

Money/Tipping/Taxes

Money, Tipping and Taxes

Panama Currency

The Balboa along with the US Dollar is the official currency in Panama. You may see ?B/? or ?\$? on a restaurant menu or printed elsewhere. One Balboa equals one US dollar.

Panama also issues its own version of the US pennies, nickels, dimes, quarters and fifty cent pieces. Panamanian coins are the same weight, color and size as the U.S. coins and are used interchangeably here.

In 2012, Panama started issuing a one Balboa coin which equals one dollar. Just remember that all dollars and Balboas have the same value. Some will be in coins, some in US paper currency.

Here's a picture of the new Balboa coin:



Carry money on your body in several locations. Do not reach for a large wad of cash and bring as little as necessary. There are ATMs located by all the major banks in Boquete ? Banco Nacional, Global Bank, Banco General, Caja de Ahorros and Multibank. These banks are located within 6 blocks of each other in town.

ATMs ? "Cajeros Automáticos", look for the red "Sistema Clave" signs. Generally, they accept cards on most networks (Plus, Cirrus, MasterCard, Visa, Amex). There is a charge levied by your issuing bank. The amount that can be withdrawn, at one time, varies from bank to bank. You may want to check with your bank or credit card prior to leaving, but most normally allow \$500.00 a day.

Before you leave for your trip to Panama, call your bank and/or credit card companies of any card you plan on bringing and let them know the dates of your travel itinerary so they can note your account(s). You will be in for a rude awakening if you don't as your card will be flagged for fraud and you will not be able to use it, without making calls back home to straighten it out.

I suggest you don't bring any denomination of cash larger than \$20.00. Most places in Panama will not accept \$50.00 or \$100.00 bills. Make sure the money isn't written on or torn. Have smaller bills available to you as some small vendors or taxi drivers may not have the change needed.

For larger purchases, a major credit card will work fine here.

Currency Exchange

If you need to exchange foreign currency, do it at the Banco Nacional de Panama at Tocumen International Airport. The only other place in Panama City is a "casa de cambio" (exchange house). Trying to exchange money elsewhere in Panama may be futile.

Make sure you receive the exchanged money in small denominations of \$20.00 bills or less.

Travelers Checks

Travelers checks made out in anything other than US currency will not be accepted anywhere in Panama. Most places will not accept Travelers checks and the few banks that do accept them may only take American Express Travelers checks. These banks will charge a fee to cash these for you. Travelers checks are not recommended, bring a credit card instead.

Tipping

It is usual and customary to tip 10 percent in restaurants. Before you do, check your bill first to make sure the "propina" has not already been added to your check. Taxi drivers do not expect a tip. Special services such as porters at the airport expect a dollar a bag, as well as bellhops at hotels.

Others who perform services should be tipped at your discretion. Anywhere from 25 cents to a dollar will do, for something small.

Taxes

Panama's sales tax is called ITBMS (Impuesto a las Transferencias de Bienes Corporales Muebles y la Prestacion de Servicios) and is 7%. This tax applies to all goods and services except food, health services and medicine.

A 10% tax rate applies to hotel or other hospitality services and alcohol.

Tobacco products are charged at a tax rate of 15%.