

TRANSLATION



Panama, April 13, 2016

DGCI-AL-186-16

Mr. RICARDO J. FERNANDEZ D.
Superintendency of Banks
Republic of Panama

Dear Mr. Superintendent:

With our warm regards, we wish to inform you that due to technological problems with the “*Panamá Emprende*” Computer System (a technology tool that facilitates the production of notices of operation for the initiation of industrial and commercial activities within the Republic of Panama), we were forced to implement a contingency plan in August 2015 while the System damage was being fixed. Consequently, we issued Resolution No. 23 dated 6 August 2015, published online in Official Gazette No. 27841-B dated 7 August 2015 (enclosed), temporarily authorizing the manual validation of the “Notices of Operation,” as a response to the individuals and legal entities that wished to initiate industrial or commercial operations within the Republic of Panama.

In connection with the above, we respectfully request you issue a notice to the banks running operations in our territory, requesting they take notice of this situation and accept the validity of these “Provisional Notices of Operation” which, to date, have not been registered on that platform. This request is made because we are currently coordinating with the different entities for the recognition of the payments made by the users and/or businessmen that were required to process temporary notices, as well as their date of commencement of operations.

Once these notices are registered on the platform known as “*Panamá Emprende*,” we will formally notify you.

Yours truly,

(illegible signature)
Mr. ADBUL A. GUERRA
Director General of Domestic Trade

AAG/irg

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REPUBLIC OF PANAMA MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION No. 23 Dated 6 August 2015

“Whereby the temporary manual validation of the Notice of Operation is authorized and this power is delegated to the National Director of Trade, the National Director of Domestic Trade and the Provincial and Regional Directors of the Ministry of Commerce and Industry.

THE MINISTER OF COMMERCE AND INDUSTRY
in use of his legal powers,

WHEREAS:

By means of Law 5 dated 11 January 2007, whereby the process for opening businesses is streamlined and other provisions are prescribed, established that any individual or legal entity may conduct commercial or industrial activities within the national territory by electronically communicating the commencement of the activity through the *PANAMAEMPRENDE* system;

The Notice of Operation is the only process required for commencing a commercial or industrial activity within the Republic of Panama except for those requiring previous actions or permits by law or special regulation;

The computer system administered by the Ministry of Commerce and Industry that automates the process for notifying the State on the commencement of any commercial or industrial activity and obviating the need for the entrepreneur to provide any additional operating requirement, is facing operational problems related to individuals and legal entities whose identification number includes the prefix NT. This prevents the system from meeting the provisions of Law 5 dated 11 January 2007;

As long as the problem persists and until the failure in the generation of the Notice of Operation by the *PANAMAEMPRENDE* automated system is fixed, it is necessary to establish a temporary mechanism for the MINISTRY OF COMMERCE AND INDUSTRY to validate the Affidavit submitted by the petitioner when he/she announces the commercial or industrial activity he/she proposes to conduct,;

The MINISTRY OF COMMERCE AND INDUSTRY, as administrator of the *PANAMAEMPRENDE* system, is responsible for providing alternatives for the applicants

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without placing additional requirements on the entrepreneurs and delegating the authority to the officials of the Ministry of Commerce and Industry of Panama to validate the Affidavit submitted by the petitioner through the Notice of Operation generated by the *PANAMAEMPRENDE* system;

Article 8 of Decree Law 6 dated 15 February 2006 establishes that the Ministry of Commerce and Industry may delegate the execution of its duties to Vice Ministers, according to branch, to the Chief of International Trade Negotiation, to the Secretary General or the Directors of the Ministry, unless there are issues that must be submitted to the President or Vice President of the Republic or the Cabinet Council for concurrence, approval or information;

In connection with the above, it is necessary to delegate the authority to provisionally validate the Notices of Operation to the National Director of Trade, the General Director of Domestic Trade and the Provincial and Regional Directors of the Ministry of Commerce and Industry until the *PANAMAEMPRENDE* system begins to function properly;

RESOLVES:

ONE: To authorize, as long as the requirements established in existing legislation have been met, the manual validation of the Notice of Operation of individuals and legal entities whose identification numbers include the prefix NT and who wish to generate a new Notice of Operation but are experiencing problems, and to delegate this authority to the National Director of Trade, the National Director of Domestic Trade and the Provincial and Regional Directors of the Ministry of Commerce and Industry.

TWO: To authorize temporary measures for processing the payments usually made through the *PANAMAEMPRENDE* system, in coordination with the entities involved.

THREE: To advise the petitioners that the application for the validation of the Notice of Operation must be submitted to the General Directorate of Domestic Trade or to the Provincial Directorates of the Ministry of Commerce and Industry and constitutes the applicant's sworn Affidavit as defined in Article 5 of Law 5 dated 11 January 2007 and other existing legislation.

FOUR: To order the General Director of Domestic Trade to generate the forms necessary for the manual submittal of the Notice of Operation with the proper format for an Affidavit conforming to the requirements in Law 5 dated 11 January 2007, amended by Law 2 dated 5 February 2013.

FIVE: To order the General Director of Domestic Trade and the Chief of the Information Technology Unit to coordinate, as necessary, with the General Revenue Office, the Social Security Administration, the Banco Nacional and any other government agency associated with or that may be affected by this decision.

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SIX: The temporary Notices of Operation manually validated by the directors indicated in Article One herein will be valid as long as the problem with the *PANAMAEMPRENDE* system persists.

SEVEN: To advise the interested parties that once the system is reset, they must log the data into the information system within thirty (30) days of the formal notification that the system has been reset. For the purposes of this notification, the applicants for the Notices of Operation that will be temporarily validated by the above directors must include their e-mail address in the application. If the applicant fails to do so, or if the applicant changes his/her e-mail address without notifying the MINISTRY OF COMMERCE AND INDUSTRY, the notification will be considered valid on the day following its last posting by the MINISTRY OF COMMERCE AND INDUSTRY in three (3) newspapers of national circulation and on its website for five (5) consecutive business days.

EIGHT: The delegation granted herein will be rescinded on the date the *PANAMAEMPRENDE* electronic system is reset.

NINE: This Resolution enters into effect on Monday, 10 August 2015.

FOUNDATIONS: Law 55 of 1977 and its amendments, Law 5 of 2007 and its amendments, Decree Law 6 of 2006, and other related provisions.

FOR PUBLICATION AND ENFORCEMENT.

(original signed)

NESTOR GONZALEZ

Minister of Commerce and Industry in charge

Ministry of Commerce and Industry
Certifies that the above is a faithful copy of
the original

Panama, 6 August 2015

(original signed)

Secretary General