

Republic of Panama

Superintendency of Banks of Panama

RULE No. 1-2024
(19th March 2024)

“Exception to Prior Authorization by the Superintendent for Formalization with the Public Notary and Filing with the Public Registry of Special Powers of Attorney Granted by Banks”

THE BOARD OF DIRECTORS
in the exercise of its legal powers and,

WHEREAS:

Upon the issuance of Decree Law 2, dated 22nd February 2008, the Executive Branch re-edited Decree Law 9, dated 26th February 1998, along with all its amendments, as a consolidated text. This consolidated text was approved by Executive Decree 52, dated 30th April 2008. Hereinafter, this consolidated text shall be referred to as the Banking Law,

Under Article 6(2) of the Banking Law, the functions of the Superintendency of Banks include developing the regulatory framework for the banking system. When the Board of Directors exercise this function, it will be conducted through rules, and when exercised by the Superintendent, it will be done through resolutions,

Under Article 11(1)(5) of the Banking Law, the technical duties of the Board of Directors include establishing the administrative interpretation and scope of the legal provisions and regulations concerning banking matters,

Under Article 44 of the Banking Law, the Superintendency of Banks is the sole agency authorized to permit the use of the word “bank” or any of its derivatives in any language, whether in their everyday name, corporate name, trade name, description, letterheads, invoices, printed letter paper, announcements, advertising, or by any other means or form that may suggest or imply engagement in or dedication to banking activities. Moreover, in exceptional circumstances, the Superintendent may grant permission for the use of the word “Bank” or any of its derivatives to individuals or legal entities not involved in banking, on the condition that the term “Bank” or any of its derivatives is solely incorporated as part of the applicant’s name,

Under the proviso of Article 44 of the Banking Law, Public Notaries are prohibited from authorizing any legal documents or copies thereof, as well as instruments or sworn statements specific to their office, or authenticating signatures that contravene the provisions of the aforementioned Article,

Under the proviso of Article 44 of the Banking Law, a similar prohibition applies to the Director General of the Public Registry regarding the filing of such documents. The Director General of the Public Registry is required to report to the Superintendency any filings that may contravene the provisions of the aforementioned Article,

In connection with the foregoing, it is customary in banking matters for notaries and the Public Registry of Panama to formalize and file powers of attorney or special powers of attorney, respectively, granted by banks before obtaining authorization from the Superintendency of Banks,

To streamline and optimize the services provided to banks, it is deemed convenient to make an exception to the current procedure regarding the assessment and authorization for formalizing with the Public Notary and subsequently filing with the Public Registry the powers of attorney issued by banks. This exception ensures that only powers of attorney are subject to authorization by the Superintendency of Banks. This decision is based on good corporate governance practices, which enable the Superintendency to have prior knowledge of the individuals appointed as attorneys-in-fact. Considering that these attorneys will have broad powers in the management and decision-making of the bank, in accordance with the provisions of Article 48 of the Banking Law and Rule 5-2011,

During its working sessions and after relevant analysis, the Board of Directors determined that it was necessary and advisable to make an exception to the prohibition established in the proviso of Article 44 of the Banking Law. Consequently, the Board permits the formalization with the Public Notary and subsequent filing with the Public Registry of the granting, revocation, or substitution of powers of attorney issued by banks without prior authorization by the Superintendency of Banks, exercising subsequent control in this matter.

RESOLVES:

ARTICLE 1. SPECIAL POWERS OF ATTORNEY. In the case of documents related to the granting, revocation, or substitution of special powers of attorney granted by banks, prior authorization by the Superintendent is exempted for the formalization of such special powers of attorney with a Notary Public and their subsequent filing with the Public Registry of Panama.

ARTICLE 2. POWERS OF ATTORNEY. The provision outlined in Article 1 herein is not applicable to documents related to the granting, revocation, or substitution of powers of attorney granted by banks. These powers of attorney will continue to be subject to prior authorization by the Superintendent of Banks for the corresponding notarial and registry purposes, in accordance with the provisions of Article 44 of the Banking Law.

ARTICLE 3. OBLIGATION TO SUBMIT A COPY OF THE PUBLIC DEED IN THE CASE OF SPECIAL POWERS OF ATTORNEY. For cases of granting or substituting special powers of attorney, the obligation to send a copy of the public deed to the Superintendency will remain in force once it has been duly filed with the Public Registry. This submission should be made to the email address superbancos@superbancos.gob.pa to conduct the corresponding subsequent verifications.

ARTICLE 4. EFFECTIVE DATE. This Rule shall take effect upon its enactment.

Given in Panama City this nineteenth (19th) day of March, twenty twenty-four (2024).

FOR COMMUNICATION, PUBLICATION, AND ENFORCEMENT.

THE CHAIRPERSON,
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DAVID ALBERTO – ID 4-235-963
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David Alberto Davarro

THE SECRETARY,
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NAME CARLES ROJAS,
ADRIANA RAQUEL – ID 8-744-2267
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