

Are my retirement funds safe in Panama?

Written by T. Rob Brown (aka Roberto Chocolate)

Thursday, 24 December 2009 15:19 - Last Updated Tuesday, 04 May 2010 19:02

HERE IS AN E-MAIL THAT CAME IN, ASKING IF CANADIAN RETIREMENT FUNDS WERE SAFE IN PANAMA BANKS:

This is an enquiry e-mail via www.retirementdetectives.com from:
Jo Ann F

Hi Roberto,

We are leaving for Boquete on Jan 7,2010 for our exploratory visit. We are from the Saskatchewan prairies. We retire in June this year and with the arthritis etc have decided to winter away.

From your articles you are considering living full time in Panama.

We are wondering about our retirement income. Is it safe in Panama banks? Will we pay less income tax there or will we be paying Canadian and Panama tax?

Thank you for your help.

Jo Ann

ROBERTO CHOCOLATE'S RESPONSE:

Dear Jo Ann,

Yes, to the best of my knowledge, the banks are very safe in Panama. There are over 80 banks here including Scotiabank, HSBC and Citibank (although Citibank is in the weakest shape due to US problems). Stanford Bank (a victim of the UK-based ponzi scheme fraud with Sir Allen Stanford) has been purchased by a wealthy business group in Panama. If you open an account with Scotiabank you can have your checks deposited in Canada and take the money out here by ATM - USD \$500 at a time, \$3.00 per transaction - my daily limit is \$2,000 - set that with your bank)

Consider other areas as well - El Valle, Altos Del Maria, and Caldera are all highland areas with lots of expats and cooler weather. You may even find them too cold. There are areas that are flat - you might think you are back home except it is 90 degrees and sunny. If you maintain any connection to Canada you will still file/pay Canadian tax. Check with a lawyer how to leave Canada if that is what you want.; You will not be double taxed. There is no tax on bringing in foreign income into Panama and no tax on bank interest. No property tax for 20 years on new construction (that qualified before Aug 2009). You can bring up to \$10,000 tax free in personal effects once - (you set the value on what you are bringing in) and import of buy a vehicle tax free every two years (car, truck, boat, motorcycle, van, RV, ATV, moped, etc)

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Contact me when you arrive - will you be going to any other areas> Boquete is five hours from Panama City - three hours from where I live (Santa Clara - the Pacific beaches area)

Roberto

PS: Merry Christmas and Happy New Year!!!