

September 21, 2012
Circular No. SBP-FECI-0087-2012

General Manager

Subject: [Amendment to the FECI System. Law 42 dated 7 August 2012 \(General Provisions on Maintenance/Child Support\)](#)

Dear General Manager:

We hereby wish to inform you that by means of Law 42 dated 7 August 2012, enacted on 9 August 2012, a new exemption has been introduced to the application of the FECI System's 1% withholding.

For further reference, we quote Article 13 of the above Law, since it is the regulation by which the FECI system is effectively amended:

“Article 13. Required to provide Sustenance. The following individuals are reciprocally required to provide Sustenance according to the provisions of this Law:

1. The spouses.
2. The ancestors and descendants to the second degree of consanguinity or adoption.

In the case of ancestors, they will only be required to provide Sustenance when the person that should do it in the first instance according to the provisions of the previous article is dead, his/her whereabouts are unknown, he/she is seriously ill, has a profound disability or is imprisoned and has no funds to use in compliance.

3. Siblings are required to provide sustenance only to cover the basic economic necessities of the person that should receive them, as long as they are minors or adults with disabilities making it impossible for them to hold a job and satisfy their own needs.

Loans applied for by grandparents to cover Maintenance/Child Support according to the provisions of subparagraph 2 or to assist with the expenses of their children will be exempted from the payment to the Special Interest Compensation Fund.” (Emphasis supplied).

We would greatly appreciate your providing instructions to your staff for their compliance with this Circular.

Best regards,

Alberto Diamond R.
Superintendent

Enc: To see the complete document, please visit the following URL address:
http://www.asamblea.gob.pa/APPS/LEGISPAN/PDF_NORMAS/2010/2012/2012_596_1835.PDF

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