreign natural and juridical persons not residing in Panama may only engage exclusively to fishing determined by regulatory Decrees of the fishing licenses. In no case, fishing license will be issued to a non resident foreigner to engage in shrimp, pearl and mother of pearl harvesting.</p> <p>Commercial and industrial shrimp fishing in jurisdictional waters of the Republic of Panama, on depths of less than 70 fathoms, may only be carried out by ships built in the national territory.</p> <p>Coastal (manual) fishing permit will be issued only in favor of ships whose proprietor is a Panamanian.</p> <p>Tuna fishing in the territorial waters of the Republic of Panama, using vessels with less than 150 tons of net registry or fraction of registry, is reserved to domestic Panamanian vessels.</p>

International tuna fishing vessels wishing to obtain a Tuna Fishing License to fish in Panamanian waters must use the services of legal shipping agencies domiciled in Panama.

**Phase-out:** None

<b>Sector:</b>	Activities related to fishing
<b>Sub-sector:</b>	
<b>Classification:</b>	CPC 04 Fish and other fishing products
<b>Type of Reservation:</b>	Local Presence (Article 11.06) Performance Requirements (Article 10.07)
<b>Measures:</b>	Articles 1 and 4 of the Executive Decree No.12 of April 17, 1991, by which measures on the location of the processing plants, storage and commercialization of shrimps and other marine species in industrial scale are dictated, in the Province of Panama. Published in the Official Gazette No.21,775 of April 29, 1991.
<b>Description:</b>	<u>Investment and Cross-Border Trade in Services</u> Companies wishing to process, store, and sell shrimp and other marine species on an industrial scale in the Province of Panama shall locate their facilities within the Vacamonte Fishing Port, in the District of Arraijan, unless the facilities are located where farming operations take place.
<b>Phase-out:</b>	None

<b>Sector:</b>	Guard services
<b>Sub-sector:</b>	Private security agencies
<b>Classification:</b>	CPC 87305 Guard services
<b>Type of Reservation:</b>	National Treatment (Articles 10.02 and 11.03) Senior Management and Boards of Directors (Article 10.08)
<b>Measures:</b>	Articles 4 and 10 of Executive Decree No. 21 of January 31, 1992, by means of which the functioning of private security agencies are regulated. Published in the Official Gazette No. 22,036 of May 18, 1992.  Article 1 of Executive Decree No. 22 of January 31, 1992, by means of which the conditions of eligibility, rights and functions of watchmen and sworn security guards are regulated. Published in the Official Gazette No. 21,974 of February 14, 1992.
<b>Description:</b>	<u>Investment and Cross-Border Trade in Services</u>  To be included in the appropriate registry, owners of security companies must meet the following requirements:  a) If the holds are natural persons, they must have Panamanian nationality; and  b) If the holders are juridical persons, their directors and dignitaries will have to comply with the requirements indicated in page I-PA-1/31 in order to engage in retail business.  Personnel holding out the positions of head of security and sworn security guards, must have Panamanian nationality. Each person of foreign nationality that the company wishes to employ shall obtain a prior special authorization from the Ministry of Government and Justice without prejudice of the fulfillment of the prevailing law on the issuance of working permits to foreigners.
<b>Phase-out:</b>	None

**Sector:** Advertising services

**Sub-sector:**

**Classification:** CPC 871 Advertising services

**Type of Reservation:** Performance Requirements (Article 10.07)

**Measures:** Article 152 of Executive Decree No. 189 of August 13, 1999, by means of which the Law No. 24 of 1999 is regulated. Published in the Official Gazette No. 23,866 of August 18, 1999.

Article 1 of Executive Decree No. 273 of November 17, 1999, by means of which the payment of quotas for the transmission of advertising announcements of foreign production is regulated. Published in the Official Gazette No. 23,931 of November 19, 1999.

**Description:** Investment

The use of advertising announcements for television and cinematography produced in foreign countries, whose voices band has been doubled by Panamanians possessing an announcer license shall only be permitted through the payment of a quota according to the duration of the period of transmission, projection and use.

**Phase-out:** None

<b>Sector:</b>	Transport services
<b>Sub-sector:</b>	Passenger and freight road transport services
<b>Classification:</b>	CPC 712 Other land transport services CPC 7441 Bus station services
<b>Type of Reservation:</b>	National Treatment (Articles 10.02 and 11.03)
<b>Measures:</b>	Article 2 of Law 19 of February 19, 1956, by means of which restrictions for the work of drivers are regulated and sanctions are imposed. Published in the Official Gazette No. 23,854 of August 2, 1999.  Articles 30 and 34 of Law 34 of July 28, 1999 by means of which the Transit and Land Transport National Authority is regulated. Published in the Official Gazette No. 23,854 of August 2, 1999.
<b>Description:</b>	<u>Investment and Cross-Border Trade in Services</u>  It is understood that domestic freight transport within the national territory is reserved only to means of cargo transportation with national registration.  Lines, routes, work zones and terminals concessions shall only be awarded to Panamanian natural or juridical persons and in this last case, whenever the share be Panamanians. Operation certificates shall be granted only to Panamanians.  Only Panamanians, foreigners with Panamanian spouses and foreigners with children born in the Republic, whatever the nationality of the mother is, if they are awarded with the children support, can be drivers of the said vehicles.
<b>Phase-out:</b>	None

**Sector:** Maritime transport

**Sub-sector:** Pilotage

**Classification:** CPC 72 Water transport services

**Type of Reservation:** National Treatment (Article 11.03)

**Measures:** Article 6 of the Accord No.006-95 of May 31, 1995, by means of which the Executive Committee of the National Port Authority (today National Maritime Authority) establishes the new Regulation of Pilotage. Published in the Official Gazette No. 23,122 of September 13, 1996.

**Description:** Cross-Border Trade in Services  
It is required to be a Panamanian in order to become Apprentice of Pilots.

**Phase-out:** None

<b>Sector:</b>	Maritime transport
<b>Sub-sector:</b>	
<b>Classification:</b>	CPC 72 Water transport services CPC 872 Placement and supply services of personnel
<b>Type of Reservation:</b>	National Treatment (Articles 10.02 and 11.03) Local Presence (Article 11.06) Performance Requirements (Article 10.07)
<b>Measures:</b>	Articles 4, 15 and 18 of Decree Law No. 8 of February 26, 1998, by means of which work in the sea and navigation routes is regulated and other dispositions are issued. Published in the Official Gazette No. 23,490 of February 28, 1998.
<b>Description:</b>	<u>Investment and Cross-Border Trade in Services</u>  All shipbuilder or shipping company of Panamanian vessel dedicated to the international service will try, in equality of conditions and capacity, to give preference to the crew of Panamanian nationality and foreigners married with Panamanian or with Panamanian children residing in Panama.  Associations of shipbuilders or shipping companies with Panamanian flag will grant scholarships and facilities for training or qualification courses to crew of Panamanian nationality or foreigners married with nationals or with Panamanian children.  Foreign placement agencies operating or wishing to operate in Panama, shall designate at least a proxy of Panamanian nationality, residing in the national territory with mandate registered in the Mercantile Registry and with sufficient powers to represent the company in all the judicial, extra-judicial and administrative affairs.
<b>Phase-out:</b>	None

**Sector:** Transport

**Sub-sector:** Air transport

**Classification:**

**Type of Reservation:** National Treatment (Article 10.02)

**Measures:** Article 104 of Decree Law No. 19 of August 8, 1963, by means of which the National aviation is regulated. Published in the Official Gazette No.14,987 of October 21, 1963.

**Description:** Investment  
The operation of the international public air transportation services with Panamanian flag is reserved to Panamanian natural or juridical persons; in this case no less than 51% of the paid capital shall belong to nationals.

**Phase-out:** None

<b>Sector:</b>	Air transport auxiliary services
<b>Sub-sector:</b>	
<b>Classification:</b>	CPC 7462 Air traffic control services CPC 7469 Other supporting services for air transport
<b>Type of Reservation:</b>	National Treatment (Article 11.03)
<b>Measures:</b>	Article 29 of Cabinet Decree No. 3 of January 22, 1969, by means of which the Directorate of Civil Aviation is created as an autonomous public entity. Published in the Official Gazette No. 16,285 of January 24, 1969.  Article 31 of Decree Law No. 19 of August 8, 1963, by means of which aviation is regulated. Published in the Official Gazette No.14,987 of October 21, 1963.
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Crew members and other aeronautical technical personnel, as well as persons who take care of the navigation of an airship such as pilots or other crew members and the persons on land in charge of the air traffic control, inspection, maintenance and repair of airships, motors or another equipment, or that serve as aircraft dispatchers, on the service of all the national aviation companies and in all the commercial and transportation airships, with Panamanian registration, must be Panamanian.  Technical ground personnel of all the foreign companies that operate in the country will be Panamanian in the proportion prescribed by the relevant laws.
<b>Phase-out:</b>	None

<b>Sector:</b>	Professional services
<b>Sub-sector:</b>	Journalist
<b>Classification:</b>	
<b>Type of Reservation:</b>	National Treatment (Article 11.03) Senior Management and Boards of Directors (Article 10.08)
<b>Measures:</b>	Article 9 of Law No. 67 of September 19, 1978, by means of which the practice of the profession of journalists in the Republic of Panama is regulated. Published in the Official Gazette No. 18,672 of September 27, 1978.
<b>Description:</b>	<u>Investment</u> The owners, publishers, directors, editors in chief, deputy directors, managers and assistant managers of the domestic communication mass media should be of Panamanian nationality. When the owners or publishers are juridical persons, their shareholders, partners, directors and officers must be Panamanians.
<b>Phase-out:</b>	None

<b>Sector:</b>	Services provided to enterprises
<b>Sub-sector:</b>	Business-related services
<b>Classification:</b>	
<b>Type of Reservation:</b>	National Treatment (Article 11.03) Most-Favored-Nation Treatment (Article 11.04)
<b>Measures:</b>	<p>Article 3 of Law No. 9 of April 18, 1984, regulating the legal profession. Published in Official Gazette No. 20,045 of April 27, 1984.</p> <p>Article 3 of Law No. 7 of April 14, 1981, regulating the profession of economist throughout Panama. Published in Official Gazette No. 19,311 of May 6, 1981.</p> <p>Articles 32, 33 and 34 of Decision No. 168 of July 25, 1988, approving the Regulations of the Technical Economic Council.</p> <p>Articles 4, 7 and 9 of Law No. 57 of September 1, 1978, regulating the profession of authorized public accountant. Published in Official Gazette No. 18,673 of September 8, 1978.</p> <p>Articles 9 and 10 of Law No. 67 of September 19, 1978, regulating the practice of the journalism profession in the Republic of Panama. Published in Official Gazette No. 18,672 of September 27, 1978.</p> <p>Article 3 of Law No. 37 of October 22, 1980, regulating the profession of public relations specialist. Published in Official Gazette No. 19,186 of October 28, 1980.</p> <p>Article 2 of Law No. 56 of September 16, 1975, regulating the practice of psychology throughout Panama. Published in Official Gazette No. 17,948 of October 15, 1975.</p> <p>Article 29-A of Executive Order No. 14 of August 27, 1954, modifying Law No. 134 of April 27, 1943, the Law Establishing the Social Security Fund, which was modified by Law No. 30 of December 26, 1991. Published in Official Gazette No. 21,943 of December 31, 1991.</p> <p>Articles 2 and 3 of Law No. 1 of January 3, 1996, regulating the profession of sociology and establishing other provisions. Published in Official Gazette No. 20,945 of January 5, 1996.</p> <p>Article 3 of Law No. 17 of July 23, 1981, repealing Executive Order No. 25 of September 25, 1963 and establishing other provisions on the profession of social worker throughout Panama. Published in Official Gazette No. 19,371 of July 29, 1981.</p> <p>Article 3 of Law No. 20 of October 9, 1984, regulating the library sciences profession and creating the Technical Library Sciences Board. Published in Official Gazette No. 20,164 of October 17, 1984.</p> <p>Article 2,141 of Law No. 59 of July 31, 1998, amending the name of Title XVII and Articles 2140, 2141, and 2142 of the Administrative Code, and repealing Article 13 of Law No. 33 of 1984. Published in Official Gazette No. 23,601 of August 5, 1998.</p> <p>Article 1, Chapter 2 of Decision No. 036-JD of December 22, 1986, adopting the</p>

Licensing Regulations for Aeronautic Personnel. Published in Official Gazette No. 20,794 of May 6, 1987.

Article 642 of Fiscal Code of the Republic of Panama, approved by Law No. 8 of January 27, 1956, modified by Law No. 20 of August 11, 1994, which modifies certain Fiscal Code articles and adopts other provisions. Published in Official Gazette No. 22,601 of August 16, 1994.

Articles 3 and 4 of Executive Order No. 6 of July 8, 1999, regulating the profession of real estate agent and creating the Technical Real Estate Board under the Ministry of Commerce and Industry. Published in Official Gazette No. 23,837 of July 10, 1999.

Article 198 of Law No. 23 of July 15, 1997, approving the Marrakesh Agreement, creating the World Trade Organization; Panama's Accession Protocol to said Agreement along with its annexes and schedules of commitments; adjusting internal legislation to international standards, and decreeing other provisions. Published in Official Gazette No. 23,340 of July 26, 1997.

Articles 2, 3 and 4 of Law No. 22 of January 30, 1961, establishing provisions related to the provision of professional agricultural services. Published in Official Gazette No. 14,341 of March 3, 1961.

Articles 1, 2, 3, 5 and 24 of Law No. 15 of January 26, 1959, regulating the professions of engineering and architecture. Published in Official Gazette No. 13,772 of February 28, 1959.

Article 4 of Law No. 53 of February 4, 1963, amending and supplementing Law No. 15 of January 26, 1959 and repealing Law No. 46 of April 30, 1941. Published in Official Gazette No. 14,811 of February 6, 1963.

Article 1 of Executive Order No. 257 of September 3, 1965, establishing implementing regulations for Law No. 15 of 1959. Published in Official Gazette No. 15,499 of November 19, 1965.

Articles 4 and 16 of Cabinet Decree No. 362 of November 26, 1969, regulating the professions of nutritionist and dietician throughout Panama. Published in Official Gazette No. 16,499 of December 4, 1969.

Article 5 of Law No. 34 of October 9, 1980, regulating the professions of phono-audiologist, speech and language therapist, and audiometrician or audiology technician in Panama. Published in Official Gazette No. 19,177 of October 15, 1980.

Articles 1 and 8 of Law No. 3 of January 11, 1983, repealing Law No. 27 of October 18, 1957 and establishing measures on the practice of veterinary medicine throughout Panama. Published in Official Gazette No. 19,735 of January 20, 1983.

Article 1 of Cabinet Decree No. 196 of June 24, 1970, establishing requirements to obtain a medical license to freely practice medicine and other related professions. Published in Official Gazette No. 16,639 of July 3, 1970.

Article 10 of Cabinet Decree No. 16 of January 22, 1969, regulating medical interns, residents, specialists, and dentists and creating the positions of General Practitioner and Medical Consultant. Published in Official Gazette No. 16,297 of

February 11, 1969.

Decision No. 1 of January 26, 1987, by which the Technical Health Board classifies acupuncture as a technique that may only be practiced by medical and dental professionals in Panama. Published in Official Gazette No. 20,741 of February 14, 1987.

Articles 3 and 4 of Executive Order No. 32 of February 17, 1975, regulating the profession of medical assistant. Published in Official Gazette No. 19,451 of November 25, 1981.

Article 1 of Law No. 22 of February 9, 1956, establishing several provisions on the practice of odontology in Panama. Published in Official Gazette No. 12,958 of May 17, 1956.

Article 10 of Cabinet Decree No. 16 of January 22, 1969, regulating medical interns, residents, specialists, and odontologists and creating the positions of General Practitioner and Medical Consultant. Published in Official Gazette No. 16,297 of February 11, 1969.

Article 3 of Decision No. 1 of March 14, 1983, approving the Regulations for Odontological Specializations. Published in Official Gazette No. 20,709 of December 29, 1986.

Article 2 of Law No. 21 of August 12, 1994, regulating the profession of dental assistant in Panama and establishing other provisions. Published in Official Gazette No. 22,601 of August 16, 1994.

Article 197 of Law No. 66 of November 10, 1947, approving the Health Code. Published in Official Gazette No. 10,467 of December 6, 1947.

Article 9 of Law No. 1 of January 6, 1954, regulating the nursing profession and giving it stability and a pension. Published in Official Gazette No. 12,295 of February 12, 1954.

Article 3 of Law No. 74 of September 19, 1978, regulating the profession of clinical laboratory worker. Published in Official Gazette No. 18,680 of October 9, 1978.

Article 4 of Law No. 48 of November 22, 1984, regulating the pay scale for assistants and support personnel working in clinical labs run by the Ministry of Health and the Social Security Fund and Foundation and regulating this profession. Published in Official Gazette No. 20,197 of December 4, 1984.

Articles 7, 13 and 15 of Law No. 47 of November 22, 1984, regulating the practice of physiotherapy and/or kinesiobiology in Panama and giving it stability. Published in Official Gazette No. 20,195 of November 30, 1984.

Article 2 of Executive Order No. 8 of April 20, 1967, regulating the profession of chiropractor in Panama. Published in Official Gazette No. 15,856 of May 2, 1967.

Article 6 of Law No. 42 of October 29, 1980, establishing the Regulations pertaining to the profession of medical radiology technician in Panama. Published in Official Gazette No. 19,195 of November 12, 1980.

Article 6 of Law No. 13 of August 23, 1984, establishing and regulating

specialists in medical records and health statistics who are employed by public health agencies, regulating their pay scale, and establishing other provisions (assistants to medical records and health statistics specialists, medical record technicians, and health statistic technicians). Published in Official Gazette No. 20,133 of August 31, 1984.

Decision No. 1 of April 15, 1985, regulating the professions of orthopedic and nuclear medicine technicians. Published in Official Gazette No. 20,705 of December 28, 1986.

Decision No. 2 of June 1, 1987, recognizing the professions of neurophysiology technician, encephalographic technician, and electro-neurography or evoked potentials technician. Published in Official Gazette No. 20,024 of April 8, 1988.

Decision No. 1 of February 8, 1988, defining the profession of occupational health technician. Published in Official Gazette No. 21,076 of July 22, 1988.

Article 2 of Decision No. 10 of March 24, 1992, recognizing the profession of respiratory therapy technician or respiratory inhalotherapy technician. Published in Official Gazette No. 22,043 of May 17, 1992.

Article 3 of Decision No. 19 of November 12, 1991, recognizing the profession of prosthetic-orthotic technician. Published in Official Gazette No. 21,952 of January 15, 1992.

Article 2 of Decision No. 7 of December 15, 1992, regulating the practice of histology and the professions of histology assistant and cytology assistant. Published in Official Gazette No. 22,215 of January 29, 1993.

Article 2 of Decision No. 50 of September 14, 1993, recognizing the profession of radiological health technician. Published in Official Gazette No. 22,471 of February 8, 1994.

Article 2 of Decision No. 1 of January 21, 1994, recognizing the profession of cardiovascular perfusion technician. Published in Official Gazette No. 22,472 of February 9, 1994.

Article 2 of Decision No. 2 of January 25, 1994, recognizing the professions of technician and assistant technician in medical information technology. Published in Official Gazette No. 22,472 of February 9, 1994.

Article 2 of Decision No. 4 of June 10, 1996, recognizing the profession of assistant technician in medical radiology. Published in Official Gazette No. 23,083 of July 19, 1996.

Article 3 of Decision No. 5 of June 10, 1996, by which the Ministry of Health recognizes the profession of emergency medical technician. Published in Official Gazette No. 23,083 of July 19, 1996.

Article 3 of Decision No. 1 of May 25, 1998, recognizing the profession of specialist in emergency surgery. Published in Official Gazette No. 23,565 of June 16, 1998.

Article 3 of Decision No. 2 of May 25, 1998, recognizing the profession of

technician in human genetics. Published in Official Gazette No. 23,565 of June 16, 1998.

Article 35 of Law No. 24 of January 29, 1963, creating the National Pharmaceutical Board and regulating pharmaceutical establishments. Published in Official Gazette No. 14,806 of January 30, 1963.

Article 11 of Law No. 45 of August 7, 2001, regulating the profession of chemist. Published in Official Gazette No. 24,363 of August 9, 2001.

Article 5 of Law No. 4 of January 23, 1956, creating the Technical Commission and regulating the professions of barber and cosmetologist. Published in Official Gazette No. 12,935 of April 19, 1956.

**Description:**

Cross-Border Trade in Services

Persons practicing the professions listed under the following heading, "Measures," must be Panamanian.

**Phase-out:**

None

**Annex II**  
**List of Panama**

<b>Sector:</b>	Issues related to native populations
<b>Sub-sector:</b>	
<b>Classification:</b>	
<b>Type of Reservation:</b>	National Treatment (Articles 10.02 and 11.03) Most-Favored-Nation Treatment (Articles 10.03 and 11.04) Local Presence (Article 11.06) Performance Requirements (Article 10.07) Senior Management and Boards of Directors (Article 10.08)
<b>Description:</b>	<u>Investment and Cross-Border Trade in Services.</u> Panama reserves the right to adopt or maintain any measure denying to foreign investors and their investments or to foreign service suppliers any right or preference granted to native populations in their reservation areas.
<b>Existing Measures:</b>	Political Constitution of the Republic of Panama (includes the reforms and the Constitutional Act of 1983). Law No. 16 of February 19, 1953, by means of which the Region of San Blas is organized. Published in the Official Gazette No. 12,042 of April 7, 1953. Law No. 10 of March 7, 1997, by means of which the Region of Ngobe-Buglé is created and other measures are taken. Published in the Official Gazette No. 23,242 of March 11, 1997. Law No. 24 of January 12, 1996, by means of which the Region of Kuna Madugandi is created. Official Gazette No. 22,951 of January 15, 1996. Law No. 20 of June 26, 2000, on the Special Intellectual Property Regime regarding the collective rights of the native populations for the protection and defense of their cultural identity and of their traditional knowledge. Official Gazette No. 24,083 of June 27, 2000.

**Sector:** Minority related issues

**Sub-sector:**

**Classification:**

**Type of Reservation:** National Treatment (Articles 10.02 and 11.03)  
Most-Favored-Nation Treatment (Articles 10.03 and 11.04)  
Local Presence (Article 11.06)  
Performance Requirements (Article 10.07)  
Senior Management and Boards of Directors (Article 10.08)

**Description:** Investment and Cross-Border Trade of Services.  
Panama reserves the right to adopt or maintain any measure with respect to the rights or preferences granted to minorities with social or economical disadvantages.

**Existing Measures:**

<b>Sector:</b>	All sectors
<b>Sub-sector:</b>	Issues related to the Panama Canal
<b>Classification:</b>	
<b>Type of Reservation:</b>	National Treatment (Articles 10.02 and 11.03) Most-Favored-Nation Treatment (Articles 10.03 and 11.04) Local Presence (Article 11.06) Performance Requirements (Article 10.07) Senior Management and Boards of Directors (Article 10.08)
<b>Description:</b>	<u>Investment and Cross-Border Trade in Services</u>  Panama reserves the right to adopt or maintain any measure related to the use, management, administration, operation, maintenance, conservation, modernization, exploitation, administration, development and ownership on the Panama Canal and the reverted areas that restrict the rights of foreign investors and services providers.  The Panama Canal includes the aquatic route proper, as well as its anchorages, dock berths and entrances; lands and marine, lacustrine and fluvial waters; locks; auxiliary dams; docks; and water control structures.  The reverted areas under the administration of the Inter-Oceanic Region Authority include the lands, buildings and facilities and other goods that have reverted to the Republic of Panama according to the Treaty of the Panama Canal of 1977 and its Annexes (Torrijos-Carter Treaty)
<b>Existing Measures:</b>	Title XIV of the Political Constitution of the Republic of Panama of 1972 (includes the reforms and the Constitutional Act of 1983).  The Panama Canal Treaty and the Treaty Concerning to the Permanent Neutrality and Operation of the Canal, published in the Official Gazette No. 18,451 of November 1, 1977.  Law No. 5 of February 25, 1993, by means of which the Authority of the Inter-Oceanic Region is created and measures about the reverted goods are adopted. Published in the Official Gazette No. 22,233 of March 1, 1993.  Law No. 19 of June 11, 1997, by means of which the Authority of the Panama Canal is organized. Published in the Official Gazette No. 23,309 of June 13, 1997.  Law No. 2 of November 25, 1980, by means of which the Treaty between the Republic of Panama and the Republic of Colombia, signed in Monterí as on August 22, 1979, is approved. Published in the Official Gazette No. 19,211 of December 5, 1980.

**Sector:** All sectors  
**Sub-sector:** Issues related to State enterprises or governmental organizations  
**Classification:**  
**Type of Reservation:** National Treatment (Articles 10.02 and 11.03)  
Most-Favored-Nation Treatment (Articles 10.03 and 11.04)  
Local Presence (Article 11.06)  
Performance Requirements (Article 10.07)  
Senior Management and Boards of Directors (Article 10.08)

**Description:** Investment and Cross-Border Trade in Services

When selling or disposing shareholding interests or goods of an existing State enterprise or governmental organization, Panama reserves the right to prohibit or impose limitations on the rendering of services and the property of such interests or goods, and on the technical, financial capacity and experience of the owners of such interests or goods, to control any resulting enterprise, by foreign investors or its investments. In relation to the sale or another form of disposition, Panama can adopt or maintain any measure related to the nationality of senior executives or members of the Board of Directors.

For the purposes of this reservation:

a) Any measure maintained or adopted after the date of entry into force of this Agreement that, at the moment of the sale or in another form of disposition, prohibits or imposes limitations to the participation in shareholding or assets interests or imposes requirements of nationality described in this reservation, will be considered like an effective measure according to Articles 10.09 (1) and 11.08 (1); and

b) "State enterprise" means an enterprise that is property of or is under control of Panama and includes an enterprise established after the date of entry into force of this Agreement only for the purposes of selling or disposing shareholding interests in, or in the assets of, an existing governmental enterprise or entity.

**Existing Measures:** Law No. 16 of July 14, 1992, by means of which the process of privatization of state enterprises, goods and services is established and regulated. Published in the Official Gazette No. 22,079 of July 16, 1992.

Executive Decree No. 197 of December 15, 1993, by means of which some aspects of the privatization of state enterprises under the modality established in Article 4, Ordinal 1 of Law No. 16 of 1992 are regulated, by which the process of privatization of state enterprises, goods and services is established and regulated. Published in the Official Gazette No. 22,443 of December 30, 1993.

Decree Law No. 2 of January 7, 1997, by means of which the regulatory and institutional framework for rendering the services of drinking water and sanitary sewage system is issued. Published in the Official Gazette No. 23,201 of January 11, 1997.

Executive Decree No. 61 of May 28, 1998, regulating Articles 51 and 52 of Decree No. 2 of January 7, 1997, by means of which the regulatory and institutional framework for rendering the services of drinking water and sanitary sewage system is issued. Official Gazette No. 23,553 of May 29, 1998.

Law No. 6 of February 3, 1997, by means of which the regulatory and institutional framework for rendering public services in electricity is issued. Published in the Official Gazette No. 23,220 of February 5, 1997.

Executive Decree No. 50 of November 14, 1997, by means of which Article 164 of Law No. 6 of February 3, 1997 is regulated, by means of which a Commission was created for the sale of shares of the electrical companies that will be formed as a result of the process of reorganization of the IRHE.

Decree Law No. 10 of February 26, 1998, modifying some Articles of Law No. 6 of February 3, 1997, by means of which the regulatory and institutional framework for rendering public services in electricity is issued. Official Gazette No. 23,490-A of February 28, 1998.

**Sector:** Communications

**Sub-sector:** National postal and telegraphic activities

**Classification:** CPC 75121 Multi-modal courier services

**Type of Reservation:** National Treatment (Articles 10.02 and 11.03)  
Local Presence (Article 11.06)

**Description:** Investment and Cross-Border Trade in Services  
Panama reserves the right to maintain any measure related to receiving, transporting, dispatching and delivering extra-postal mail or urgent documents to Panama from abroad or from Panama to points abroad.

**Existing Measures:** Fiscal Code of the Republic of Panama, approved by Decree Law No. 10 of September 16, 1955. Published in the Official Gazette No. 12,995 of June 29, 1956.  
Decree No. 30 of February 8, 1991, by means of which measures related to receiving, transporting, dispatching and delivering international extra-postal urgent mail (parallel mail) are issued and Decree No. 86 of December 4, 1989 is abrogated. Published in the Official Gazette No. 21,736 of December 4, 1989.  
Law No. 1 of August 22, 1916, by means of which the Administrative Code of the Nation is approved.

**Sector:** All sectors

**Sub-sector:**

**Classification:** CPC 51 Construction work

**Type of Reservation:** National Treatment (Articles 10.02 and 11.03)  
Most-Favored-Nation Treatment (Articles 10.03 and 11.04)  
Local Presence (Article 11.06)

**Description:** Investment and Cross-Border Trade in Services  
Panama reserves the right to adopt or maintain any measure related to the provision of construction services by foreign natural, juridical persons or organizations, in the sense of imposing requirements of residence, registry and/or any other form of local presence, or establishing the obligation to give financial guarantee for the work as a condition for the provision of construction services.

**Existing Measures:**

**Sector:** Fishing

**Sub-sector:** Fishing related activities

**Industrial**

**Classification:** CPC 882 Services incidental to fishing  
CPC 04 Fish and other fishing products

**Type of Reservation:** National Treatment (Articles 10.02 and 11.03)  
Most-Favored-Nation Treatment (Articles 10.03 and 11.04)

**Description:** Investment and Cross-Border Services  
Panama reserves the right to control the use of beaches, beach lands, water areas and the bottom of the sea.

**Existing Measures:** Decree Law No. 17 of July 9, 1959, by means of which rules for fishing are laid down and the export of fish products in the Republic of Panama is regulated. Published in the Official Gazette No. 13,090 of August 18, 1959.  
Executive Decree No. 49 of March 12, 1965, by means of which fishing in all the National territory is regulated. Published in the Official Gazette No. 15,332 of March 22, 1965.

**Annex III**  
**List of Panama**

Panama reserves the exclusive right to engage in and to refuse authorization for the establishment of investments in the following activities:

1. Post office and telegraphs

a) Description of activities:

Post office and telegraph service must be served exclusively by the State. It corresponds to the Directorate General of Post and Telegraphs the superior management of mail services in Panama

b) Measures:

Article 301 of the Fiscal Code of the Republic of Panama, approved by means of Law No.8 of January 27, 1956, modified by the Law No. 20 of August 11, 1994, by means of which some articles of the Fiscal Code are modified and other provisions are adopted. Published in the Official Gazette No.12,995 of June 29, 1956.

Decree No. 30 of February 8, 1991, by means of which measures related to receiving, transporting, dispatching and delivering international extra-postal urgent mail (parallel mail) are issued. Published in the Official Gazette No.21,736 of March 4, 1991.

2. Games of luck and chance

a) Description of activities:

The operation of games of luck and chance, and other gambling activities may only be operated by the State.

b) Measures:

Article 292 of the Political Constitution of the Republic of Panama of 1972 (includes the reforms and the Constitutional Act of 1983).

3. Electrical energy

a) Description of activities:

Transmission services may only be operated by the State. The shares of the Transmission Company shall be 100% property of the government of Panama.

b) Measures:

Article 46 of Law No. 6 of February 3, 1997, by means of which the regulatory and institutional framework for public electricity provision of services is issued. Published in the Official Gazette No. 23,220 of February 5, 1997.

**Annex IV**  
**List of Panama**

Panama takes exception to Article 10.03 (Most-Favored-Nation Treatment), for treatment accorded under all bilateral or multilateral international agreements in force or signed prior to the date of entry into force of this Agreement.

Panama makes exemption to the application of Article 10.03 (Most-Favored-Nation Treatment), to the treatment granted under those agreements in force or signed after the date of entry into effect of this Agreement, in the matter of:

- a) aviation;
- b) fisheries; and
- c) maritime affairs, including salvaging.

For greater certainty, Article 10.03 is not applied to any present or future program of international cooperation to promote economic development.

**Annex V**  
**List of Panama**

<b>Sector:</b>	Agriculture
<b>Sub-sector:</b>	
<b>Classification:</b>	
<b>Measures:</b>	Law No. 37 of September 21, 1962, by means of which the Agricultural Code of the Republic of Panama is approved. Published in the Official Gazette No. 14,923 of July 22, 1963.
<b>Description:</b>	<p>It will be fostered the creation of agricultural colonies as a way to promote production, population centres, to avoid the movement of peasants to other regions, to promote the integration of different regional groups in the country, to raise the standard of life of farmers and to take advantage of the collective energies of the community.</p> <p>When foreigners become part of an agricultural colony, the latter shall always maintain a proportion minimum of 50% Panamanian families.</p>

<b>Sector:</b>	Communications
<b>Sub-sector:</b>	Telecommunications
<b>Classification:</b>	CPC 752 Telecommunications services
<b>Measures:</b>	<p>Law No. 5 of February 9, 1995, by means of which the National Institute of Telecommunications is restructured. Published in the Official Gazette No.22,724 of February 14, 1995.</p> <p>Law No. 31 of February 8, 1996, by means of which norms for the regulation of telecommunications in Panama are issued. Published in the Official Gazette No.22,971 of February 9, 1996. Modified and supplemented by the Law No. 24 of June 30, 1999 Published in the Official Gazette No. 23,832 of July 5, 1999.</p> <p>Executive Decree No. 73 of April 9, 1997, General Regulation of Telecommunications in Panama. Published in the Official Gazette No. 23,263 of April 10, 1997.</p> <p>Regulation JD-025 of December 12, 1996, that define the services of telecommunications types A and B in Panama. Published in the Official Gazette No.23,183 of December 13, 1996. Modified by the Regulation JD-1844 of February 15, 2000. Published in Official Gazette No. 23,995 of February 21, 2000.</p> <p>Concession Contract No. 30 of January 30, 1996, between the State and BSC. Public procurement No.2-96 of January 31, 1996. Published in the Official Gazette No. 23,054 of June 30, 1997.</p> <p>Concession Contract No.134 of May 29, 1997 between the State and Instituto Nacional de Telecomunicaciones, S.A. (INTEL, S.A.). Public procurement No. 06-96 of May 29, 1997. Official Gazette No. 23,311 of June 17, 1997.</p> <p>Concession Contract No. 309 of October 24, 1997 between the State and Cable Wireless Panama, S.A. Official Gazette No. 23,440 of December 17, 1997.</p>
<b>Description:</b>	<p>Personal communications services shall be provided exclusively by Cable &amp; Wireless (Panama), S.A. until first of January, 2008.</p> <p>Cellular mobile telephone services shall be provided exclusively on bands A and B by BSC de Panama S.A. and Cable &amp; Wireless (Panama), S.A., for a period of 20 years starting from the date when the relative contracts of concession enter into force.</p> <p>After the eleventh year, reckoned as of the date the cellular mobile telephony concession for Band B was granted, up to two (2) concessions may be tendered for personal communications services.</p> <p>A concession from the Cabinet Council is required for providing Type A telecommunication services, for which, in consideration of economical or technical reasons, shall be rendered in terms of temporary exclusivity or in terms of numerical limitation; and from the Regulating Entity for Public Services for rendering Type B telecommunication services in Panama, which shall be rendered in competition regime.</p>

**Sector:** Commercial services

**Sub-sector:** Hotels and restaurants services

**Classification:** 643 Beverage serving services for consumption on the premises

**Measures:** Law No. 55 of July 10, 1973, by means of which the administration, supervision and collection of various revenues are regulated. Published in the Official Gazette No. 17,397 of July 26, 1973.

**Description:** No license for operating new bars will be granted in the towns of the Districts of Panama and Colon, and in the other Districts of the Republic when the number of existing bars in such areas exceed the proportion of one per one thousand inhabitants according to the latest official population census

**Annex VI**  
**List of Panama**  
**Section A**

<b>Sector:</b>	Financial services
<b>Sub-sector:</b>	Banking
<b>Classification:</b>	CPC 811 Financial intermediation services except insurances and pension funds
<b>Type of Reservation:</b>	National Treatment (Article 12.06)
<b>Measures:</b>	Article 37 of Decree-Law No. 9 of February 26, 1998, by means of which the banking system is reformed and the Banking Supervisory Board is created. Published in the Official Gazette No. 23,499 of March 12, 1998.
<b>Description:</b>	The Branches of Foreign Banks shall designate at least two (2) general proxies, being both natural persons with residence in Panama, and at least one of them shall be a Panamanian citizen.
<b>Phase-out:</b>	None

**Sector:** Financial services

**Sub-sector:** Banking

**Classification:** CPC 811 Financial intermediation services except insurances and pension funds

**Type of Reservation:** Senior Management and Board of Directors (Article 12.14)

**Measures:** Article 10 of Law No. 52 of December 13, 2000, by means of which the Caja de Ahorros (National Savings Bank) is reorganized. Published in the Official Gazette No. 24,201 of December 15, 2000.

**Description:** The General Manager, Assistant General Manager and Director or Deputy Director of the Board of Directors of the Caja de Ahorros must be Panamanian nationals by birth or naturalized citizens who have resided in Panama for at least ten years.

**Phase-out:** None

**Sector:** Financial services

<b>Sub-sector:</b>	Insurance companies Administrators of insurance enterprises Insurance brokers or adjustors
<b>Classification:</b>	CPC 812 Insurance (including reinsurance) and pension fund services, except compulsory social security services CPC 8140 Services auxiliary to insurance and pension funding
<b>Type of Reservation:</b>	Right of Establishment (Article 12.04) Cross-border Trade (Article 12.05) National Treatment (Article 12.06) Senior Management and Board of Directors (Article 12.14)
<b>Measures:</b>	Articles 26, 90, 105 and 108 of Law No. 59 of July 29, 1996, “by means of which the Insuring Organizations, Administrators of Insurance Enterprises and Brokers or Adjustors; and the Profession of Insurance Broker or Producer are regulated”. Published in the Official Gazette No. 23,092 of August 1, 1996.  Articles 1 and 7 of Executive Decree No. 12 of April 7, 1998, “by means of which the requirements for acting as an Administrator of Insurance Broker, Insurance Adjustor and Damage Inspector are regulated”.
<b>Description:</b>	Entities, enterprises and persons domiciled in the Republic of Panama shall insure all property and persons located in Panama with insurance companies authorized to operate in Panama. The Insurance and Reinsurance Supervisory Board having verified that such insurance policies can not be obtained from insurance carriers authorized to operate in Panama, may grant authorization to obtain them abroad and, to that effect, shall complete the pertinent registers.  The entities, enterprises or person referred in the previous paragraph shall register any granted authorizations with the Insurance and Reinsurance Supervisory Board.  To obtain the license of insurance broker, it is required to be a Panamanian residing in the Republic of Panama or to comply with the requirements to run a retail business as indicated in Page I-PA-1/31.  Only juridical persons whose legal representative and shareholders possess insurance broker’s license in Panama may apply for the Insurance Broker’s License-Juridical Person.  Only natural persons with insurance broker’s license may form companies to provide insurance brokerage services.  The owners of shares of the juridical persons with insurance broker’s license should be insurance brokers, except for the case of natural persons that receive such shares by hereditary succession.
<b>Phase-out:</b>	None
<b>Sector:</b>	Financial services
<b>Sub-sector:</b>	Reinsurance or underwriters entities

	Administrators of reinsurance
	Reinsurance brokers
<b>Classification:</b>	CPC 812 Insurance (including reinsurance) and pension fund services, except compulsory social security services
	CPC 8140 Services auxiliary to insurance and pension funding
<b>Type of Reservation:</b>	National treatment (Article 12.06)
<b>Measures:</b>	Article 10 of Law No. 63 of September 19, 1996, published in the Official Gazette No. 23,129 of September 24, 1996, by means of which the operations of reinsurance and those of companies dedicated to this activity are regulated.
<b>Description:</b>	Companies authorized to engage in the reinsurance business must designate at least two general proxies; being both natural persons with residence in Panama, and at least one of them shall be a Panamanian citizen.
<b>Phase-out:</b>	None

**Annex VI**  
**List of Panama**  
**Section B**

<b>Sector:</b>	Financial services
<b>Sub-sector:</b>	Pension fund services
<b>Classification:</b>	
<b>Type of Reservation:</b>	Right of Establishment (Article 12.04) Cross-border Trade (Article 12.05) National Treatment (Article 12.06) Most-Favored-Nation Treatment (Article 12.07) New Financial Services and Data Processing (Article 12.13) Senior Management and Board of Directors (Article 12.14)
<b>Description:</b>	Panama reserves the right to adopt or maintain any measure dealing with pension fund services.
<b>Existing Measures:</b>	Law 10 of April 16, 1993, establishing incentives to set up funds and other benefits for retirees and pensioners.