

REFORESTATION RESIDENCY VISA

Panama *Reforestation Visa* is a Panama immigration program primarily used for foreign investors to invest in Panama greens and also obtain Panama residency. If you are interested in investing in *Panama Teak Wood and Forestry*, we can assist you to get your Panama permanent residency as well as advising you how to find the *right* teak wood farm in Panama.

According to Law No. 8 (2015) amends part of Forestry Law No 1., the *Ministry of Environment* is the governing body of the Republic of Panama in the protection, conservation and restoration of the environment and sustainable use of natural resources to ensure compliance and enforcement of laws, regulations and the National Environment Policy. In addition, Ministry of Environment, is responsible for public consultations and developing mechanisms for coordination and implementation of policy. Technical and administration actions at the local level by regional directors.

Panama laws and regulations pertaining to forest management, wood harvesting, processing and trade allows foreign investors permanent residency visa once they meet certain requirements. Panama's reforestation visa program is unique and Eco friendly. The Panama reforestation program allows investors immigrate to Panama, gets residency visa while they cultivate forest, wood and improve natural ambient in Panama. For merely helping the environment, Panama in return, offers its forestry investors Panama Permanent residency. Panama Ministry of Environment, among other things, performs forest management planning, forest certification, forest auditing that mandates the environment agency to execute random checks to verify compliance, direct and indirect incentives for natural and planted forests, the demarcation of the public forested lands and the participation of stakeholders.

HOW PANAMA REFORESTATION VISA WORKS? REFORESTATION INVESTMENT

The Panamanian Government Reforestation laws grants foreign investors to get permanent residency in Panama under reforestation law. *It requires minimum investment of of \$80,000. and purchase a minimum of 5 hectares in a Certified Reforestation project in Panama.* The reforestation project must be Certified by the Environmental Government Institute – *ANAM*: “Asociacion Nacional del Medio Ambiente”. Once you invest the minimum amount in a reforestation project in

Panama and is certified by Ministry of Environment, investor becomes eligible to apply for Re-forestry residency visa in Panama.

Panama immigration office to approve permanent residency for the reforestation investor and his dependents which ultimately can lead to full Panamanian citizenship and Panama passport. In order to become a Panama citizen, Panama law requires that a foreigner must be a permanent resident of Panama for at least 5 years before qualifying to apply for citizenship.

An additional \$2,000 investment is required for every dependent that will be included with the reforestation visa application.

Panama Reforestation Residency Visa Highlight

Minimum investment of \$ 80,000. in reforestation farms in Panama

By investing the above amount, you are eligible to become Panama resident and after 5 years of residency, you are qualified to become a Panama citizen and get a Panama Passport.

REFORESTATION VISA REQUIREMENTS

- Applicant's Proof of direct investment in Panama reforestation farms for minimum of USD \$80,000
- Applicant's Police Report Clearance
- Applicant's Paz y Salvo (no Panama taxes owed)

PANAMA TEAK WOOD

Teak wood is one of the world's finest and durable hardwood timber. Teak logs harvested from native forests, principally in India and Myanmar and tropical countries such as Panama.

The durability and quality of teak wood was recognized many centuries ago, leading to its widespread distribution and cultivation throughout the tropical countries. Today, teak wood ranks among the top five tropical hardwood species in terms of plantation worldwide. As demand for teak plantation grows, the private investors looking to increase teak plantation in various part of tropical countries.

Teak wood plantations are socially and environmentally beneficial and result in profitable business venture when properly implemented.

If you are a foreign investor and looking to get involved with forest, wood and forestation, we at, immigrationvisa247 can advise you how to get started in this venture in Panama. We have experienced advisors that can locate the *right TEAK WOOD FARMS IN PANAMA* so you can succeed in reforestation business.

when you *invest minimum of \$80,000*. in reforestation project in Panama, we can get your *Panama permanent residency* through this reforestation program.

IS REFORESTATION A PROFITABLE BUSINESS?

All around the world tropical rain forests are being cut down for their timber making them increasingly rare nearing extinction. The prices for many of these woods are rising as demand increases and their supply dwindles.

Panama offers mahogany and teak reforestation investments. Teak is more popular because of its resistance to decay, resiliency to weather, and repels insects. Teak is more often used for outdoor and indoor furniture and decking for vessels. Teak is also elastic with a solid fiber making it perfect for wood crafting products.

Panama teak reforestation is profitable. Although it will take up to 20 years for a teak tree to mature, a thinning of the trees every 6, 12, and 16 years produces lumber to sell. Teak market prices have been rising at a 2% annual average. An \$80,000 USD investment can produce a 2% annual return totaling \$370,586 in 20 years. This amounts to a 460% return averaging over the 20-year cycle to an annual 23% return. This is better than a Standard & Poor's S&P 500 index which averaged 7.33% yearly between 1990 and 2008.

Teak has always been in high demand as its supply globally diminishes. A United Nations Report stated that about 28 million acres of rainforests are destroyed every year. This is the size of Ohio State. Malaysia, India, and the Philippines have virtually over logged their teak forests making them nearly extinct. Teak logging has dramatically increased in South America. While teak is not a natural Panama hardwood, it was imported in the early 1900's and has grown very well under Panama's climate.

The 2006 International Teak Market Report declared that teak log prices increased a yearly average of 8.3% during the past 30 years. Because of the rapid decline in teak supply the teak log prices rose 15% from 2005 to 2006.

You don't have to become a farmer to invest in Panama reforestation programs. The companies who are government certified will sell you the required minimum hectares and do the maintenance during the full life of the investment. This involves

thinning and selling the thinned lumber, harvesting upon maturity, and selling the teak at market value.

Why Invest in Timber Wood?

- First of all, timber is a better investment than stocks. Managed timber, as professional investors call it, has actually beaten the U.S. stock market over time, with less risk. From 1973 to the present, for example, managed timber has returned approximately 12% annually, a significantly better return than for U.S. stocks over the same period. Over the last few years, stocks have been extremely volatile, while timber has generally continued to increase in value.
- Forestry & timber is not correlated to other investments. Trees don't know about political unrest, currency fluctuations, industry news and trends, or the price of oil; they just keep growing, year after year. In fact, timber tends to move counter-cyclically with stocks, and timber has never had a losing year. A timber investment is an excellent way to balance your portfolio since its value rises even when the value of stocks is falling.
- Timber & forestry land has steadily increased in value over the past decades, despite the market volatility and uncertainty in the value of other types of property, such as residential real estate.
- Forestry & timber has proven to be an excellent hedge against inflation. According to timber investments in the U.S. have risen in value 6.6% a year, on average, over the past century. Add a 5% average annual dividend in the form of income from the harvest proceeds of a timber investment, and you have an asset that has provided a total return (value increase plus income) of 11.6% per year. This return compares very favorably with returns on stock investments, particularly in the current economic climate.
- Forestry & timber is recognized around the world as an attractive investment opportunity. Significant amounts are currently invested in timber holdings by institutions such as banks, insurance companies, pension funds, and universities. Analysis has shown timberland to be a relatively low-risk investment; it has little correlation with the real estate market and a negative correlation with stock and bond returns. Rates of return on timber investments have historically been excellent, with nominal rates of return averaging 9 to 12 percent. Although teak represents a small niche market in the timber industry, it is the highest yielding timber investment available.

How to Invest in Timber & Forestry?

The most direct way to add timberland to your investment portfolio is to purchase the land outright. However, the cost and overhead of direct ownership of timberland is simply too onerous for most individual investors to consider. Buying stock in a timber company is the best way for the individual or institutional investor to enjoy

the safety and high returns of timber without the problems inherent in buying and managing timber property directly.

One option is to buy stock in a publicly traded timber company, but these stocks typically pay dividends of around 4%. A smaller company that manages high-value tropical hardwoods, such as Panama Teak Forestry, can offer much better returns. Even though teak requires more intensive management than woods such as pine and fir, teak has a growth rate twice that of pine or fir and a value of more than twice that of those two woods. The value of Panama Teak Forestry stock has risen more than 10% annually since the company was established.

How Is Demand for Timber / Forestry?

Every American “consumes” a 100-foot tree every year. Picture yourself looking through paper documents, sitting at a wooden table, in a wooden chair, in a room trimmed with wood, in a home or office that is probably framed in, well, wood. Are there alternative materials that could be used? Of course. But the use of wood around the world is increasing, not diminishing, despite the availability of alternative materials.

There is no reason, however, to picture large timber companies leveling the world’s forests with abandon. Although slash-and-burn and clear cutting still occur around the world, this practice is discouraged by progressive governments and by responsible forestry companies. Today’s forestry science is highly advanced, allowing companies to manage timber as a sustainable, ecologically sound crop. Well-managed timber companies can create jobs and provide excellent returns to investors while helping to sequester carbon and preserve the environment.

Instead of chopping down a forest and moving on, it is in the best interest of today’s timber companies to plan for the long term and to plant, maintain, and harvest trees using sustainable resource practices. In the U.S. state of Washington, for example, timber companies essentially cut and replant approximately 1/40th of their forests every year. In Panama, we can responsibly harvest 1/25th of our teak forests annually, producing almost twice the volume of wood per hectare produced by timberlands in the United States.

Is Forestry Investment A Good Idea?

As a well-tended tree grows, its value as a product rises. Even if the stumpage price (the value of standing timber) remains constant over time, a tree becomes more valuable as its volume increases.

These are the characteristics of timber as an investment:

- It requires an investment in land as well as in the planting and maintenance of the trees.
- It is typically a long-term investment because of the time required for the trees to reach maturity. However, the length of time an investor must wait to realize a cash flow can be shortened by purchasing existing stands of timber, either directly or through shares of a company such as Panama Teak Forestry.
- Disease, insect damage, and fire could potentially cause a loss, but mortality from all causes is, on average, less than 1 percent in large timber holdings.
- Timber can be an illiquid investment. However, this creates buying opportunities for investors who seek to purchase quality stands of timbers at favorable prices.
- Timber harvests can be timed to take advantage of fluctuating market prices.

How Much Is the Rate Of Return On Timber?

These factors affect the rate of return on a timber investment:

- Changes in timber prices: Since the middle of the twentieth century, pine timber prices have exceeded inflation by 2 to 3 percent annually, while pine pulpwood has kept up with inflation. U.S. Department of Agriculture Forest Service projections are for continued price increases. Of all types of woods, tropical hardwoods such as teak have shown the greatest increases over time.
- Tree growth and yield: Tree growth is affected by how good the site is and how well the forest is managed. Forestry science is very advanced and tree growth can be predicted accurately using computer models.
- Changes in tree value: Management practices influence the number, size, and health of trees on a tract of land and thus the value of the final product. The value of a timber stand can be maximized through good management.
- Changes in land value: Increases in land value increase the rate of return on a timber investment. After final harvest, the company may choose to sell the land for another purpose if property values have increased in the area.
- Costs: Cost-effective management will result in higher rates of return to the investor.

University studies show that timber investments have historically earned real rates of return in the 10 to 12 percent range. A leading timber index based on actual returns shows rates varying from 11 to 16 percent, depending on region. Since 1986, the major timberland property index has returned just over 16 percent annually; 40 percent of the return has been from income and 60 percent from capital appreciation. Teak timber properties have shown some of the best rates of return in

the industry when managed properly. It should be noted that the majority of the value increase is from capital appreciation over time.

What Is the Cash Flow of a Timber Investment?

Depending on how the investment is structured, timber can provide a manageable cash flow. The age mix of the timber holdings largely determines the cash flow of the investment. If the timber property includes trees of different ages, the investment can provide income to investors every year. And if the market is down as harvest time approaches, the company has the option of delaying the harvest and, in essence, “storing” the timber to wait for prices to rise. In the meantime, the trees continue to grow.

Why Choose Panama Timber for Investment?

An investment in Panamanian teak offers the potential for excellent returns. The worldwide demand for teak is high, and the supply of wild teak is quickly diminishing in traditional teak-producing areas such as India, Myanmar (formerly Burma), and Thailand.

The soil and climate of Panama are well-suited to teak cultivation. In addition, the Panamanian government encourages reforestation, and the tax system is quite favorable to timber investors.

A Panama reforestation investment provides a perfect opportunity to help the environment by reducing rain forest losses. Reforestation involves planting new trees to replace the ones cut down for lumber. Rain forests are a natural habitat for wildlife, plants, climate preservation, air purification, and replenishing worldwide water resources. It is better for the environment to source lumber from sustainable reforestation projects and not from rain forests.

- All wood harvested from timber projects that were certified by the government before 2004 are completely exonerated from any taxes, including export taxes, for 25 years. (The terms of harvesting are spelled out in the management plan provided by the project’s forestry expert.) All capital gains on timber are also tax-exempt in Panama.

- Equipment used for a reforestation project—including vehicles, heavy equipment, and any other items that represent a direct investment in a reforestation project—can be brought into Panama virtually tax-free.

How Timber Investment Work?

In each plot of one hectare (about 2.4 acres), Panama Teak Forestry plants approximately 1100 teak trees. At about 4 years, our forestry engineers identify the weaker trees, and the stand is thinned to about 900 trees per hectare. At 7 to 8 years, the trees are thinned to about 700 to 800 per hectare, depending on the stand. At about 12 years, they are thinned to about 400 to 500 trees per hectare, and at 18 years, they are thinned to about 200 to 240 trees per hectare. Final harvest is ready in about 25 years. If market conditions are not optimal for selling the mature teak in year 25, management may choose to allow the timber to continue growing, waiting for the most profitable time to sell.

Some of our competitors' factor in profits from the sale of year 7/8 thinning's; however, since the value of these thinning's is disputed, we do not include any income from the sale of year 7/8 thinning's in calculating our return on investment. The 12-year thinning will yield about \$100 per hectare based on today's price of teak. The 18-year thinning will yield a net profit of about \$1,000 per hectare based on today's teak prices. At 25 years, the remaining trees will produce a harvest with a net profit of about \$110,000 per hectare based on today's teak lumber prices, this assumes that there is an operating mill to do basic processing for the logs. This is based on an annual yield rate of 8 cubic meters per hectare.

In inflationary times, both the price of teak and the value of the land will appreciate, providing additional protection for the investor's return on investment (ROI). Dividends will be paid out as Panama Teak Forestry's stands of timber reach maturity and are harvested. We assume a reasonable 3% increase in the value of teak over time.

Green Investment

The ideal investment is one that provides an excellent ROI but is also environmentally beneficial. Panama Teak Forestry offers an ecologically sound investment. Its well-managed tropical timber properties bind carbon dioxide, which helps reverse the damage from carbon dioxide pollution. By practicing responsible reforestation, we are helping to meet the world's demand for commercial hardwoods while aiding in the preservation of native tropical forests. This is truly a "Green Investment" where

investing in environmental cleanup or alternative clean energy helps reduce pollution and costs of energy. Panama's immigration reforestation visa is often called "*Panama's Green Investment Visa*". The Panama reforestation projects plant new trees, cultivate them, trim them every few years, harvest them in 15 to 20 years, and replant more trees in their place.

Timber Investment Blogs

For more information about timber investments, see the articles listed below. Keep in mind that teak, one of the highest value commercial timbers available, grows faster than the types of timber described in these articles and therefore provides an even better ROI.

Timber Investment in Panama

A tropical teak forest situated on the sunny shores of Panama can provide investors 15 to 20 percent returns on profits from timber and carbon credit sales through companies that offer a selection of investment options.

Most timber investment companies in Panama focus on teak trees, which are a hardwood cash crop of sorts, producing high yields in a short amount of time. However, some companies expand beyond teak. Futuro Forestal, for example, a German-Panamanian forest service company, plants up to six different species of native timber and reserves 25 percent of the land for natural regeneration.

Teak tree investors can get high yields in a short time. Panamanian tax-free profits from the sale of the timber; and an annual internal rate of return (a calculation that takes into account the time value of money) of up to 11 percent on a 25-year term from timber sales, seed sales and carbon credit sales. Futuro Forestal offers management based on principles from the Yale University School of Forestry and Environmental Studies and is working on habitat restoration for local flora and fauna and endangered species.

Other timber investment companies are also working to protect the environment and boost the local economy. In addition to employing local workers, removing atmospheric carbon dioxide, and restoring farmland suffering from the effects of long-term slash and burn farming, Panama Teak Forestry has implemented other measures to increase the sustainability of their timberland.

"Overall, this industry can be beneficial to the earth and at the same time produce an income," "Teak is one of the highest yielding forests of the timber industry. It can

yield about \$4,000 per hectare per year over time, which gives a 15 to 20 percent [return on investment] in a safe steady industry. It's a green investment that gives steady, safe returns."

Investors with Panama Teak Forestry begin with a minimum investment of \$50,000 in the company's shares, available to accredited investors. Dividends begin to pay out at seven years and every year thereafter, according to Panama Teak Forestry's website. Shares can be sold at any time, which allows investors to have a flexible exit strategy.

Teak wood is used in many products, including boat decks. Panama is one of few places in the world where high quality teak trees grow. Burma (Myanmar) has long been a large supplier of teak to international markets, but the political unrest, coupled with the fact that the Burmese military regime owns every teak plantation in the country, means the supply from Burma may be unstable.

There are some potential drawbacks to investing in Panamanian timber. While there is potential for excellent rates of return, it is impossible to predict the market for teak, or any hardwood, for 25 years.

DOCUMENTS NEEDED FOR REFORESTATION VISA

1. If you are using a *Panama Corporation*, certificate of ownership of the company, ownership shares and investment capital amount.
2. CPA certification confirming reforestation investment
4. Copy of official tax returns from Panama DGI tax agency. For first year, a copy of the certificate of the corporation's tax ID (RUC) is sufficient.
5. Resolution certificate of National Environmental Authority (ANAM)
6. Copy of the Panama Public Registry corporation certificate
7. Proof of the direct investment of a minimum of \$80,000. Acceptable documents include:
 - (a) CPA Audited Finance Statement
 - (b) Bank certification of the funds transfer
 - (c) Importation documents for merchandise
 - (d) Receipts for purchase and sale

At immigrationvisa247, we assist you to become Panama resident via reforestation residency visa program. Our qualified team and attorneys are available to provide you legal advisory and give you all required tools to purchase the right forestry farm as well as represent you before immigration office to get your residency in Panama.

Processing/Manufacturing Forestry Laws

All exported timber or wood products are considered by the Ministry of Commerce and Industry as a “Special Process” and therefore require certain specific processing procedures.

WOOD EXPORTATION LAW

- It is prohibited to export round wood, logs, stumps or blocks. Wood should undergo a process of transformation in order for the product to become suitable for exportation from Panama.
- Plantation wood does not require a process of transformation and can be exported in roll or block form.
- If wood is a species that is on the CITES list, you must get approval of the National Directorate of Wildlife and Protected Areas of ANAM for exportation.

WOOD EXPORTATION TRADE DOCUMENTS

If you are exporting wood from Panama, you need to have the following documents for exportation:

1. Basic Business Documents:

- a) Sworn Commercial invoice
- b) Packing List

2. Transport documents

- a) Transportation Permit
- b) Air Bill / Lading Bill (marine)

3. Specific Certificates

- a) Phytosanitary certificate
 - Certificate of Fumigation or
 - Evidence of heat treatment (HT)
- b). CITES Permit (for listed species)
- c). Other (quality certificate)

4 Export Documents

- a) Export Declaration (Customs Form)
- b) Certificate of Origin
- c) Animal Health Phyto License

d) Export Permit

Panama Residency For Citizens of India

If you are a *citizen of India* and want to reside in Panama and or get Panama Passport, then you can do so by investing in **Panama Reforestation Visa**. Basically, Panama grants permanent residency to *Citizens of India*, if you can invest **minimum of \$80,000**. in Panama reforestation project. You can invest in **Panama Teak wood Farm** and get your Panama residency. After being a Panama resident for 5 years, you can apply to get your Panama citizenship and Panama Passport. It is as simple as it is. ***Panama passport will get you travelling to 127 countries visa free.***

There are other options for Citizens of India to get Panama residency, but it is more expensive and requires minimum investment of \$300,000. in a real estate property or a bank CD. With Panama Reforestation Visa, you only need to invest \$80,000. and can get your Panama residency. Panama Teak wood is a viable and real business, and you can export your teak wood to China or other countries and good living by buying a teak wood farm in Panama.

You are allowed to sell your Panama teak wood farm after getting your Panama residency & citizenship.

In order to get Panama residency, you need to come to Panama first, buy a Teak Wood Farm and immigrationvisa247 will do the rest for you. Once you are in Panama, our consultants can advise you, how to buy a teak farm in Panama as well as negotiating the best price for the farm. The only thing you need to remember is that you need a minimum investment of \$80,000. in the Panama teak farm. Once you buy the teak farm, we will do the rest and get your residency card. We advise you to contact us before travelling to Panama and we can advise you of the documentation you need to bring with you.

In order to come to Panama, you need to get ***Panama Visa from Panama Consulate in India.*** You may contact nearest ***Panama embassy or consulate in India*** and apply for Panama Visa. You need to fill out the Panama visa application form along with paying a fee in order to get Panama Visa to enter Panama territory. One of the requirements of getting Panama Visa is to have a clean ***Police Report.*** You need to submit your police report along with fee, travel ticket, pictures, etc. when applying for Panama Visa. Normally your Panama ***Visa is valid for 90 days.*** Once you are in Panama, immigrationvisa247 attorneys and staff will assist to get your Panama residency card. Contact us for any details or if you have other question about Panama Reforestation Visa.

FREE CONSULTATION

GET IN TOUCH WITH US

WE ARE EXPERT IN PANAMA IMMIGRATION SERVICES

Wood Tax Laws

The National Environmental Authority (ANAM) and other Panama agencies set the fees and taxes as follows:

- Fee for the verification of the forestry inventory: US\$ 0.15 per hectare
- Fee for technical service: US\$ 10.00 to US\$ 15.00 per cubic meter
- Fee for transport permit: US\$ 1.00 per cubic meter (\$2.00 for renewal)
- Fee for use of land: US\$ 2.00 per hectare
- Fee for annual verification of the Management Plan: US\$ 300.00 per concession
- Municipal Tax: US\$ 2.50 to US\$ 6.00 per tree (depends on species)
- Export Tax: 1% of FOB Invoice

Panama Illegal Logging

In the event of illegal logging, i.e. without authorization of ANAM, a company or individual shall be punished in accordance with Articles 95 and 100 of the 1994 *Forest Law No. 1* as follows:

- Confiscation of wood, tools, machinery, equipment, and materials used directly in the commission of the offense
- Penalty up to fifty thousand dollars (\$ 50,000.00)
- Imprisonment of six (6) months to five (5) years, depending on the extent of damage caused.