

Republic of Panama
Superintendency of Banks

BOARD OF DIRECTORS' GENERAL RESOLUTION SBP-GJD-0004-2020
(dated 20 April 2020)

“Whereby the validity of Appraisal Reports is temporarily recognized”

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;

In accordance with Article 11 (3) of the Banking Law, approving general criteria for the classification of assets at risk and rules for the provision of reserves against risks is a technical duty of the Board of Directors;

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;

As a consequence of the worldwide Coronavirus pandemic decreed by the World Health Organization (WHO), the National Government issued Executive Decree 64 dated 28 January 2020 and Cabinet Resolutions 6 dated 28 January 2020, 10 dated 3 March 2020 and 11 dated 13 March 2020 intended for the implementation of measures to face the emergency in the national territory;

By means of Article 1 of Executive Decree 507 dated 24 March 2020 a 24-hour lockdown nationwide is ordered, which will be valid while the State of National Emergency lasts;

Article 2 of Executive Decree 507 dated 24 March 2020 lists the people, institutions and private companies that are excluded from the lockdown, without including appraisal companies;

Given the impossibility of appraisal companies to offer their services during the period of the declaration of a State of National Emergency, banks will not be able to update the appraisal reports used for the constitution of collaterals on movable or immovable property;

During the working sessions of the Board of Directors, it has deemed it necessary and advisable to temporarily recognize the validity of the appraisal reports used for the constitution of collateral on movable or immovable property.

RESOLVES:

ARTICLE 1. TEMPORARY EXTENSION OF APPRAISAL REPORTS. The validity of the appraisal reports currently held by banks, in compliance with the current regulations issued the Superintendency of Banks, is recognized. This validity will be temporarily recognized for one (1) year.

ARTICLE 2. ENACTMENT. This Resolution shall be effective upon its signature.

Given at the city of Panama on the twentieth (20th) day of April, two thousand twenty (2020).

FOR COMMUNICATION, PUBLICATION, AND ENFORCEMENT,

THE CHAIRMAN,

THE SECRETARY

Joseph Fidanque III

Nicolás Ardito Barletta