

Republic of Panama
Superintendency of Banks

GENERAL RESOLUTION SBP-RG-0191-2019
(dated 14 October 2019)

“Whereby the measures that banks must implement to participate in the Real-Time Gross Settlement (RTGS) System are adopted”

THE SUPERINTENDENT OF BANKS
in use of his legal powers, and

WHEREAS:

Due to the issuance of Decree Law 2 dated 22 February 2008, the Executive Branch re-edited Decree Law 9 dated 26 February 1998 and all its amendments as a consolidated text, and this text was approved by means of Executive Decree 52 dated 30 April 2008, hereinafter referred to as the Banking Law;

Pursuant to the provisions of paragraph 2 of Article 5 of the Banking Law, strengthening and fostering favorable conditions for the development of the Republic of Panama as an international financial center is an objective of the Superintendency of Banks;

Subparagraph 24 of Article 16 of the Banking Law establishes that the Superintendent is authorized to issue the regulations, within the limits allowed by the Banking Law and the regulations that complement it, that must be followed by banks to ensure their operations take place within acceptable levels of risk;

By means of Rule 7-2005 dated 21 September 2005, the general parameters for clearing checks and fund availability were established;

Articles 1 and 2 of Rule 7-2005 provide that state-owned banks, general license banks and international license banks are required to send the customer checks that must be cleared by Banco Nacional de Panama's Clearing House as soon as possible, for which banks must use appropriate and effective procedures for their processing;

By means of Rule 1-2016 dated 26 January 2016, the general guidelines on ACH settlement and fund availability were established;

Articles 1 and 2 of Rule 7-2005 require state-owned banks, general licensed banks and international licensed banks to monitor the position of the ACH transactions made during the day in order to have the required funds available for the liquidation of their daily transactions, and to cover any shortfall in their special clearing account in the Banco Nacional de Panama as rapidly as possible, for which banks must use appropriate and effective procedures for their processing;

Pursuant to Decree Law 4 of 2006, Banco Nacional de Panamá is responsible for the functioning of the Clearing House of the national banking system and of the different payment clearing and settlement systems;

By means of Circular 2019 (0100-01)83 dated 3 October 2019, Banco Nacional de Panama's Clearing House informed the banks of the market that as of 6 November 2019 a new payment system, known as the Real-Time Gross Settlement (RTGS) system, would be implemented. This system will permit the real-time settlement of the various existing and future payment instruments to be received by the banks of the market, which will impact the Clearing House's processes;

Banco Nacional de Panamá's Clearing House has held working sessions, training session and has informed the banks of the market on the processes and technical and functional requirements they must meet to participate in the entry into operation of the real-time gross payment system, in order to ensure the proper functioning of the RTGS System;

During its working sessions, the Board of Directors determined it is necessary and advisable to adopt actions that contribute to the fulfillment of the operability of a new payment system by banks, so that Panama has a more efficient fund transfer system, in accordance with international practices and for the benefit of the user.

RESOLVES:

ARTICLE 1. State-owned, general license and international license banks are required to implement measures and use appropriate procedures to comply with the technical and functional requirements to be stipulated by Banco Nacional de Panamá's Clearing House for the entry into operation of the Real-Time Gross Settlement (RTGS) System and the bank's participation in it, within the parameters and deadlines established by the Clearing House.

ARTICLE 2. Failure of banks to comply with the requirements established by Banco Nacional de Panamá's Clearing House to participate in the Real-Time Gross Settlement (RTGS) System will entail the application of the penalties established in Title IV of the Banking Law.

Given in the city of Panama on the fourteenth (14th) day of October, two thousand nineteen (2019).

FOR COMMUNICATION, PUBLICATION, AND ENFORCEMENT,

THE SUPERINTENDENT OF BANKS,

Ricardo G. Fernandez D.