

## REVIEW OF THE ENTRY OF THE DÓLAR INTO PANAMA AS LEGAL CURRENCY

During our birth as an Independent Republic and throughout all our Republican history, Panama has been linked to the United States of America due to multiple reasons of economic nature. One of these, is the strategic economic union given our geographical position, which made the giant of the North our ally and major partner in the construction of the Panama Canal, nowadays considered one of the wonders of the modern world. From this economic reason, arose the uncontrollable necessity of having the dollar of the United States of America circulate as currency, something which has happened in an uninterrupted fashion up until the current date, and shoulder to shoulder with the Panamanian Balboa. Prove of this, is that Law N° 84 of June the 28<sup>th</sup>, 1904, published in the Official Gazette N° 33 of July the 5<sup>th</sup>, 1904, which set forth provisions regarding the legal currency, established in its article 1 the following:

*“The Monetary unity of the Republic of Panama shall be the Panamanian Balboa, this is a coin of gold of one gram six hundred and seventy two miligrams (1,672 gr.) of weight, and of nine hundred thousandths (0,900) of thin, divisible into one hundred cents (100,100).*

*Paragraph. The actual dollar of gold of the United States of America and its multiples, shall be of legal currency in the Republic for its nominal value equivalent to one Panamanian Balboa”.*

The Tributary Code of the Republic of Panama, adopted by means of Law N° 8 of January the 27<sup>th</sup>, 1956, published in the Official Gazette N° 12,995 of June the 29<sup>th</sup>, 1956, in its article 1171 is pointed out the adoption of the Panamanian Balboa as official currency and the United States of America’s dollar as legal currency with the value previously quoted.

With the passing of time and the installation of an International Banking Center in the Republic of Panama, the dollar has circulated as legal currency for its nominal value equivalent to one Panamanian Balboa more stronger than ever, taking on count that currently we have become in the the biggest and most trustworthy business and trading international center in Center and South America.

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**Bibliography:** Tributary Code, Official Gazette, consultations at the Superintendent’s Office of Banks, and consultations at the National Bank of Panama, which acts as Central Bank for the Panamanian Banking Center.