



The requirements for obtaining the EMMA License are established

Tax Newsflash

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On December 23th, 2020, by means of Resolution No. 039-20, the Licensing Commission for Multinational Companies Headquarters approved the minimum requirements for those companies that wish to obtain the Multinational Company license for the Provision of Services Related to Manufacturing, better known by its acronym, EMMA. Among the requirements approved by the Commission, we can highlight the following:

1. Minimum business group's assets

The business group to which the company applying for the EMMA License belongs must have a minimum of **seventy-five million dollars (US \$ 75,000,000.00)** in assets. The other option to apply is for the company to provide manufacturing services to at least **three (3)** affiliates, subsidiaries, or related parties. To verify that the company complies with the above, the Consolidated Financial Statements of the Business Group must be provided. These Financial Statements must be either audited or certified by an Authorized Public Accountant. On the other hand, to prove that the company will provide manufacturing services to more than 3 related parties, an Affidavit signed by the company's legal representative where the affiliates, subsidiaries or related parties to whom the manufacturing services would be provided are identified.

2. Minimum capital required

In the event that the company establishes its headquarters in Panama, it must have a minimum initial capital of **two million dollars (US \$ 2,000,000.00)**. This requirement can be verified by means of a cash flow report, or by a certification by the treasurer or secretary of the soliciting company that confirms that the company has the minimum capital required.

Requirement for Companies with a SEM License that wish to obtain the EMMA License

Companies that already have a SEM License and wish to carry out activities for the provision of manufacturing services in accordance with Law 159 of 2020, must apply for the EMMA License. However, when applying for the license, the company may omit the following requirements at the time of its filing:

- Financial Statements of the Business Group;
- Bank Reference Letter;
- Certification of the treasurer or secretary of the society;

If you require assistance to apply for the EMMA License, do not hesitate to contact the manager, director or partner who attends you, or our team of specialists in tax services.

Contact us

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