



May 14, 2013  
Circular No. SBP-FECI-0062-2013

General Manager

Subject: Loans granted to micro businesses registered  
with the Micro, Small and Medium Enterprise  
Authority (AMPYME)

Dear General Manager:

We hereby reiterate that pursuant to Article 9 of Law 4 of 1994, personal and commercial loans granted to micro-businesses, whether they belong to a natural person or a legal entity, are exempt from the application of Article 8 of this Law as long as they can show that they are registered with and certified by the Authority.

Micro-businesses are understood to be those "economic units, whether formal or informal, generating annual gross or invoicing income up to the amount of one hundred fifty thousand balboas (B/.150,000.00)". (Law 8 dated 29 May 2000 "The Micro, Small and Medium Enterprise Authority).

By virtue of the foregoing, loans granted to micro-businesses registered with AMPYME are exempt from the 1% withholding required by the FECI System.

Each Bank must ensure that these micro-businesses comply with these criteria throughout the period of the loan for the purposes of the 1% FECI System withholding exemption.

We would greatly appreciate your providing your staff with the necessary instructions for compliance with the provisions of this Circular.

Best regards,

Alberto Diamond R.  
Superintendent

/cga