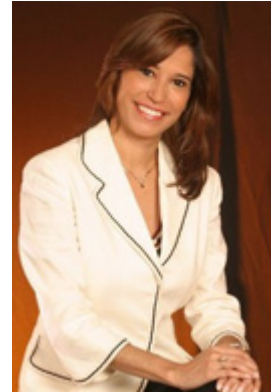


PANAMA

Marissa Lasso de la Vega
Alfaro, Ferrer & Ramirez
Avenida Samuel Lewis y Calle 54
Edificio AFRA
Panamá
Tel: +507 263 9355
Fax: +507 263 7214
Email: lassodelavega@afra.com
Website: www.afra.com



AFRA
Alfaro, Ferrer & Ramirez

Is there case law or any statutory regulation governing advertising and promotion incentives? Are there any special consumer protection laws? What role do free gifts, tie-in offers, sweepstakes, rebates and other benefits, play in this context?

Panamanian consumer protection legislation (Law 45 of 2007) contains provisions regulating advertising, basically requiring accurate and truthful advertising. There is a provision in said law stating that any information contained in advertising binds the offeror and becomes part of the sales or service contract. In connection with promotions and discount sales, the law mandates that the offeror indicate their duration or the minimum amount of units offered, and, as discount sales, to indicate the lowest price at which the item had been sold in the previous three months by the offeror in addition to the new discount price.

It should be noted that promotions marketed in Panama, involving chance (prices, raffles, etc.), must be previously authorized by the Gaming Board.

In your jurisdiction, are there any industry sectors which are subject to special regulations for advertising and promotion incentives (for instance the health products and pharmaceutical industries in some countries)? Please name applicable statutes and self-regulatory codes.

Advertising of pharmaceutical products is subject to a special regulation (Law 1 of 2001). Also, the advertising of tobacco is regulated (Law 13 of 2008) prohibiting, for example, advertising near schools and sporting events.

Does industry self-regulation replace or supplement government and legislative regulation of advertising and promotion incentives? Is self-regulation an effective tool?

To the extent there is some self-regulation, which in most cases is due to moral concerns, it is supplementary to government regulation.

To what extent do promotional incentives extended to staff in public institutions pose legal issues in your jurisdiction (i.e., paying for travel and accommodation costs on the occasion of conferences, personal entertainment, hidden education sponsoring, sponsoring of school snacks for promotional purposes)?

To the extent the offeror may be benefited in return, corruption issues under the Penal Code may arise. Consequently, before granting incentives to public institutions' personnel one should review the legal provisions to make sure the incentives may be legally granted.

Are there any formal disclosure requirements for promotional incentives (i.e., rule of separation of procurement from personal dealings, rules of employer consent requirements, written form requirements, adequacy of consideration granted for a service)?

The matter is not regulated, except for the requirement to obtain authorization from the Gaming Board in connection with promotions where chance is involved.