

Republic of Panama
Superintendency of Banks

BOARD OF DIRECTORS' GENERAL RESOLUTION SBP-GJD-PSO-0003-2020
(dated 11 February 2020)

“Whereby special considerations to the information requirement provided in Article 9 of Other Reporting Entities AML Rule 4-2018, for the expired passports of Venezuelans, are provided”

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 (2) and (4) 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 Article 5 (11) 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 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; the Superintendency maintains 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 on matters related to the Prevention of Money Laundering, Terrorism Financing and Financing of the Proliferation of Weapons of Mass Destruction to money service businesses;

By means of Other Reporting Entities AML Rule 4-2018 dated 23 October 2018, on preventing the misuse of services provided by money service businesses, the minimum guidelines that money service businesses must adopt for preventing their services are conducted using funds coming from money laundering, terrorism financing and financing of the proliferation of weapons of mass destruction are provided;

According to Article 9 of Other Reporting Entities AML Rule 4-2018, the suitable personal identification document for foreigners will be the passport holding a photograph of the holder;

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

As a result of the foregoing, 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 allowed the use of expired Venezuelan passports of up to two (2) years, counted from the expiration date, for these persons to conduct the relevant immigration procedures in Panama, as long as the passports bear the “extension” stamp or a “validation letter of an expired passport” 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 date of the expired passports of Venezuelans located

in Panamanian territory and whose original expiration date does not exceed three years from the effective date of the referred Executive Decree, in order to allow the completion of immigration, labor and any other necessary procedures before a government agency;

During its working sessions, the Board of Directors determined it necessary and advisable to provide special considerations within the established due diligence process for money service businesses on matters related to the prevention of money laundering, terrorism financing and financing of the proliferation of weapons of mass destruction; specifically, in relation to the information requirement referred to in Article 9 of Rule 4-2018, in accordance with the provisions of Executive Decree 1316 dated 10 December 2019.

RESOLVES:

ARTICLE 1. For the purposes of complying with the customer identification requirement referred to in Article 9 of Other Reporting Entities AML Rule 4-2018, money service businesses will temporarily recognize as valid and in force within the due diligence process the expired passports of Venezuelans who are located in the national territory and, which at the moment of entry into force of Executive Decree 1316 dated 10 December 2019, are within an expiration date of three years, in order to permit the holders to process and access the services provided by money service businesses.

The aforementioned temporary treatment will be applied to the passports that have expired since 12 December 2016 and until this temporary measures lasts.

ARTICLE 2. 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 3. This Resolution shall be effective upon its promulgation.

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

FOR COMMUNICATION, PUBLICATION, AND ENFORCEMENT,

THE CHAIRMAN,

THE SECRETARY

Joseph Fidanque III

Nicolás Ardito Barletta