

Republic of Panama
Superintendency of Banks

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August 9, 2000

CIRCULAR No. 038-2000

General Manager
In Your Office.

Dear Manager, Sir:

During the weeks just elapsed, users of banking services have repeatedly expressed before this Superintendency of Banks that they are not pleased with the banks established in Panama because of the rejection of one hundred (100) US dollar bills to which they say they have been subject.

In their turn, commercial establishments and other companies invoke the opposition of banks to receive from them one hundred (100) dollar bills as an explanation of rejecting said bills subsequently from their customers.

It corresponds to each Bank to assume a role of support of the free and fluid circulation in Panama of US dollar bills, as a way to secure at all times the recognition of the legal tender of this currency in our country.

Any measure of attitude of Banks to the contrary shall delay dangerously the re-establishment of the full public confidence in the only paper currency legal tender in Panama and shall provoke the distrust to extend even to lower denominations.

We consider that it is not justified at all running the risk of serious effects originated by this situation for our economy and social organization for a minute amount of money involved in the averted forfeiture in connection with the dollar amount usually circulating in our country for already one century.

The Superintendency of Banks considers that the complaints of users against banks that reject legitimate bills find legal ground in Article 1171 of the Fiscal Code and so they shall be attended and solved, and for this reason, banks are exposed to the civil consequences caused by their improper rejection, without prejudice of the sanctions that may be applied by the Superintendency on its part.

We reiterate though, in accordance with Article 1171 of the Fiscal Code, no bank may reject legitimate US dollar bills, of any denomination whatsoever, under the pretext of protecting themselves against the circulation of false bills should not, nor have they to affect the other bills or the Panamanian monetary system, source, in addition, of stability and development of the country since the beginning of the Republic.

Confident in your attention to this matter, we remain,

Yours truly,

[Illegible signature]
Delia Cárdenas
Superintendent

[Round seal] REPUBLIC OF PANAMA – SUPERINTENDENCY OF BANKS –
Superintendent's Office [National emblem of the Republic of Panama]

THE ABOVE IS A FAITHFUL TRANSLATION OF THE ORIGINAL DOCUMENT IN
SPANISH PRESENTED TO ME. Panama, May 29, 2003. Mireya Delgado Debali,
Certified Public Translator, Resolutions No. 209 and 304.