

# TRANSLATION

No. 27766-B

Official Gazette Online, Thursday, April 23, 2015

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## **LAW N° 18 (dated 23 April 2015)**

**That amends articles of Law 47 of 2013, which adopted a  
custody program for bearer share certificates**

### **THE NATIONAL ASSEMBLY**

#### **DECREES:**

**Article 1.** Article 4 of Law 47 of 2013 will be read as follows:

**Article 4.** Surrender of bearer share certificates issued prior to the entry into force of this Law. The bearer share certificates issued prior to the entry into force of this Law shall be delivered to an authorized custodian with the affidavit referred to in Article 8 within the transition period established in Article 25.

To this end, the board of directors of the company or a general meeting of its shareholders must authorize the company to accede to the custody program created herein, and this authorization must be recorded in the Public Registry of Panama.

**Article 2.** Article 5 of Law 47 of 2013 will be read as follows:

**Article 5.** Surrender of bearer share certificates issued after the entry into force of this Law. All companies issuing bearer share certificates after the entry into force of this Law shall deliver them to the custodian appointed by the owner, along with the affidavit referred to in paragraph 1 of Article 9, within twenty days after the approval of the issuance of the bearer share certificates.

The board of directors of the company or a general meeting of its shareholders must authorize the company to accede to the custody program created herein and that authorization must be recorded in the Public Registry of Panama.

For purposes of appointing the authorized custodian, the owner must provide the issuer the full name of the authorized custodian, the physical address and the contact information for the person whom the issuer may contact if necessary,

including a phone number and email address or fax number. The company will void the issuance of bearer share certificates if the owner does not provide the information and the affidavit referred to herein within the established timeframe.

**Article 3.** Article 23 of Law 47 of 2013 will be read as follows:

**Article 23. Suspension of authorized custodians.** In the case of the suspension of the exercise of the custodial activity in accordance with the provisions of paragraphs 11 and 12 of the previous article, the suspended custodian is required to notify the owner of the bearer shares and the resident agent of the issuer of this fact in writing within a period not exceeding fifteen days from the notification of the suspension.

Once notified, the owner will have ten days to appoint a new authorized custodian and to notify the suspended custodian in writing, indicating the full name, physical address, telephone number and e-mail address or fax number of the new authorized custodian. Within a period not exceeding fifteen days from the date of this notification, the suspended custodian shall deliver the bearer share certificates to the appointed authorized custodian along with the documents and information referred to in Article 8 or 9 , as may be the case , and the latter shall comply with the provisions of Article 17.

**Article 4.** Article 25 of Law 47 of 2013 will be read as follows:

**Article 25. Transition period for bearer share certificates issued prior to the entry into force of this Law.** Regarding the bearer share certificates issued prior to the entry into force of this Law, a deadline of 31 December 2015 is provided for replacing these certificates with registered share certificates or placing them in custody. After 31 December 2015, the articles of incorporation will be deemed amended by rule of law prohibiting the issuance of bearer shares, except in cases where the board of directors or a general meeting of the shareholders has adopted a resolution before 31 December 2015 approving the company's adherence to the

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program of immobilization of shares established herein and the resolution has been recorded in the company's records in the Public Registry.

**Article 5.** Article 28 of Law 47 of 6 2013 will be read as follows:

**Article 28.** Entry into force. This Law shall become effective as of 4 May 2015 and the obligation established in Article 5 shall be enforceable beginning three months after its entry into force.

**Article 6.** This Law amends Articles 4, 5, 23, 25 and 28 of Law 47 dated 6 August 2013.

**Article 7.** This Law shall take effect the day after its promulgation.

## FOR COMMUNICATION AND ENFORCEMENT.

Bill 183 of 2015 approved in third reading in Palacio Justo Arosemena, city of Panama, on the twenty-second (22<sup>nd</sup>) day of April, two thousand fifteen (2015)

The President,

[Signed]  
**Adolfo T. Valderrama R.**

The Secretary General,

[Signed]  
**Franz O. Wever Z.**

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NATIONAL EXECUTIVE BRANCH. PRESIDENCY OF THE REPUBLIC  
PANAMA, REPUBLIC OF PANAMA, 23 APRIL 2015

[Signed]

JUAN CARLOS VARELA  
President of the Republic

[Signed]

ALVARO ALEMAN H.  
Minister of the Presidency