

April 1, 2022
Circular N° SBP-DJ-0031-2022

General Manager

Subject: Extension Application Form, according to Article 27 of Banking Rule 4-2013, Circular SBP-DR-0249-2020 dated July 29, 2020, and General Resolution SBP-RG-0009-2020 dated 20 November 2020

Dear General Manager:

We refer to Banking Rule 4-2013 dated 28 May 2013 “Whereby provisions on credit risk management inherent in credit portfolio and off-balance sheet transactions are established,” Circular SBP-DR-0249-2020 dated July 29, 2020, and General Resolution SBP-RG-0009-2020 dated 20 November 2020 “Whereby the parameters and guidelines that will be considered for the submittal of extension application forms for the write-off of operations referred to in Article 27 (1) of Rule 4-2013 are established.”

In view of the foregoing, the Superintendency of Banks reiterates to banks that, in the event of submitting an extension application form, pursuant to the provisions of Article 27 of Banking Rule 4-2013, they must make sure of attaching to the extension application form the Excel file, enclosed to Circular SBP-DR-0249-2020 dated July 29, 2020, which 22 cells must be filled out completely.

The documents listed below must be attached to the Excel spreadsheet in PDF format:

1. Copy of the appraisal sheet where the value of the property is shown.
2. Copy of the page containing the appraisal date and the appraiser signature
3. Legal status of the process on the date of the application and evidence thereof. (An updated copy of the legal status of the judicial process must be provided. Similarly, the status of the collateral must be verified, ensuring that they have not been awarded to be bank and/or a third party).

Banks are also required to verify, prior to submitting the application, the provisions of Article 3 of General Resolution SBP-RG-0009-2020 dated 20 November 2020, which establishes the parameters to deny an extension request for the write-off of operations. Banks are reminded of that, according to regulations, extension applications that are submitted after the two (2) year term, referred to in Banking Rule 4-2013, will be denied.

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In connection with the aforementioned, please bear in mind that the extension application form along with the documentation described above must be sent via e-mail: superbancos@superbancos.gob.pa

We would greatly appreciate your informing your staff of the provisions of this Circular.

Best regards,

*Digitally signed by [S]
NAME CASTILLO CHANG,
AMAURI ARIEL – ID 8-238-386
Date: 2022.04.01 16:35:54 - 05'00'*

Amauri A. Castillo
Superintendent