



June 4, 2014
Circular N° SBP-FECI-0065-2014

General Manager

Subject: [Articles 10 and 19 of Decree Law 29 of 1996, amended by Executive Decree 181 of 2014.](#)

Dear General Manager:

We deem it appropriate hereby to make some clarifications regarding the amendment of Articles 10 and 19 of Executive Decree 29 of 1996, the regulation for the FECI System.

According to Executive Decree 181 of 2014, enacted on 30 April 2014, Articles 10 and 19 of Executive Decree 29 of 1996 were amended as follows:

“Article 10:

The percentage referred to in the previous article will be included and withheld to the extent that banks and finance companies charge their borrowers the interest for the loan granted, and the sum will be remitted to the Superintendency of Banks of Panama within the first ten (10) days of the following month. In the case of interest recovery procedures executed at the time the loan is granted, the withholding will be made at that time and the total sum withheld in advance must be remitted to the Special Interest Compensation Fund (FECI, for its acronym in Spanish).

For the purposes of this regulation, it is expressly understood that interest was collected at the time the loan was granted if the amount of money received by the borrower, plus the amount of refinancing granted in his/her favor – if any, – plus the amount of payments to third parties to cancel the borrower’s debts – if any – is less than the amount used as the basis for calculating the interest.”

“Article 19:

The early satisfaction of loans that were subject to the application of withholding will result in the reimbursement of the sum paid by virtue of that application, in the event that that amount was fully withheld and remitted in advance.”

In this sense, we inform you that in the case of all loans granted, and that will be granted by banks and financial entities on or after 30 April 2014 using the advanced deduction methodology for the calculation of interest, the full amount withheld for the 1% of FECI must be remitted in advance. Additionally, in the case of early satisfaction of loans granted on or after April 30, 2014 and on which advance withholding was made, the amount paid in excess to the Superintendency of Banks must be reimbursed.

“Velando por la solidez del Centro Bancario Internacional”

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

Sincerely,

Alberto Diamond R.
Superintendent

Enc.: URL address where you can access the referenced Decree
http://www.asamblea.gob.pa/legispan/pdf_gacetas_digi/2010_gacetas_digi/2014_gacetas_digi/2014_27524.pdf

/rg

TRANSLATION