

Translation

REPUBLIC OF PANAMA
MINISTRY OF COMMERCE AND INDUSTRIES
EXECUTIVE DECREE No. 274
of November 11, 2020

Whereby Executive Decree No. 35 of June 12, 2019 that establishes incentives to promote tourism applicable to passenger transport vessels (cruise ships) whose base port is in the territory of the Republic of Panama, is amended.

THE PRESIDENT OF THE REPUBLIC

in full use of his legal and constitutional powers,

WHEREAS:

Executive Decree No. 35 of June 12, 2019 established incentives to promote tourism for passenger transportation vessels (cruise ships) whose base port is in the territory of the Republic of Panama, consisting of bearing the payment of the cost of the toll corresponding to one (1) transit through the Canal, established in the official tariff of the Panama Canal Authority;

Through Executive Decree No. 73 of February 6, 2020, provisions are amended and added to Executive Decree No. 35 of June 12, 2019, incorporating in its Article 1 the conditions and percentages applicable to the incentive for reimbursement to cruise lines of the payment corresponding to the transit through the Canal, according to the rate established by the Panama Canal Authority;

The incentive offered for the year 2020 could not be materialized due to the health crisis caused by the COVID-19 pandemic, which caused the paralysis of the tourism sector worldwide, affecting the activity of cruise ships, which is expected

to be reactivated by the last months of 2020 and during 2021. Therefore, Executive Decree No.35 of June 12, 2019 needs to be amended as regards the percentage to be reimbursed as an incentive to the cruise ships that use Panama as a base port;

HEREBY DECREES:

Article 1. Article 1 of Executive Decree No. 35 of June 12, 2019 is hereby amended, which shall read as follows:

Article 1. An incentive for the promotion of tourism is granted to cruise lines that establish their base port in one of the ports of the Republic of Panama, consisting of the reimbursement of toll payment corresponding to one (1) transit through the Canal for each operation carried out by the cruise line with a base port in Panama, according to the official tariff in effect published by the Panama Canal Authority.

This reimbursement shall be made to the cruise line by the Panama Tourism Authority as indicated in Article 1-B of Executive Decree No. 35 of June 12, 2019.

The applicable reimbursement shall be defined in accordance with the following table of percentages, according to the date of operation of the cruise ship, provided that the cruise lines prove that a minimum of 80% of the passengers embarked are international:

1. Operations conducted between November 1 to December 31, 2020 and from January 1 to December 31, 2021 will be eligible for a 100% reimbursement of the toll payment.
2. Operations carried out during 2022 will be eligible for a 90% reimbursement of the toll payment,

- 3. Operations carried out during 2023 will be eligible for an 80% reimbursement of the toll payment,
- 4. Operations carried out during 2024 will be eligible for a 70% reimbursement of the toll payment,

Article 2. This Executive Decree amends Article 1 of Executive Decree No. 35 of June 12, 2019.

Article 3. This Decree shall become effective as of the date of its enactment.

LET THE ABOVE BE COMMUNICATED AND COMPLIED WITH.

Passed in the city of Panama, this eleventh (11th) day of November of the year 2020.

(There appears a signature)

LAURENTINO CORTIZO COHEN

President of the Republic

(There appears a signature)

RAMÓN MARTINEZ DE LA GUARDIA

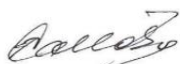
Minister of Commerce and Industries

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THE FOREGOING IS A TRANSLATION INTO ENGLISH OF THE DOCUMENT IN SPANISH WHICH WAS PRESENTED TO ME.

PANAMA, DECEMBER 18th 2020.

The translator is not responsible for the source or legality of the contents of the document.



ELSA E. CALLABA
 Traductor Público Autorizado
 Authorized public Translator
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