

**REPUBLIC OF PANAMA  
SUPERINTENDENCY OF BANKS**

April 4, 2006  
FECI CIRCULAR No. 001-2006

General Manager  
IN YOUR OFFICE

Ref.: Article 16 of Executive Decree No. 177  
of December 9, 2005.

Dear General Manager:

We make reference to the financing approval of bonds and securities stipulated in Article 16 of Executive Decree No. 177 of December 9, 2005, whereby numeral 5 of Article 13 of Executive Decree No. 29 of August 8, 1996 was modified, which reads as follows:

*"Article 13: It is expressly understood that the following are not subject to withholding:*

*5. Inter-bank loans, internal loans, and loans granted to financial entities that are regulated by Law 42 of 2001. Likewise, the financing through the issue of bonds and securities duly registered before the National Securities Commission will not be subject to withholding.*

*The financing through the issue of bonds and securities, approved before Law 6 of 2005 goes in effect will not be subject to withholding."*

In this regard, and heeding the clarification requested by this Superintendency, we let you know that the Ministry of Economy and Finances has sent us note No. DGI-201-01-204 of March 8, 2006, which is self-explanatory.

Page 2 of 2  
FECI CIRCULAR No. 001-2006

Without anything else in particular, we remain yours.

Attentively,

Delia Cardenas  
Superintendent

Attachment: Copy of Note No. DGI-201-01-204 of March 8, 2006 of the Ministry of Economy and Finances.

/is