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## Panama: Latin America's Hollywood

by Jordana Fasano M.

### *Entertainment Law Regime*

Panama's legislation welcomes the recent adoption of Law No.36 of July 19, 2007. This latest entertainment regulation is directed to the cinematographic and audiovisual industry with the objective to promote the film industry, protect filmmakers and place Panama among the industrial paradises for the production of cinematography.

Published in the Official Gazette No. 25,841 of July 24, 2007, this legal framework is intended to benefit natural persons and/or legal entities involved in the creation, production, distribution, exhibition, commercialization, conservation and preservation of cinematographic and audiovisual works. The contents of the law reflect that Panama has decided to be committed to promote the growth of the cinematographic and audiovisual industry.

The aforementioned law benefits cinematographic or audiovisual works and considers them as Panamanian when the following conditions are present:

- a. The filming or shooting is done in the territory of Panama, unless the script requires another location.
- b. The original version of the movie is, preferably, spoken in Spanish or in any native Panamanian Indian language.
- c. 51% of the personnel is Panamanian, which includes not just the cast but all the members of the crew (technical and artistic personnel).
- d. The producer or production company of the film is Panamanian.

This law also considers Panamanian productions those with the co-production of foreign companies, as long as there is compliance with the applicable law regulations or international treaties.

### *Cinematographic and Audiovisual Safe Haven*

Every cinematographic and audiovisual work in its final and original version is considered a cultural and artistic work. These works are considered unique and irreplaceable under Panamanian Law and must be preserved in their original format in spite of the support or format used to make its exhibition or commercialization. Every person that produces a cinematographic or audiovisual work in any format must prove that the producer and/or a production company comply with the existent Panamanian labor law and copyright law.

The areas or territorial sectors which the Government designates for the development of cinematography enterprises will be tax free zones. These tax benefits can only be given when the cinematographic or audiovisual companies have been properly registered in the Ministry of Trade and Industries of Panama. Furthermore, our government will provide financial support by creating a special fund to encourage national cinematographic and audiovisual works.

### *Immigration Benefits*

All foreign personnel that provides technical services to the cinematographic and audiovisual companies will be provided with a visa status known as "Temporary Personnel for the Cinematographic and Audiovisual Industry" allowing temporary residence and employment permission in the country (without having to apply for a work permit). Companies engaged in the cinematography and audiovisual industry will also be able to apply for a Temporary Visitor Visa Permit for their high and medium level employees under a management, trustworthy employee, technician or expert status.

Additionally, with a minimum capital investment of one hundred and fifty-thousand dollars (\$150,000.00) product of the initial or overall project investment made in this industry, a foreigner can also obtain a Visa Status of temporary residence as a foreign investor.