

June 12, 2023  
Circular No. SBP-DR-0039-2023

General Manager

Subject: Rule 3-2023

Dear Sir/Madam,

We would like to inform you that the Superintendency of Banks of Panama has issued Rule 3-2023, dated 6 June 2023, titled "Amendment to Article 37 of Rule 4-2013 on credit risk."

Through this Rule, a special prudential criterion has been established for the constitution of the dynamic provision of the branch offices of foreign banks, where at least 85% of their funding comes from their parent companies. Therefore, these bank branch offices must always maintain a dynamic provision of no less than 1.25% of their risk-weighted assets. Consequently, the requirement to maintain a dynamic provision exceeding 1.25% of their risk-weighted assets will not apply to these banks.

The Rule will become effective upon enactment. However, the amendments introduced by this Rule will be applicable starting on 31 March 2024.

Attached, you will find a copy of the Rule, and its contents are available for reference on our website at [www.superbancos.gob.pa](http://www.superbancos.gob.pa) under the "Regulatory Framework" section.

We kindly request that you to provide the necessary instructions to your staff to ensure compliance with these provisions.

Best regards,

*Digitally signed by [S]*  
NAME CASTILLO CHANG,  
AMAURI ARIEL – ID 8-238-386  
Date: 2023.06.12 14:33:14 - 05'00'  
Amauri A. Castillo  
Superintendent

Enc.: Rule 3-2023

ARV/vc