

Republic of Panama
Superintendency of Banks

BOARD OF DIRECTORS' GENERAL RESOLUTION SBP-GJD-0002-2020
(dated 3 April 2020)

“Whereby the temporary parameters for the disclosure of customer information to data processing centers or offices for operating purposes of the implementation of the “Plan Panamá Solidario” created by the National Government to mitigate the COVID-19 health crisis are established”

THE BOARD OF DIRECTORS
in use of its 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 Article 5 (1), (3) and (4) of the Banking Law, safeguarding the soundness and efficiency of the banking system, promoting public trust in the banking system and safeguarding the judicial balance between the banking system and its clients are objectives of the Superintendency of Banks;

Pursuant to Article 11 (5) of the Banking Law, establishing the administrative interpretation and scope of the legal provisions and regulations on banking matters is a technical duty of the Board of Directors;

In accordance with Article 111 of the Banking Law, banks may only release information about their clients or their operations with their clients' consent. However, paragraph 4 of the aforementioned article establishes that clients' consent will not be required when the information is supplied to data processing centers for accounting and operating purposes that will maintain the confidentiality of the furnished information;

TELERED, S.A. is a Panamanian private company responsible for facilitating to the domestic financial institutions the exchange and processing of electronic transactions and electronic payments produced nationwide;

Most banks of the Panamanian banking system participate in the processing services offered by TELERED, S.A. that, through its intermediation, the processing of banking transactions is facilitated as well as the different payment means provided nationwide;

Due to the worldwide Coronavirus outbreak and following up the international recommendations of the World Health Organization and the Pan-American Health Organization, the National Government, through the Ministry of Health, issued Executive Decree 64 dated 28 January 2020, whereby the necessary essential and urgent measures contained in the National Plan against the threat caused by the novel Coronavirus outbreak are adopted, as well as the extraordinary measures necessary to avoid the introduction and spread of this public health problem;

In the face of the threat of an emergency situation in the territory due to the spread risk of the coronavirus outbreak, by means of Cabinet Resolution 6 dated 28 January 2020, the Cabinet Council declared the threat of high risk of spreading of the Novel Coronavirus outbreak (2019-nCoV) in the national territory;

Subsequently, in order to expand Cabinet Resolution 6 of 2020 and redouble surveillance measures to contain the epidemic, by means of Resolution 10 dated 3 March 2020, the Cabinet Council raised the threat of spread of the Novel Coronavirus outbreak (2019-nCoV) in the national territory to very and prescribed other measures;

Following up the announcement made by the World Health Organization (WHO), on 11 March 2020, of declaring the coronavirus (COVID-19) disease a pandemic, the National Cabinet issued Cabinet Resolution 11 dated 13 March 2020 by means of which it declared a State of National Emergency;

Subsequently, the National Government issued Executive Decree 472 dated 13 March 2020, in order to maximize sanitary measures; the Executive Decree 490 dated 17 March 2020, which declared a curfew in the Republic of Panama and, more recently, Executive Decree 507 dated 24 of 2020 that extended the curfew throughout the national territory for 24 hours a day;

Pursuant to paragraph 27 of Executive Decree 507 of 2020, banks and electronic processing service providers of transactions, checks and images to financial institutions and other financial services are exempted from the curfew;

Recently, was promulgated Law 139 dated 2 April 2019 (sic) "Whereby a general law on emergency measures to face the sanitary crisis caused by the COVID-19 pandemic was adopted," aimed at adopting temporary measures to protect the life of people, goods and the national heritage before the serious collective risk posed by the sanitary crisis caused by the COVID-19 pandemic;

Article 2 of Law 139 provided that due to the sanitary crisis caused by COVID-19 regulations and measures for the protection of the health and life of people will be adopted;

Article 2 (3) of Law 139 provided that, among the measures to be adopted, is to facilitate access to economic resources to the economic sectors affected by the sanitary crisis caused by the COVID-19 pandemic;

By means of Executive Decree 400 dated 27 March 2020, promulgated on 3 April 2020, "By means of which the *Plan Panamá Solidario* is created," the National Government developed a comprehensive development plan that allows to mitigate, in solidarity, the need of food, hygienic products and medications registered by a great number of citizens in the national territory;

Pursuant to Article 8 of Executive Decree 400, the National Government Innovation Agency (AIG, for its acronym in Spanish), in coordination with the Ministry of Economy and Finance and the Electoral Court, will be responsible for administering and guaranteeing the solidary support called "*Vale Digital*," to transfer the solidary support that may have the support of banks;

TELERED, S.A. as payment means processor in the Republic of Panama plays an important role in processing the wire transfers the National Government, through Banco Nacional de Panamá, deposits in the accounts held by the beneficiaries of the "*Plan Panamá Solidario*" in the different banks of the market;

For materializing said plan, it is required that the different banks provide information on their customer database of the persons included in the list of beneficiaries of the "*Plan Panamá Solidario*" that is prepared and supplied by the National Government and, on which TELERED, S.A. will process the relevant payments;

During the working sessions of the Board of Directors, aimed at making the money transfer viable and timely to the beneficiaries of the "*Plan Panamá Solidario*," has deemed it necessary and convenient to establish temporary parameters that must be followed by banks and TELERED, S.A. to disclose the necessary information for the implementation of "*Plan Panamá Solidario*" created by the National Government to mitigate the COVID-19 disease, pursuant to the provisions of Article 111 of the Banking Law.

RESOLVES:

ARTICLE 1. DISCLOSURE OF SPECIAL AND TEMPORARY INFORMATION. For the purposes of implementing the initiative created by the National Government called "*Plan Panamá Solidario*" intended to mitigate the economic effects of the coronavirus (COVID-19) disease, banks will temporarily furnish to TELERED, S.A. the information concerning the clients that have been included by the National Government as beneficiaries of the "*Plan Panamá Solidario*" holding a savings or current account linked to a Clave debit card in said banks, in order of making the processing of payments linked to that plan to be made by the National Government through Banco

Nacional de Panamá possible. Said furnishing of information will be framed within the assumptions included in Article 11 of the Banking Law.

ARTICLE 2. TYPE OF INFORMATION TO BE DISCLOSED. For the compliance with the “*Plan Panamá Solidario*” initiative, banks must submit to the processing company TELERED, S.A. the information on the savings or current account linked to the beneficiaries of said plan, which will consist exclusively on the name, ID card number, account type, account number and Clave debit card number of their clients.

ARTICLE 3. OPERATIONAL MANAGEMENT OF THE DISCLOSURE OF INFORMATION. With the purpose of conducting the appropriate administration and management of payments linked to “*Plan Panamá Solidario*,” the banks along with TELERED, S.A. will establish the mechanism and means to permit the verification on their database of those clients that are on the beneficiary list of “*Plan Panamá Solidario*” to be issued and communicated by the National Government through the appointed control Authority.

The furnishing of information and the processing of said payments must be limited to the beneficiaries of “*Plan Panamá Solidario*,” holding a savings or current account affiliated or not to a Clave debit card in a specific bank. The banks must make sure that the information and its updates are transmitted electronically ensuring the security of the information, for the time the economic benefit measure implemented by the National Government lasts.

ARTICLE 4. CONFIDENTIALITY OF INFORMATION. Pursuant to the scope of responsibility referred to in Article 111 of the Banking Law, banks must maintain the confidentiality of their clients information furnished for the execution of payments linked to the implementation of the “*Plan Panamá Solidario*,” which only could be revealed to the data processing company TELERED, S.A. and the competent authority.

The confidentiality of information will be extended to the data processing company TELERED, S.A. who must maintain under strict confidentiality the information obtained from banks that could only be revealed to Banco Nacional de Panamá, to the competent authority and to the entity responsible for overseeing and administering the management of public funds.

The confidentiality of information will be maintained even after the economic support measure established in “*Plan Panamá Solidario*,” implemented by the National Government, finishes.

ARTICLE 5. RESTRICTIONS. Banks and TELERED, S.A. must manage and use the collected client information for the purposes of “*Plan Panamá Solidario*” only, as stated in the aforementioned articles. It is expressly understood that this information will not have a treatment different or incompatible to those related to the economic support incentive implemented by the National Government.

The treatment of said information for commercial or marketing purposes is prohibited.

ARTICLE 6. RECORDKEEPING. During the validity of the measures implemented by the National Government through the “*Plan Panamá Solidario*,” banks must keep the information on the clients linked to the benefits of said economic support plan. After the culmination of “*Plan Panamá Solidario*,” the bank must keep the information on the wire transfers made to those clients beneficiaries of the plan, for the time provided in the banking regulations on the matter.

TELERED, S.A. must keep the database on the clients that was provided by banks for the implementation of “*Plan Panamá Solidario*.” Once the economic support implemented by the National Government is concluded, TELERED, S.A. must cancel or remove from its systems the referred to clients database it has obtained from banks.

ARTICLE 7. ENACTMENT. This Resolution shall be effective upon its promulgation.

Given at the city of Panama on the third (3rd) day of April, two thousand twenty (2020).

FOR COMMUNICATION, PUBLICATION, AND ENFORCEMENT,

THE CHAIRMAN,

Joseph Fidanque III

THE SECRETARY

Nicolás Ardito Barletta