

Recent Central American Court Cases: Costa Rica, Guatemala, Panama

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Recent Court Decisions • The Valuation Engineer

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Notice to readers. These summaries are the Journal's own descriptions of court decisions and legal instruments, written for valuation professionals. They are not legal advice. Where the understanding of a decision or a provision is critical to a matter, the reader should consult the official text and obtain advice from a lawyer qualified in the jurisdiction concerned. Many of the sources were written in languages other than English and were read in machine translation, which can be in error; each such item is marked, and its original-language source is linked so that it can be checked.



Jurisdictions surveyed in this installment or in issue 1 are outlined and shaded.

Scope and Sources

This installment covers three Central American jurisdictions — Guatemala, Costa Rica and Panama — none of which was treated in issue 1. Its subject is how real property is valued there and how the law fixes that figure. Expropriation — the taking of private property by the state, what US practice calls eminent domain or condemnation — supplies the longest section: two investment-treaty awards against Guatemala, the Costa Rican separation of the administrative *avalúo* from the judicial *justiprecio*, and a Panamanian taking that has not yet been priced. It is not the boundary of the subject: the Guatemalan property-tax reform, the Panamanian transfer-tax base

and depreciable life, the base price at a Panamanian judicial sale, and the Costa Rican appraisal on division of marital property are treated below under their own headings.

Little of this is reported court decision. The two Guatemalan awards were read in English on Jus Mundi, and one decision of the Costa Rican Sala Constitucional is cited to the judiciary's own database (Nexus). The Panamanian Sala Tercera decision is known from the digest of the Procuraduría de la Administración, not from the judgment. The rest — the PCCP filing, the Guatemalan decree, the Panamanian auction base, the canal-port arbitrations and the Costa Rican family-law practice — rests on press reports or practitioner commentary, and is identified as such at the point of use. No figure should be cited from this installment without the source behind it.

Provenance. Material read in Spanish is marked at the point of use with a **Source** note linking the original. Anything this department says about such a decision is its own summary composed in English, not a translation of the court's words, and the Spanish edition of this journal must present these passages as editorial description and follow the link rather than rendering this English back into Spanish.

Expropriation, Eminent Domain, and Condemnation

Including inverse condemnation. Just compensation, larger parcel, severance, project influence, stigma, and reasonably probable future use.

Guatemala — the valuation date, and an inventory priced by assay

Kappes — fair market value agreed, everything else disputed. In an award of 23 December 2025 arising from the Tambor / La Puya mining claim, the parties agreed that the standard was fair market value and then disputed almost every input to it: the date at which value was to be fixed (*ex ante* 2016 against the date of the award), the gold-price path, discounted cash flow against sunk cost, and the pricing of a seized gold-concentrate inventory — which the claimant's expert valued as seized grams multiplied by spot price and by 83 percent payability. The tribunal dismissed the claim, which exceeded US\$400 million.

Energía y Renovación — a cost measure, less what was not mitigated. In an award of 31 March 2025 the quantum contest ran between the claimant's sunk costs of US\$146.8 million and the State's figure of US\$35.7 million. The tribunal worked from costs, deducted recoverable assets and taxes, and then reduced the result by 20 percent for failure to mitigate.

Implication for appraisers. Neither award is a parcel appraisal, and neither should be cited as one. What they carry is the date question in its purest litigated form — where the same asset yields materially different figures according to whether it is valued before the measure complained of or at the date of the award — and, in the concentrate inventory, an unusually explicit example of pricing stock by assay, spot and a payability factor rather than by comparison.

Verification note. The IUSI cadastral-tax reform (Decreto 18-2026) is carried under *Taxation* below, where it belongs. The referral of IACHR Case 13.550 (Maya Achí / Finca Buena Vista) to the Inter-American Court, reported 28 July 2026, concerns communal title and carries no published just-compensation figure. It is not carried as a valuation holding.

Sources — *Kappes* award (English): <https://jusmundi.com/fr/document/decision/en-daniel-w-kappes-and-kappes-cassidy-associates-v-republic-of-guatemala-award-tuesday-23rd-december-2025>; *Energía y*

Renovación award (English): <https://jusmundi.com/en/document/pdf/decision/en-energia-y-renovacion-holding-s-a-v-republic-of-guatemala-award-monday-31st-march-2025>; IUSI reform reporting: <https://www.riotimesonline.com/guatemala-property-tax-reform-45-towns-collected-nothing-in-2025/>.

Costa Rica — the administrative offer, and the court-appointed *perito*

Two valuations, and only one of them binds. The structure under the Ley de Expropiaciones, articles 21–22, 30 and 32, is the clearest *justiprecio* doctrine among the jurisdictions added this quarter. The administrative *avalúo* is the State’s offer, not the compensation. The owner has five business days to object. Where the objection is made, the judicial *justiprecio* is set by a court-appointed *perito*, and the appraisal is required to address topography, the condition and use of improvements, sales of neighboring property, commercial and industrial use, the rights of tenants, and encumbrances. The courts reject the proposition that an *avalúo* may lawfully be zero.

An illustrative deposit. The administrative file cited in material of the Procuraduría General de la República records a deposited offer of CRC 380.6 million, itemized as CRC 98.8 million for land, CRC 272.2 million for complementary works, and CRC 9.6 million for lease indemnities. The proportions repay notice: on that file the land was under a quarter of the offer.

Resolución 03364-2026 — constraint without a figure. On 28 January 2026 the Sala Constitucional decided a challenge to Decree 25902-MIVAH, the Gran Área Metropolitana special zone, after INVU refused subdivisions on planning grounds. The case is about the constraint on development rights rather than about quantum: the value consequence is real but implicit, and no sum was awarded.

Implication for appraisers. Costa Rica separates the two appraisals institutionally in a way many systems do not, and the separation is the practical lesson. An administrative *avalúo* prepared as an offer and a judicial *justiprecio* prepared by a court’s own expert are different instruments with different audiences, and the statutory checklist for the second is unusually explicit — tenant rights and encumbrances are named heads, not adjustments left to the valuer’s (appraiser’s) discretion.

Verification note. No Costa Rican decision of 2025–26 rewriting the sales-comparison and cost mix was located. The live contest remains the administrative *avalúo* against the judicial *perito*.

Sources — Sala Constitucional, Resolución 03364-2026 (read in Spanish): <https://nexuspj.poder-judicial.go.cr/document/sen-1-0007-1362426>; on an *avalúo* of zero: <https://nexuspj.poder-judicial.go.cr/document/sen-1-0007-1062912>; PGR *justiprecio* file (Spanish): https://pgrweb.go.cr/scij/Busqueda/Normativa/asunto_cons/asu_informe_pgr.aspx?ContInforme=0¶m1=AIP&nValor1=1¶m5=18-016832-0007-C0¶mInf=1&strTipM=IP1; practitioner guidance (Spanish): <https://www.corporaciongc.com/articulos/expropiacion-costa-rica-derechos>.

Panama — a taking the owner contests, and *peritos* kept out

PCCP against Decreto Ejecutivo 90. Panama Colon Container Port (PCCP), the former concessionaire of the Isla Margarita container port, filed on 19 December 2025 in the Sala Tercera of the Corte Suprema against Decreto Ejecutivo 90 of 20 October 2025, by which the Presidency ordered the expropriation of forty-one *fincas* on the island. The valuation interest lies in where the pricing has stalled. *La Prensa* reports that PCCP itself had prevented the *peritos* of the Ministerio de Economía y Finanzas and of the Contraloría General from entering the area, and that the amount of the indemnity the State will have to pay is not known. The decree ordered the taking; the owner challenging it is reported to have kept the State’s valuers off the land, and no figure exists.

Implication for appraisers. If the report is accurate, the obstruction here runs from the owner, not from the State. An owner who contests the legality of a taking may see the State's appraisal as a step in the very process under challenge and refuse to cooperate with it; the cost of that position is that the indemnity stays unquantified while the challenge is heard. Where the appraisal cannot be made, the date of value drifts, and every month of drift is a question about which market the eventual figure will be drawn from. The report does not say who is in possession of the *fincas*, and nothing is assumed here on that point.

Verification note. No published Panamanian *justiprecio* judgment of 2025–26 fixing expropriation compensation was located in open sources. The 13 May 2026 decision of the Primer Tribunal Superior dismissing *amparos* against Acuerdo Municipal 270 leaves the San Francisco local land-use plan standing; zoning of that kind is value-determinative, as the Chilean material in this issue's Recent South American Court Cases (C7) shows, but the court decided no figure. Criminal *comiso* of residences under Operación Génesis is forfeiture rather than valuation. Neither is carried. The PCCP matter above is reported from a single press investigation; the filing itself was not read, and no judgment or appraisal has issued. The canal-port concession arbitrations are noted under *Partnership, Shareholder, and Buy-out Disputes* below, where the value in issue is that of a concession rather than of land.

Sources — PCCP against Decreto Ejecutivo 90, *La Prensa* unidad investigativa (read in Spanish): <https://www.prensa.com/unidad-investigativa/la-antigua-concesionaria-del-puerto-de-isla-margarita-demanda-el-decreto-de-expropiacion-que-ordeno-la-presidencia/>; PLOT San Francisco / Acuerdo 270 (Spanish): <https://enmayuscula.com/generales/210438-tribunal-rechaza-recursos-contras-el-plot-de-san-francisco-y-deja-en-firme-el-acuerdo-270>.

Taxation

Ad valorem assessment appeals, current use against highest and best use, special-purpose and utility property, estate and gift tax, and conservation-easement valuation.

Guatemala — the IUSI set to nothing. Decreto 18-2026 of 28 August 2026 sets the IUSI rate to zero on residential and mixed-use property and resets the commercial rates. The reform is legislative and changes who pays rather than how a court appraises; it is recorded here because it removes, at a stroke, the principal occasion on which Guatemalan residential property was valued at all. Forty-five municipalities are reported to have collected no IUSI whatever in 2025, which suggests the cadastral record in much of the country was already notional.

ITBI — the greater of deed price and cadastral value. Transfer tax in Panama runs at 2 percent of the greater of the price stated in the deed and the *valor catastral*. That embeds a cadastral-against-contract rule in every closing. It is fiscal rather than a judicial appraisal holding, but it is the rule a Panamanian valuer meets most often.

Adama Real State v DGI — a floor under the depreciation life. The Sala Tercera of the Corte Suprema decided on 22 July 2025 that the depreciable life of real property may not be shortened below thirty years, applying article 52 of Decreto Ejecutivo 170 of 1993. The holding is fiscal in origin and directly methodological in effect.

Implication for appraisers. This is the Panamanian decision of the period that reaches an appraisal input rather than a transaction. A cost approach proceeds by deducting accrued depreciation from

replacement cost, and the rate of that deduction follows from the life assumed. Where the tax authority and now the court hold a thirty-year floor, a Panamanian report that assumes a shorter economic life for the improvements is asserting something the Sala Tercera has declined to accept, and should say why. The point generalizes: a depreciation life is not a neutral technical parameter but a contested one, and it is contested here in the only forum that has ruled on it.

Source — Guatemala Decreto 18-2026, press report (English): <https://www.riotimesonline.com/guatemala-usi-property-tax-homes-foreign-owners-2026/>; ITBI, practitioner guidance (English): <https://www.panamaprop.com/en/blog/fin-itbi-vivienda-nueva-panama-2026>; *Adama Real State, S.A. v DGI*, Sala Tercera, 22 July 2025, Procuraduría de la Administración digest (read in Spanish; the judgment itself was not read): <https://jurisis.procuraduria-admon.gob.pa/tag/bienes-inmuebles/>.

Lending, Foreclosure, and Mortgage Regulation

Origination and refinance appraisals, GSE, FHA and FIRREA independence rules, deficiency actions, and what loss the valuation actually caused.

Panama — Ley 415 of 2023 against the new Code. The live Panamanian valuation question of 2025–26 is not expropriation quantum but the base price at a judicial sale. Ley 415 of 22 November 2023 amended the Código Judicial so that the court fixes the base from the market value of the property, on *avalúos* filed by the parties. The Código Procesal Civil (Ley 402 of 9 October 2023), in force from 9 October 2025, is described in practitioner commentary as taking for the base the sum the parties fixed in the mortgage deed, and, where none was fixed, the higher of the cadastral value and a judicial *avalúo* made with *peritos*. Which of the two governs a given sale is the practical “which number do we use” dispute. Neither statute was read in its official text for this entry, and no decision applying the new rule was located.

Source — Ley 415 of 2023 (official text, Spanish; located, not read in full): <https://www.css.gob.pa/wp-content/uploads/2024/02/Ley-415-de-2023-remates-judiciales.pdf>; J. Baso, “Elementos novedosos en los remates judiciales en el nuevo Código Procesal Civil”, IPAL, 14 August 2024 (read in Spanish): <https://www.ipal.com.pa/post/elementos-novedosos-en-los-remates-judiciales-en-el-nuevo-c%C3%B3digo-procesal-civil>.

Valuer and Appraiser Professional Liability

Negligence, breach of contract, and rarely fraud against the appraiser; bracket and margin of error, intended use, and USPAP compliance.

No decisions in this category this quarter.

Family Law, Divorce, and Equitable Distribution

Date-of-value contests, discounts, and whether a contemplated subdivision or development is reasonably probable.

Costa Rica — the *gananciales* appraisal. No named quantum decision of 2025–26 was located. What the period supplies is settled practice, and the practice is specific enough to report: under articles 41 to 54 of the Family Code the division of *gananciales* proceeds on a judicial *avalúo* performed by a professional enrolled with the Colegio Federado de Ingenieros y de Arquitectos.

The worked example in the practitioner literature is a house at US\$220,000 against a mortgage of US\$50,000, dividing at US\$85,000 each.

Implication for appraisers. Two features distinguish this from the US pattern. The appraiser is appointed by the court from a professional register rather than retained by a party, so the contest between competing opinions that drives most American divorce valuation does not arise in the same form; and the deduction of the encumbrance is worked into the division rather than argued over, which forecloses the debate about whether the debt or the equity is the marital asset. Where the appraisal is single and court-appointed, the argument migrates from the value to the date, and Costa Rican practice is thin on the date.

Source — Costa Rican practice on the *avalúo* for divorce and separation of property (read in Spanish): <https://www.diazperitajes.com/blog/avaluo-para-divorcio-separacion-bienes/>.

Estate, Trust, and Probate

Date-of-death value, lack-of-control and marketability discounts, and mixed real-estate and business interests.

No decisions in this category this quarter.

Partnership, Shareholder, and Buy-out Disputes

Fair value against fair market value, and whether an asset or cost approach is appropriate when the real estate is an operating asset.

The canal-port concessions, noted. In January 2026 the Corte Suprema declared unconstitutional the 1997 concession under which Panama Ports Company (PPC), a CK Hutchison subsidiary, operated the ports of Balboa and Cristóbal, and in February the State took control of both terminals. PPC is pursuing a contractual arbitration under the rules of the International Chamber of Commerce, in which its claims are reported to exceed US\$2 billion; on 20 August 2026 CK Hutchison announced a separate investment-treaty arbitration claiming more than US\$1.5 billion.

Not real property — this decision measures the value of a port concession. It is carried for its reasoning on the measure of value, not as authority on the appraisal of land and improvements.

The measure a tribunal would apply is not yet known: no award, and no pleading on quantum, has been published. The questions such a claim raises — the income of an unexpired term, and the weight to be given a renewal expected but not secured — are the concession form of ones a valuer meets on any leasehold or option. No figure is adopted here, and the matter is reported from press accounts only.

Source — Press reports (read in Spanish): <https://www.panamaamerica.com.pa/economia/hutchison-inicia-arbitraje-contrapana-y-reclama-mas-de-1500-millones-por-salida-de-dos>; <https://www.laestrella.com.pa/mundo/ck-hutchison-comienza-arbitraje-contrapana-y-reclama-mas-de-1500-millones-AE25035036>.

Insurance, Casualty, Environmental Diminution, and Private Contract Damages

Before-and-after value, cost to cure against stigma, wildfire and contamination, insurance appraisal clauses, options, and partition.

No decisions in this category this quarter.