

Republic of Panama
Superintendency of Banks of Panama

OTHER FINANCIAL REPORTING ENTITIES
AML RESOLUTION SBP-PSO-0002-2020
(dated 18 September 2020)

“By means of which the examination costs of money service businesses are temporarily reduced”

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 Article 4 of the Banking Law, the Superintendency of Banks will have exclusive competence to regulate and supervise the banks, the banking business and other entities and activities assigned to it by other laws;

By means of Article 123 of Law 21 dated 10 May 2017, Article 22 of Law 23 of 2015 was amended, adding as new reporting financial entities the money service businesses, among others;

In accordance with Article 82 of Law 21 of 2017, the Superintendency of Banks must conduct an examination of each financial reporting entity assigned to the Superintendency for their supervision by provision of Law 23 of 2015, in order to verify whether they have followed these provisions in the course of their operations, and that the cost of these examinations and its incidental expenses will be paid by those financial reporting entities;

Pursuant to Article 16 (13) of the Banking Law, carrying out the inspections ordered by this Decree Law, by the Board of Directors and those considered necessary or prudent, is one of the technical duties of the Superintendent;

The Other Financial Reporting Entities AML Rule 3-2018 dated 28 August 2018, develops the concept of examinations of other financial reporting entities included in Article 82 of Law 21 of 2017;

Article 3 of Other Financial Reporting Entities AML Rule 3-2018 indicates that the fixed and variable costs the Superintendency of Banks incurs for the continuous oversight of other financial reporting entities, in order to verify that they have the internal control policies, mechanisms, procedures and other requirements established in the regulations for the prevention of money laundering, the financing of terrorism and financing of the proliferation of weapons of mass destruction will be considered costs of examinations of other financial reporting entities;

The Other Financial Reporting Entities AML Resolution 2-2018 dated 21 December 2018 establishes the methodology for the calculation of the examination costs of money service businesses;

Article 2 of Other Financial Reporting Entities AML Resolution 2-2018 dated 21 December 2018 establishes that the methodology for the calculation of the examination costs applied to the money service business will be made based on a 0.04% of the total amount of the annual transactions conducted during the previous year; and that for these companies the minimum fixed amount to pay the Superintendency as an examination fee will be of TWO THOUSAND FIVE HUNDRED BALBOAS (B/.2,500.00) annually up to a maximum amount of EIGHTY-FIVE THOUSAND BALBOAS (B/.85,000.00);

Article 5 of Other Financial Reporting Entities AML Resolution 2-2018 establishes that the methodology for the calculation of money service businesses examination costs included in the cited Resolution will be reviewed by the Superintendency on an annual basis;

As a consequence of the effects of COVID-19 global health 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, in order to implement measures to face the emergency in the national territory;

As a result of the current situation the country is going through, different economic sectors nationwide have been affected, including the money service business sector, so it is necessary to establish temporary measures, so that they can meet their obligations;

During the working sessions of the Superintendency it was deemed necessary and advisable to temporarily reduce the examination costs for money service businesses.

RESOLVES:

ARTICLE 1. TEMPORARY REDUCTION OF EXAMINATION COSTS OF MONEY SERVICE BUSINESSES. For the purposes of the provisions of Article 2 of Other Financial Reporting Entities AML Resolution 2-2018, related to the methodology for the calculation of examination costs of money service businesses, a fifty percent (50%) discount will be applied to the examination costs of money service businesses that will be paid in 2020.

To comply with the above, a charge based on a 0.02% of the total amount of the annual transactions conducted during the previous year will be applicable to money service business for the calculation of examination costs.

For these companies, the minimum fixed amount to pay the Superintendency as an examination fee will be of ONE THOUSAND TWO HUNDRED AND FIFTY DOLLARS (B/.1,250.00) annually up to a maximum amount of FORTY-TWO THOUSAND FIVE HUNDRED BALBOAS (B/.42,500.00)

ARTICLE 2. PAYMENT PERIOD. The payments corresponding to the amounts established in the previous article will be made in a single payment no later than 20 November 2020.

ARTICLE 3. This temporary measure will only be applicable for the period that includes the payment of the examination fees of money service businesses corresponding to 2020.

ARTICLE 4. For the purposes of this Resolution, the other provisions included in Other Financial Reporting Entities AML Resolution 2-2018 remain in force.

ARTICLE 5. ENACTMENT. This Resolution shall become effective upon its signature.

Given in the city of Panama on the eighteenth (18th) day of September, two thousand twenty (2020).

FOR COMMUNICATION, PUBLICATION, AND ENFORCEMENT,

THE SUPERINTENDENT OF BANKS,

*Digitally signed by [S]
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AMAURI ARIEL – ID 8-238-386
Date: 2020.09.21 14:03:41 - 05'00'
Amauri A. Castillo*

/eh

