

TRANSLATION

REPUBLIC OF PANAMA MINISTRY OF THE PRESIDENCY

EXECUTIVE DECREE No. 55 (dated 1 February 2012)

**“Whereby Executive Decree 1 dated 3 January 2001 which regulates
Law 42 dated 2 October 2000, amended”**

THE PRESIDENT OF THE REPUBLIC
in use of his legal and constitutional powers, and

CONSIDERING:

That by Law 42 dated 2 October 2000 the Measures for the Prevention of Money Laundering within the Republic of Panama are established.

That by Executive Decree 1 dated 3 January 2001, the rules and regulations for Law 42 dated 2 October 2000 were promulgated.

That Decree 1 dated 3 January 2001 created the different control and supervisory bodies for the reporting entities; however, after the approval of Law 42 dated 2 October 2000 and Decree 1 dated 3 January 2001, new authorities within the structure that would regulate the activities subject to the application of the regulation on prevention of Money Laundering in Panama were created.

That to grant competencies to the new authorities it is necessary to amend the Executive Decree 1 dated 3 January 2001;

That pursuant to the provisions of paragraph 14 of article 184 of the Political Constitution of the Republic of Panama, it is the duty of the Executive Branch to promulgate rules and regulations for better compliance of the Laws;

DECREES:

ARTICLE 1. Article 2 of Executive Decree 1 dated 3 January 2001 is amended as follows:

“Article 2: The Control and Supervisory Bodies for the Reporting Entities are:

- a. The Superintendency of Banks, for banks and trust companies.
- b. The Panamanian Institute of Credit Unions (IPACOOOP, for its acronym in Spanish), for Savings & Loan Unions.
- c. The Superintendency of Securities, for securities clearing houses, securities brokerage firms, stock brokers, and investment administrators.

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- d. The Ministry of Commerce and Industry:
 - 1. The General Directorate for Finance Companies, for finance companies, foreign currency exchange offices and remittance houses.
 - 2. The Real Estate Technical Board of Directors, for real estate development companies and brokers.
 - 3. The Free Zone Office of the National Directorate of Investments of the Ministry of Commerce and Industry, for free zones under the management of this Directorate.
- e. The Colon Free Zone Management, for the companies established in the Colon Free Zone.
- f. The National Lottery.
- g. The Panama-Pacific Agency, for the companies established in that free zone.
- h. The Baru Free Zone Management, for the companies established in that free zone.
- i. The Gaming Control Board of the Ministry of Economy and Finance, for Casinos and other establishments engaged in betting, gaming and gambling.
- j. The Superintendency of Insurance and Reinsurance of the Ministry of Commerce and Industry, for Insurance and Reinsurance companies as well as for Reinsurance Brokers.”

ARTICLE 2. Article 3-A is added to Executive Decree 1 dated 3 January 2001, as follows:

“**Article 3-A:** In cases where the reporting entities do not carry out transactions qualified pursuant to the provisions stated in article 3, they must inform the Financial Analysis Unit (UAF) of the non-performance of these transactions by means of the Declaration of Cash and Quasi-Cash Forms adopted by the UAF.”

ARTICLE 3. Paragraph 1 of article 4 of Executive Decree 1 dated 3 January 2001 is amended as follows:

“**Article 4:** for the exclusive effects of this Executive Decree, the following meanings shall be attributed to the concepts indicated hereunder:

- 1. Supervisory and Control Bodies: the Superintendency of Banks, the General Directorate of Financing Companies of the Ministry of Commerce and Industry, the Real Estate Technical Board of Directors, the Free Zone Office of the National Directorate of Investments of the Ministry of Commerce and Industry, the Panamanian Institute of Credit Unions (IPACOOOP), the Superintendency of Securities, The Colon Free Zone Management, the National Lottery, the Panama-Pacific Agency, the Baru Free Zone Management, the Gaming Control Board of the Ministry of Economy and Finance, and the Superintendency of Insurance and Reinsurance.”

ARTICLE 4. This Executive Decree shall become effective upon its promulgation.

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No 26965-B

Official Gazette Online, Friday, February 3, 2012

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LET IT BE KNOWN AND ENFORCED.

Given in the city of Panama, Republic of Panama, on the 1st day of February, 2012

RICARDO MARTINELLI B.
President of the Republic

DEMETRIO PAPADIMITRIU
Minister of the Presidency