

TRANSLATION

Republic of Panama Superintendency of Banks

BOARD OF DIRECTORS' GENERAL RESOLUTION SBP-GJD-0009-2014 (dated 2 December 2014)

“Whereby measures are established for identifying the beneficial owner or final beneficiary of corporations”

THE BOARD OF DIRECTORS
In use of its legal powers and,

CONSIDERING

That due to the issuance of Decree Law 2 dated 22 February 2008, the Executive Branch reedited Decree Law 9 dated 28 February 1998 and all of its amendments as a sole text, and that this text was approved by means of Executive Decree 52 dated 30 April 2008, hereinafter referred to as the Banking Law;

That pursuant to Paragraph 5 of Section I of Article 11 of the Banking Law, the Board of Directors is responsible for establishing the administrative interpretation and scope of the legal provisions and regulations on banking matters;

That Law 42 dated 2 October 2000 provides measures to prevent money laundering and establishes the obligation of banks and trust companies to maintain diligence and care in their operations to prevent them from involving funds or proceeds from activities related to the crime of money laundering;

That pursuant to the provisions of Article 114 of the Banking Law, banks and other entities supervised by the Superintendency will adopt policies, practices, and procedures that will allow them to know and identify their clients and their employees with the greatest certainty possible. The Superintendency is authorized to develop the relevant standards in conformity with policies and regulations in force in the country;

That by means of Rule 12-2005, the Superintendency of Banks established the guidelines to prevent the misuse of banking and trust services;

That Article 4, Paragraph 1, Subparagraph g of Rule 12-2005 requires banks to properly document the information that will permit them to identify the beneficial owner or final beneficiary of the account when applying due diligence to legal entities;

That during the Board of Directors' working sessions it became obvious it was necessary and advisable to provide a tool that would permit banks to fully identify the beneficial owner or final beneficiary of corporations.

RESOLVES:

ARTICLE 1. IDENTIFICATION OF THE BENEFICIAL OWNER OF CORPORATIONS. For the purposes of Article 4, Paragraph 1, **Subparagraph g** of Rule 12-2005, the bank must ensure it has identified the beneficial owner or final beneficiary of any legal entity. In the case of corporations, banks must request documents identifying the name of the final beneficiary and holder of certificates of shares of the corporation, taking into consideration the percentages established in Board of Directors' General Resolution SBP-GJD-0004-2014 dated 28 January 2014.

ARTICLE 2. BEARER SHARE CORPORATIONS. Without prejudice of the provisions set forth in Article 1 herein, when the articles of incorporation of any corporation permit the issuance of bearer shares, the bank must apply one of the choices below:

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1. Require and obtain from the client, amendments to its articles of incorporation that prohibit the issuance of bearer shares or only permit the issuance of registered shares, or
2. In the case of bearer share corporations, the bank can retain those legal entities as clients, as long as:
 - a. Custody of the bearer shares is maintained either at the bank itself or by an authorized custodian approved by the bank (immobilization of shares), permitting full and timely knowledge of who the beneficial and effective owner is; and
 - b. The bank is provided with an affidavit providing full information on the beneficial owner and final beneficiary of the bearer shares, ensuring the affidavit contains the following information:
 - b.1. Full name
 - b.2. Citizenship
 - b.3. Valid ID card or passport number
 - b.4. Physical address
 - b.5. Telephone number and
 - b.6. E-mail address or fax number

The Bank must require its clients to update any changes to the information contained in the affidavit above within **30 days**. Otherwise, in the case of bank accounts, the bank may proceed to close the account.

As of the enactment of this Resolution, banks must comply with the requirements herein when opening new accounts for corporations permitting bearer shares. In the case of accounts, belonging to corporations that permit the issuance of bearer shares, that were opened before the enactment of this Resolution, banks will have a twelve- (12) month period to meet the requirements herein.

If prior to the expiration of this twelve- (12) month period, the Bank believes it may not meet the requirements set forth herein, the Bank must request a waiver from the Superintendent to extend that term, submitting the advances made to date and explaining the circumstances that are impeding it from meeting the deadline.

The Superintendent will evaluate each case according to the volume of accounts not meeting these requirements and taking into account the bank's explanation, and will determine the extension to be granted.

ARTICLE 3. As of the entry into force of the requirements in the custody regime applicable to bearer shares covered in Law 47 dated 6 August 2013, the bank may consider those corporations that have met these requirements to be in compliance with the provisions in Article 2 herein.

ARTICLE 4. ENACTMENT. This Resolution shall become effective upon its promulgation.

Given in the city of Panama on the second (2nd) day of December, two thousand fourteen (2014).

FOR COMMUNICATION, PUBLICATION AND ENFORCEMENT

THE CHAIRMAN,

THE SECRETARY,

L.J. Montague Belanger

Luis Alberto La Rocca