



May 6, 2015
Circular N° SBP-FECI-0069-2015

General Manager

Subject: Detail of the FECI 1% withholding for April
2015 (submitted in May)

Dear General Manager:

We wish to inform you hereby that pursuant to the provisions of Article 2 of Law 4 of 1994, amended by Law 15 of 2015:

Article 2. For interest rates on domestic personal and commercial loans greater than five thousand balboas (B/.5,000.00) granted by banks and finance entities as of the enactment of this Law, a sum equivalent to an annualized one percent (1%) of the amount of the loan used for calculation of interest will be included and withheld. This withholding will also be applied to financial factoring agreements, with one percent (1%) withholding being applied to the total amount of the invoice transferred by the transferor to the financial entity.

Fifty percent (50%) of the amount will be remitted to the National Treasury to pay for preferential interest rates on the preferential mortgage loans referred to in subparagraph e of Article 2 of Law 3 of 1985, 12.5% will be remitted to the Agriculture Development Bank, 12.5% will be remitted to the Ministry of Agriculture, 5% to the Institute of Agricultural Insurance and the remaining 20% will be remitted to the Special Interest Compensation Fund that will be administered by the Superintendency of Banks of Panama...

Considering the foregoing, we request banks and finance entities submit a report on the distribution of the amount collected for the FECI 1% for April 2015, i.e. the amount reported in May. This report must contain the following information:

- Withholding collected from April 1 to 23, 2015.
- Withholding collected from April 24 to 30, 2015.
- Total withholding collected in April 2015.

.../...

For timely compliance with this Law, that information must be submitted to the Superintendency of Banks along with the FECI Form submitted in May 2015 within the period indicated in the FECI Calendar.

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

Best regards,

Ricardo G. Fernandez D.
Superintendent

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TRANSLATION