

tool in reaching and retaining any market, and this aspect should not be neglected. While English is widely understood in Panama, there is a distinct advantage in having such promotional material available in Spanish.

Price Quotations

International trade is invariably conducted in U.S. currency. All values must be clearly stated as F.O.B., C & F or C.I.F. All invoices must show the C.I.F. value (it is, as of late 1987, the basis for the assessment of Customs Duty). All charges must be clearly itemized.

Terms and Methods of Payment

Imports by the Panamanian Government and its agencies are generally settled on a cash or letter of credit basis, with any financing required being arranged through third parties, independently of the exporter.

Private sector imports are normally paid for through letters of credit or cash against documents. As an international banking centre, Panama enjoys the presence of branch offices of most large international banks, and there is usually little difficulty in finding appropriate banks through which letters of credit can be arranged.

Exporters considering payment options on particular sales, including the possibility of extending credit, may wish to contact the Commercial Division of the Canadian Embassy in Costa Rica for advice.

Banking System and Local Finance

Panama is an important international banking centre, hosting over 125 international banks, plus their branches. These banks provide financial services both within Panama and in Latin America generally. The Bank of Nova Scotia has been established in Panama since 1975, and is the only Canadian bank currently (February, 1988) operating in Panama under a General License, permitting banking activities both within and outside Panama.

Customs and Regulatory Information

(i) Customs Tariff

Panama's tariffs, on the whole, are moderate although rates on some luxury items, or items competing with