

Republic of Panama  
Superintendency of Banks

**BOARD OF DIRECTORS' GENERAL RESOLUTION SBP-GJD-PSO-0001-2020**

(dated 11 February 2020)

**“That establishes special considerations for the information requirement in Article 6 of Rule 5-2015 for the expired passports of Venezuelans”**

**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 paragraphs 2 and 4 of Article 5 of the Banking Law, strengthening and fostering favorable conditions for the development of the Republic of Panama as an international financial center and safeguarding the judicial balance between the banking system and its clients are objectives of the Superintendency of Banks;

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

In accordance 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, with the Superintendency maintaining the authority to develop the relevant standards in conformity with policies and regulations in force in the country;

According to Article 22 of Law 23 of 2015 dated 27 April 2015, the Superintendency of Banks of Panama is authorized to supervise finance companies; leasing companies; factoring companies; issuers or processors of debit, credit and pre-paid cards, whether they are individuals or legal entities, including those issuing and processing their own cards, excepting banks that already have a regulation on that matter; issuers of payment instruments and electronic money; other corporate services rendered by trust companies; Banco de Desarrollo Agropecuario (Agriculture Development Bank); Banco Hipotecario Nacional (National Mortgage Bank) and home savings and loan associations on matters related to the Prevention of Money Laundering, Terrorism Financing and the Financing of the Proliferation of Weapons of Mass Destruction;

By means of Rule 5-2015 dated 26 May 2015 on preventing the misuse of services provided by other reporting entities under the supervision of the Superintendency of Banks of Panama, the minimum guidelines that new reporting entities must adopt to prevent their services from being conducted using funds coming from money laundering, terrorism financing and financing the proliferation of weapons of mass destruction are provided;

According to Article 6 of Rule 5-2015, the suitable personal identification document for foreigners will be the passport with a photograph of the holder;

Due to the political situation of the Bolivarian Republic of Venezuela, a large number of passports of Venezuelans currently located in Panamanian territory are expired or soon to be expired and have not been able to be renewed, resulting in an irregular migratory status;

In connection with the above, the Ministry of Public Security of the Panamanian Government issued Executive Decree 123 dated 26 March 2019, amended by Executive Decree 134 dated 23 April 2019, which permitted using expired Venezuelan passports of up to two (2) years from the expiration date, for these persons to make the relevant migratory arrangements in Panama, as

long as the passports bear the “extension” stamp or an “expired passport letter of validation,” both issued by the Consulate of the Bolivarian Republic of Venezuela located in Panama;

By means of Executive Decree 1316 dated 10 December 2019, the Ministry of Public Security granted a two-year extension to the validity of the expired Venezuelan passports located in Panamanian territory and whose original expiration date does not exceed three years from the enactment of the referred Executive Decree, in order to permit the completion of migratory, labor and any other proceedings necessary with a government agency;

During its working sessions, the Board of Directors determined it necessary and advisable to provide special consideration within the established due diligence process for other reporting entities on matters related to the prevention of money laundering, terrorism financing and financing the proliferation of weapons of mass destruction, specifically related to the information requirements referred to in Article 6 of Rule 5-2015, in accordance with the provisions of Executive Decree 1316 dated 10 December 2019.

### RESOLVES:

**ARTICLE 1.** The provisions in the present resolution will be applied by the following reporting entities:

1. Finance companies;
2. Leasing companies;
3. Factoring companies;
4. Issuers or processors of debit, credit and pre-paid cards, whether they are individuals or legal entities, including those issuing and processing their own cards, excepting banks that already have a regulation on that matter;
5. Issuers of payment instruments and electronic money;
6. Other corporate services rendered by trust companies;
7. Banco de Desarrollo Agropecuario (Agriculture Development Bank);
8. Banco Hipotecario Nacional (National Mortgage Bank)
9. Home savings and loan associations.

**ARTICLE 2.** For the purposes of meeting the customer identification requirement referred to in Article 6 of Rule 5-2015, the other reporting entities will temporarily recognize as current and valid within the due diligence process, the expired passports of Venezuelans that are located within the national territory and, which at the moment of entry into force of Executive Decree 1316 dated 10 December 2019, have an expiration date that is no more than three years old, in order to permit the holders the necessary processes and access to the services provided by these reporting entities.

The referred to temporary treatment will be applied to those passports expired since 12 December 2016 and until the current temporary measures last.

**ARTICLE 3.** This temporary measure will be applicable for two (2) years from the promulgation of Executive Decree 1316 dated 10 December 2019, i.e. until 12 December 2021.

**ARTICLE 4.** This Resolution shall be effective upon its promulgation.

Given at the city of Panama this eleventh (11<sup>th</sup>) day of February, two thousand twenty (2020).

### FOR COMMUNICATION, PUBLICATION, AND ENFORCEMENT,

**THE CHAIRMAN,**

**THE SECRETARY**

Joseph Fidanque III

Nicolás Ardito Barletta