Closing costs and documents checklist for buying property in Panama

Tick every box before you sign. Figures reflect the regime in force as of September 2026, verified by Vaca Group; professional fees vary by attorney, notary and bank — get the quote in writing. General information, not legal or tax advice.

1 · BUYER'S COSTS (BUDGET 2%–5% OF THE PRICE)

	ITEM	TYPICAL AMOUNT	WHEN IT'S PAID
☐	Legal fees (promise-to-purchase, due diligence, deed)	~1%–1.5% of the price	In stages; balance at closing
☐	Notary fees (public deed)	Per notarial schedule and deed length	At signing
☐	Registration at the Public Registry	Registry fee on the value	When the deed is filed
☐	Escrow account (recommended when buying remotely)	Bank, trust company or law firm fee	When the account is opened
☐	Official translations and apostilles of your documents	Per document	Before the promise
☐	Bank charges on international wires	Per your bank	With each transfer
☐	**Total buyer reserve (no mortgage)**	**2%–5% of the price**	**On top of the price and the deposit**

2 · IF YOU FINANCE WITH A PANAMANIAN BANK (NON-RESIDENT)

	ITEM	TYPICAL AMOUNT
☐	Required down payment	30% (some banks 35%–40%)
☐	Property appraisal by the bank's appraiser	Set by the bank
☐	Mortgage deed, stamp duties and registration of the lien	Per amount financed
☐	Life insurance (balance) and fire insurance (property)	With the monthly payment
☐	Bank closing / handling fee	Per bank
☐	FECI surcharge included in the effective rate	+1% per year (nominal 6%–7.5% → effective 7%–8.5%)

3 · WHAT THE SELLER PAYS (SO IT ISN'T CHARGED TO YOU)

	ITEM	AMOUNT
☐	Real estate transfer tax (ITBI)	2% of the greater of price and updated cadastral value
☐	Capital gains tax advance (the buyer withholds it from the price and remits it to the tax office)	3% of the price (credited against the seller's final 10%)

☐	Clearance certificates (paz y salvo): DGI, IDAAN, HOA dues	Outstanding debts + processing
☐	Brokerage commission	As agreed in the listing contract

4 · RECURRING COSTS AFTER YOU BUY (FIRST YEAR)

- ☐ Annual property tax: primary residence exempt up to $120,000 (0.5% up to $700,000; 0.7% above); second home / investment: exempt up to $30,000 and progressive table
- ☐ New-construction improvements exemption: verify remaining years and amount (runs from the occupancy permit)
- ☐ HOA (PH) maintenance fee ($180–$280/month typical in premium towers) and special assessments
- ☐ Utilities: power, water (stays in the owner's name), internet, gas
- ☐ Contents / liability insurance (optional, recommended in condos)
- ☐ Management if you live abroad: 9%–10% of rent collected, $100/month minimum (Vaca Group)

5 · DOCUMENTS YOU NEED AS A FOREIGN BUYER

- ☐ Full valid passport (and a second ID)
- ☐ Proof of source of funds (bank statements, prior sale, employment contract): required by the receiving bank and, if applicable, Immigration
- ☐ Apostilled power of attorney if you'll sign remotely through your attorney
- ☐ Company or foundation details if buying through one (deed, RUC tax ID, beneficial owner)
- ☐ Apostilled marriage certificate if buying jointly with your spouse
- ☐ Bank documents if financing: bank references, 2 years of income, credit report, 3–6 months of statements
- ☐ Email and phone where Immigration / DGI / the HOA can reach you

6 · DUE DILIGENCE: DON'T SIGN THE PROMISE UNTIL EVERY BOX IS TICKED

- ☐ Public Registry certificate: the seller is the owner and the property exists with that size and location
- ☐ Free of liens: no mortgage, antichresis, attachment or lawsuits (or with a payoff letter and cancellation deed already arranged)
- ☐ TITLED property, not possessory rights or a concession
- ☐ Clearance certificates for property tax (DGI), water (IDAAN) and HOA dues
- ☐ Condo (PH) regulations: pets, short-term rentals, works, approved special assessments
- ☐ Actual vs. registered measurements and boundaries; approved plans; occupancy permit
- ☐ In pre-construction: the developer's delivery track record, payment plan, guarantee and delivery date in the promise contract
- ☐ If you're pursuing the investor visa: traceable foreign-sourced funds, property free of liens, deed in your name or an admitted structure

7 · CLOSING, STEP BY STEP (3–13 WEEKS DEPENDING ON BANKS)

	STAGE	TYPICAL TIME	YOUR ACTION
☐	Promise-to-purchase and deposit (10% typical) in escrow	Week 1	Review with your attorney before signing
☐	Due diligence at the Public Registry	Days to 2 weeks	Require a written report

☐	Bank process: appraisal, approval, commitment letter	3–6 weeks (if a bank is involved)	Complete documents from day 1
☐	Seller's clearance certificates and taxes	1–2 weeks	Check the receipts in the file
☐	Signing of the public deed before a notary	1 day	In person or by apostilled power of attorney
☐	Registration at the Public Registry → release of funds	10–12 business days	Nobody gets paid until registration

8 · QUESTIONS FOR YOUR ATTORNEY BEFORE PAYING A DOLLAR

- ☐ Who manages the escrow and under exactly what condition does it release the funds?
- ☐ Do I buy personally, through a corporation (S.A.) or a private interest foundation, and what does each mean when selling or inheriting?
- ☐ What happens to my deposit if the seller can't deliver a clean title?
- ☐ Will the deed work as-is for my immigration file?
- ☐ What is the current cadastral value and does it affect the transfer tax or my annual tax?
- ☐ What is the total cost, in writing, of the legal + notary + registry package?

Sources: Vaca Group guides "How to buy property in Panama as a foreigner", "Transfer process step by step", "Mortgages for non-residents" and "Property taxes", verified as of September 2026 · vacagroup.net/en/blog · WhatsApp and contact at vacagroup.net/en/contact. Vaca Group Real Estate is a licensed brokerage (PN 5904), not a law firm or a bank.