

Panama



SUMMARY OF FINDINGS

1. Industry Participation in Policy Development

The Central American and Caribbean Network for the Reduction of Health Risks and Harms welcomed the decision of the Supreme Court of Justice of Panama on April 30, 2024, which declared unconstitutional the ban on electronic cigarettes, vaporizers, and heated tobacco products imposed by Law 315 of 2022. However, Resolution No. 146 of January 31, 2025, acts as a mitigating measure by prohibiting the use, sale to minors, advertising, promotion, sponsorship, and propaganda of these and similar systems.

2. Industry CSR Activities

No evidence was found of the tobacco industry (TI) engaging in corporate social responsibility (CSR) activities or making monetary contributions related to environmental protection initiatives.

3. Benefits to the Industry

The TI in Panama follows general investment rules and benefits from tax incentives available to businesses. Although Panama has not had tobacco manufacturing facilities since 1999, the country's free trade agreements provide tariff exemptions that benefit the TI by allowing certain tobacco products to be imported without customs duties. Under agreements such as the Panama and Guatemala Tariff Reduction Schedule, some products, including cigarettes and tobacco-related items, receive immediate tariff elimination, while others, such as cigars and cigarillos, receive gradual tariff reductions over ten years.

4. Unnecessary Interaction

The Deputy Minister of Public Security attended a training session organized by Crime Stoppers Panama focused on the regional situation of illicit trade connected to corruption, money laundering, and organized crime, with particular emphasis on global cigarette smuggling. The Director General of Customs participated in a regional forum on "Hubs of Illicit Trade," where they interacted with representatives from Crime Stoppers and the Alliance Against Illicit Trade of Panama, both known to have links with the TI.

5. Transparency

There are no specific regulations requiring TI entities or front groups to register separately, so they follow the general rules of the public registry like any other company or organization. These entities can also participate in National Assembly commissions, where each party submits a list of accredited representatives depending on the topic under discussion during the first debate, which is open to organized groups and other stakeholders. Allied groups have been used to influence judicial processes, such as the lawsuit that led to the annulment of Law 315 being filed through affiliated organizations.



6. Conflict of Interest

There is no prohibition on donations from the TI to political campaigns, parties, or related organizations. In general, the Electoral Code provides for disclosure of who or which organizations finance the campaigns of political parties and candidates. Law 316 of 2022, which regulates conflicts of interest in the public service, has a mitigating effect, since candidates for popularly elected positions must disclose the list of donors, as well as any participation of family members in activities that could create conflicts of interest.

7. Preventive Measures

Public institutions in Panama do not have specific procedures for handling matters related to the TI. If such information is needed within a defined timeframe, it must be requested through the Habeas Data procedure under Law 6 of 2002. However, documents created in coordination with the TI are often treated as confidential, except for official regulatory documents such as laws, decrees, and administrative or judicial resolutions, which are mandatorily disclosed.

RECOMMENDATIONS

1. Sensitize the National Customs Authority and security agencies, including the National Border Service, the Financial Analysis Unit of Panama, and the Ministry of Security, on tobacco control.
2. Raise awareness and hold training seminars on TI interference versus scientific evidence in tobacco control in Panama. In addition, legislate specific measures to control CSR activities and ensure that regulatory authorities and the TI can interact only when strictly necessary for compliance with existing regulations.
3. Review trade agreements with Central America, especially with Guatemala and Honduras, which allow the entry of tobacco products without payment of import duties under categories A, C, and D of the Tariff Reduction Schedule of Panama. This should be reconsidered in light of the declaration of unconstitutionality of Law 315, which prohibited electronic nicotine delivery systems.
4. Establish a protocol and mechanism for the disclosure of interactions between regulatory authorities, including the Ministry of Health, National Customs Authority, Financial Analysis Unit of Panama, and Ministry of Security, and the TI. This will ensure transparency and facilitate access to industry-related data, enabling effective monitoring of regulatory actions. The Surveillance System for Tobacco Control in Panama should include a dedicated section that consolidates all regulatory legislation.