



Republica de Panamá
SUPERINTENDENCIA DE BANCOS

GENERAL RESOLUTION No. 3-2000

THE SUPERINTENDENCY OF BANKS in the exercise of its legal powers, and

WHEREAS:

In accordance with Article 141 of Decree Law No. 9 of 26th February 1998 [Banks] are under an obligation to provide their customers with information on the Effective Interest Rate and the nature of the product;

In accordance with Article 53 of Decree Law No. 9 of 26th February 1998 Banks must indicate the effective interest rate on their operations, for both loans and deposits, if they refer to interest rates in their advertising material;

Agreement No. 1 of 27th April 1993 of the National Banking Commission laid down provisions applicable to the disclosure of the Effective Interest Rate in Banks' contracts and advertising material;

The Superintendency is aware that fixed term deposit contracts are being promoted and/or entered into, with Banks offering returns which are expressed by reference to stock market indices or other indices, and

In accordance with Article 17 Point 28 of Decree Law No. 9 of 26th February 1998, the Superintendency is responsible for ensuring that Banks provide their customers with information that guarantees that there is full transparency in banking transactions.

RESOLVES:

ARTICLE 1: Banks shall indicate in contracts for Fixed Term Deposits which are offered by reference to stock market indices or other indices what is the nature of the product in banking terms, in order to prevent confusion about the form of legal regulation which is applicable to the said product and must state the resulting Effective Interest Rate.

ARTICLE 2: If the offer referred to in the previous article is publicly announced or is promoted in advertising material, the Bank must indicate at the same time and with similar relevance the Effective Interest Rate which results and the period to which it corresponds, that is to say whether the period is annual, half-yearly, monthly or of any other duration.

Issued in Panama City on the twenty third (23rd) day of the month of June two thousand (2000).

LET THIS GENERAL RESOLUTION BE NOTIFIED, PUBLISHED AND COMPLIED WITH.

THE SUPERINTENDENCY OF BANKS

Delia Cárdenas