

December 18, 2023  
Circular No. SBP-DR-0078-2023

General Manager

Subject: Startup Companies

Dear Sir/Madam,

We would like to remind you of the existence of Law 186, dated 2<sup>nd</sup> December 2020, which regulates startup companies in the Republic of Panama. The purpose of this law is to create a new type of legal entity that facilitates the incorporation of companies in the country through a simplified registration system and grants tax incentives to entrepreneurs who create them. Startup companies are commercially operational companies with an economic and social purpose aimed at creating innovative processes, products, or services, adding value, or representing a social benefit.

It is important to note that, as established in the cited Law, these companies must register a “Standard Statute” instead of the articles of incorporation. This statute must contain all information about the company, including its purpose, stock capital, identity of final beneficiaries, among other details. The Standard Statute must be filed through the startup companies’ one-stop counter in the Authority for Micro, Small and Medium Enterprises (AMPYME, for its acronym in Spanish), followed by the relevant registration in the Public Registry and the General Revenue Office.

On the other hand, please be advised that Law 186 of 2020 sets income limits for startup companies, with B/.150,000.00 as the limit for micro companies and B/.1,000,000.00 for small companies. In this regard, if the startup company exceeds the B/.1,000,000.00 limit, it should become another legal entity and must formalize this within six months to continue operating. Likewise, these companies are required to digitally provide to the one-stop counter in AMPYME the control of income and expenditure; therefore, they must issue electronic invoices for all their transactions.

In this regard, the Authority for Micro, Small and Medium Enterprises has informed the Superintendency that the Authority is interested in ensuring that these startup companies have access to banking products, especially for managing and recording their income and expenses, considering that as they are new legal structures with some particularities, they may not meet all the formal requirements required from other companies.

Therefore, we urge banks that decide to maintain startup companies as their clients to ensure they establish in their policies and procedures the minimum documentation requirements that these companies must provide, including the documentation about their financial profile. Although these legal entities meet all the requirements established in Rule No. 10-2015, Law 186 of 2020 requires them to have a “Standard Statute” instead of the Articles of Incorporation. Likewise, these companies must prove

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their income and expenses; therefore, banks can set up other alternatives for the financial profile, bearing in mind that the cited Rule provides that any legal or contractual documentation can be required to prove the client's income.

Finally, we remind you that these companies have been incorporated to facilitate entrepreneurship in our country. Entrepreneurs look forward to becoming bank clients to use and move their funds through the banking system.

We request that you provide the necessary instructions to your staff for compliance with the provisions herein.

Best regards,

Amauri A. Castillo  
Superintendent