

Real Estate Licenses in Panama

Written by T. Rob Brown (aka Roberto Chocolate)

Sunday, 09 May 2010 14:25 - Last Updated Tuesday, 11 May 2010 19:11

Here is the actual law (In English) on who is eligible to obtain a real estate license in Panama.

Roberto

Real Estate Broker Decree Law In Panama

NATIONAL EXECUTIVE BRANCH

Official Gazette N°23,837, DECREE LAW N°6 (Of 8 of July 1999)

"By which the profession of real estate broker is regulated and the Technical board of Real estate is created in the Ministry of Commerce and Industries"

THE PRESIDENT OF THE REPUBLIC

In use of its constitutional faculties and especially of which it confers to him

Ordinal 5 of Article 1 of the Law n° 27 of July 5 of 1999, heard the favorable concept of the Council of Cabinet

IT DECREES:

Article 1º

Denominate

Real estate broker in Panama as individual person or corporation who habitual ly and professionally evolves as mediator, intermediary, agent, representative or commission agent between the owner of real estate property and third parties, for the effects of its sale or renting. They are excluded from this definition those owners or people who exert other activities related with real estate , such as promotion, administration, collection of renting, maintenances and similar.

Article 2º

To be able to exert the profession of real estate broker in the Republic of Panama it is required to have license of real estate broker, which will be issued by the Technical board of Real estate that is created by means of this Decree Law. For this, it will have to fulfill the following requirements and all those that are established or will be established by the Executive branch:

1. To constitute a guarantee of ten thousand dollars (\$10,000.00), either in cash, or with bonds from Estate, the insurance company, bank guarantee letter or immovable mortgages on bines, previous estimate ordered by the Technical board, in order to respond before the Estate for the the sanctions that prevail to him in conformity with this Decree Law, as well as by the damages that cause to third parties as a result of its negligent or painful performance, previous definitive jurisdictional sentence. This Guarantee will have to be renewed annually, within thirty days previous to its expiration.

2. To pay taxes for the amount of twenty-five dollars (\$25.00), by the beneficiary, once the license has been approved.

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3. Pass tests of necessary knowledge in matters related with real estate.
4. To fulfill any other requirements that the Executive agency establishes or adds in the future, in fulfillment of this Decree Law.

Article 3^o

The individual person who requests a broker license will have to fulfill the following requirements:

1. To be of Panamanian nationality and domicile in the Republic of Panama, or foreigner with five years or more of residence in the Republic of Panama.
2. Certificate of its criminal and police records, which corroborates that the applicant has not been convicted of a crime against the patrimony or the civil law or against the justice administration or the honor.
3. To have proved, by means of the presentation of the respective examination before Technical board of Real estate, that has the necessary knowledge of matters indicated in article 11 of the present Decree Law.

Paragraph. Those applicants that prove to have exerted in a continuous way the profession of real estate broker during a period of no less than ten years, will be exempted of the obligation to present/display the examinations here mentioned.

Article 4^o

the corporations who request the real estate broker license will have to fulfill the following requirements, in addition to the ones indicated in article 2 of this Decree Law, except the one contemplated in numeral 3 of such article:

1. Authenticated copy of the license of real estate broker granted to his president and legal representative, who will have to contain a certification of Technical board of Real estate stating that the same is effective.
2. Certificate of the Public Registry, in which the legal existence of the corporation, its directors and dignitaries, use and resident agent are credited.

Article 5^o

the Technical board of Real estate, once it has verified that applicant has fulfilled the requirements demanded by this Decree Law and contemplated in the respective regulations, it will send the license by means of resolution, within a term not greater of thirty working days, counting from the date in which such requirements had been fulfilled.

The Resolution that denies a request of license of real estate broker will admit a reconsideration resource before the Technical board of Real estate and, with it the governmental ways will be exhausted. This resource will have to be interposed and sustained within ten working days after the date of the notification of the respective resolution.

Article 6^o

the use of the license of real estate broker will be indefinite since its expedition. However, the Technical board of Real estate will be able to provisionally suspend it for a term of six months, if the real estate broker does not renew the guarantee, within the term fixed on numeral 1 of the second article of this Decree Law. If it passes the term of six months and the broker does not fulfill this requirement, the Technical board of Real estate will proceed to its cancellation.

The broker whose License is cancelled for this reason, will not be able to request it again but after a year, counted as of the date of cancellation.

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Article 7^o

The Technical board of Real estate is created in the Ministry of Commerce and Industries, from now on denominated the Technical board, composed by five members thus:

1. Minister of Commerce and Industry, or the person who it designates, who will preside over.
2. The Minister of Housing or the person who it designates.
3. The Minister of Economy and Finances, or the person who it designates.
4. Two representatives, and their substitutes, from the groups or associations of real estate brokers with legal capacity, designated for a period of three years by the Executive branch and chosen from short lists presented/displayed by these groups.

Article 8^o

the Technical board of Real estate will count with a Secretary of Acts and Correspondence that will be in charge of the General Direction of Domestic Trade, who will designate among its officers the secretary who will act in each meeting.

The meeting's records and the resolutions that are emitted will have to be subscribed by the operating president and the secretary. The Technical board, previously called by its president, will have to meet at least once a month.

Article 9^o

The members of the Technical board will be prevented to know about businesses that have interest or that are related to their spouses, or its relatives even the fourth degree of consanguinity or second of affinity. The Technical board, of office at the request of part, will be able to decree the impediment and to designate the respective substitute.

Article 10^o

The functions of the Technical board of real estate are:

1. To receive and to review the documentation presented/displayed by the applicant, to determine if the same fulfills with what is established in this Decree Law.
2. To guard for the faithful fulfillment of the current Decree Law and promote its disclosure, as well as the professional improvement of the Real Estate brokers, through continuous study programs.
3. To guard so that the professional exercise of the real estate brokers is done in a professional and ethical form, for which an ethic code will be adopted.
4. To approve, program and regulate the tests which need to be presented by the applicants for real estate brokers, with the intention of verifying that they have the necessary preparation and knowledge to exercise the profession.
5. To deliver a test to the applicants for real estate broker and to evaluate the results obtained.
6. To send, by means of resolution, the licenses of real estate brokers, that must have to be signed by president of the Technical board of Real estate and the respective Secretary.
7. To apply the sanctions that are established on the present Decree Law and on its regulations, and the code of ethics of the real estate brokers, approved by the Technical board.
8. To recommend to the Executive agency the reforms that believe are convenient.
9. To dictate its internal procedures.

Article 11^o

The examinations that the brokers will have to be put under will be oriented to prove that the applicants have the necessary knowledge to evolve as suitable brokers, mainly on the following matters:

1. Effective legislation in the matter of brokerage and of real estate.
2. Purchase, sale and renting of real estate.

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3. Financings.
4. Processing Leasing contracts.
5. Urban zoning.

Article 12^o

prohibits the real estate brokers:

1. To make acts, in the exercise of its profession, that constitutes crimes against patrimony or against the public faith or the administration of justice, or against the honor and/or any other crime whose nature has relation with the honorability, good behavior and weakness of the broker.

The commission of these crimes will entail the definitive cancellation of the license granted to the violator, which will have to be based on the pertinent condemnatory failure, properly executed and authenticated.

2. To make acts that, even though they do not constitute crimes, cause damage to its clients or to third parties or attempt against professional ethics

Article 13^o

The Technical board is authorized to impose the penalties contemplated in this Decree Law and those that pay attention to the different regulations that develop to the present Decree Law, taking care of the gravity of the infraction. Among them, the following ones:

1. To admonish, verbally or in writing, by lack of professional ethics.
2. To impose fines of one hundred dollars (\$100.00) up to ten thousand dollars (\$10, 000,00) in favor of the National Treasure, by infractions of the present Decree Law.
3. To suspend definitely or temporarily the granted license, depending on the seriousness of the actions taken.
4. To sanction with a fine of ten thousand dollars (\$10, 000, 00) to the individual person or corporation whom, in any form, without being dedicated to the business of real estate brokerage without being authorized to make it in accordance with this Decree Law. This fine will be applied without prejudice of the corresponding criminal action.
5. To send to the Public Ministry the performance, on both the brokers and those who infringe the present Decree Law, that it can be considered as crime, so that the possible criminal responsibility of the violator is determined. The Technical board will guarantee to those affected the due process when imposing the sanctions authorized.

The sanctions applied by virtue of this Decree Law will be published in the Official Gazette, but only for aims of public knowledge.

Article 14^o

the Technical board will cancel, by its own right or by request of the interested part, the license of real estate broker to all that to whom it is proved that it has been obtained fraudulently.

The cancellation of the license contained in this article will be for a period of one to ten years,

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depending on the seriousness of the misdemeanor. In case of re-incidents, the cancellation will be definitive.

Article 15^o

In all transaction in which a real estate broker participates the obligation of who hires him, to pay the prevailing commission in the market by the benefit of its services will be presumed, unless otherwise is agreed.

Article 16^o

The individual person or corporation who at the moment are engaged in real estate brokers activities, protected by its effective commercial license at the time of the expedition of the present Decree Law, it will have a term of six months to obtain the license in accordance with this Decree Law.

Article 17^o

The real estate brokers are forced to keep the accounting registries of their activities, in accordance with the effective article 75 of the Code of commerce and other laws.

Article 18^o

The Executive branch, through the Ministry of Commerce and Industries, will regulate the present Decree Law.

Article 19^o

In everything not specifically foreseen in this Decree Law, the same dispositions of the Code of commerce that are not incompatible with the same one, will supple mentally apply.

Article 20^o

This Decree Law revokes all the dispositions that are contrary.

Article 21^o

This Decree Law will begin to prevail from its promulgation.

COMMUNICATE AND EXECUTE

Given in the city of Panama, at 8 days of the month July of nine thousand ninety nine (1999)