

**TITLE V
THE BANK CLIENT**

**CHAPTER I
PRINCIPLES**

ARTICLE 192. PRINCIPLES. The purpose of the principles established in Titles V and VI of this Decree Law is to contribute, to the contractual relations, the necessary and desired balance between the parties.

Banks have the obligation to provide their services to their bank clients with transparency, probity, and equity in conformity with the norms and principles of this Title.

ARTICLE 193. OBLIGATIONS OF THE BANKS. Banks have the following obligations:

1. To inform the bank client, from the beginning of the relationship, the terms and conditions applicable to their particular contract.
2. To abstain from taking advantage of the acts of the bank client, such as signing a blank document, for purposes different from those originally identified at the time the action was requested.
3. To abstain from impeding, by any means, that the bank client, without dishonoring his/her obligations to the bank, could desist of maintaining a relationship with the bank.
4. Not to apply or collect charges for services undelivered and not previously agreed upon with the bank client and to reimburse them upon demand.
5. To be diligent in answering inquiries and petitions from their bank clients regarding the status of their obligations or to make said status known to third parties.
6. To inform, without cost whatsoever and in a timely manner, about the evolution of the operations, accounts, and business relations maintained with their bank clients, as well as to issue, free of charge, the receipts and certifications of the transactions with them.

ARTICLE 194. RIGHTS OF THE BANK CLIENTS. Bank clients shall have, among others, the following basic and non-renounceable rights:

1. To know before, during, and after, in a clear and truthful manner and free of charge, all the information regarding a product or banking service.
2. To desist, at any time, to continue a relationship with a bank, without dishonoring his/her obligations nor the charges previously agreed upon applicable to the early termination of the relationship.

3. The right to confidentiality before third parties regarding his/her relationship with the bank, as well as to his/her privacy.
4. To receive a diligent and efficient service from the bank, particularly regarding his/her inquiries and petitions on the status of his/her obligations and his/her rights deriving from the former.

CHAPTER II BANKING CONTRACTS AND DOCUMENTS

ARTICLE 195. REVIEW OF MODEL BANKING CONTRACTS. Banks shall maintain up-to-date models of banking contracts and other accessory documents at the disposal of the Superintendency who may review them at any time and issue opinions on their contents in relation with the provisions of this Decree Law and its enabling regulations.

The review and no objection of the model contracts or of any other document by the Superintendency shall not confine the consumer in his/her right to resort to a judicial authority if he/she considers that his/her rights have been infringed.

ARTICLE 196. WRITTEN CONTRACTS. Banking contracts should contain, at the time of signing, at least the following basic information:

1. The complete name, nationality, domicile, and personal identification number or another valid personal identification document of each of the contracting parties. In the case of a juridical person, the information must include the corporate name, the filing data from the Public Registry or its legal equivalent, the corporate domicile and the complete personal identification data of its legal representative.
2. A detailed description of the contracted services.
3. Total amount of the contracted obligation or of whatever transaction is the case, expressed in monetary terms, when applicable.
4. Instructions regarding the timing of the payments or amortizations, the amount of these, and the place where such payments should be made.
5. Maturity of the obligation or term of the contract.
6. Nominal interest rate and the effective rate applicable with an example of its calculation. In the case of lines of credit, the formula to determine the effective interest rate applicable should be shown.
7. In case that the contract or transaction contains exclusions, limitations, and/or causes of termination, these should appear in bold letters.
8. Official date of the contract or transaction.

9. In the same contract or in a separate document that must be delivered to the bank client, the bank must make a detailed description of the amounts that will be charged to the bank client, indicating the reason for the charge and its amount or estimate in monetary terms. It is understood that these include the cost of credit investigations, handling of applications, delinquent interest charges, extra charges, commissions, notary fees, filing fees, insurance premiums, overcharges, and any other of a similar nature.
10. The manner and timing in which the bank will communicate to the bank client any changes or modifications to the terms and conditions agreed upon in the contract.
11. Any other clause or provision that the parties consider convenient to include.

PARAGRAPH. The provisions of articles 72 and 73 of Law 45 of 2007 shall not be applicable to banking contracts and transactions.

ARTICLE 197. BLANK DOCUMENTS. The bank client may sign accessory documents in blank as long as they are related to the main transaction to which he/she assents, and as long as they are clearly identified as such.

A brief description of the blank document or documents shall be included in the main contract or in another document signed by the bank and the bank client.

Once the contractual relationship between the bank client and the bank has terminated, the blank accessory documents signed but not utilized shall be returned to the bank client and, if within thirty days the latter does not retrieve said documents, the bank shall destroy them.

It is understood that the above is without prejudice to the provisions in the Law of Negotiable Instruments.

TITLE VI BANK CONSUMER PROTECTION

CHAPTER 1 GENERAL PROVISIONS

ARTICLE 198. SPECIAL NORMS AND JURISDICTION. The bank consumer or user of banking services protection will be governed by the special norms contained in this Title.

The Superintendency is charged with the exclusive vigil over the compliance of the provisions of this Title. In consequence, the Superintendency is hereby empowered to develop the necessary standards and determine their sense, reach, and interpretation in whatever form it deems convenient for said compliance with these provisions.

Due to their banking nature, the Superintendency is hereby granted exclusive jurisdiction to take cognizance of and protect the rights of the bank consumer.

ARTICLE 199. BANK CONSUMER. For the purposes of this Title, a bank consumer is that bank client, either natural or juridical person, who acquires a bank service or product, asset or liability that meets the following conditions:

1. Natural persons:

- a. Financing destined for the personal consumption of the bank consumer or his/her family, as defined by the Superintendency, up to an amount of fifty thousand balboas per transaction.
- b. Financing for the purchase, construction or improvements to the principal residence of the bank consumer or his/her family, up to an amount of one hundred and twenty five thousand balboas per transaction.
- c. Demand deposits whose title holder is a bank consumer up to an amount of twenty thousand balboas.
- d. Savings or time deposits whose title holder is the bank consumer up to an amount of fifty thousand per account.

2. Juridical persons:

- a. Financings received for commercial purposes by micro and small businesses as defined by the Law for Micro, Small, and Medium Enterprises, up to an amount of two hundred thousand balboas.
- b. Financings received through a juridical person for final use by their shareholders, owners, family members or their beneficiaries, up to an amount of one hundred and twenty five thousand balboas.
- c. Any other transaction by a juridical person as determined by the Superintendency.

PARAGRAPH. The Board of Directors of the Superintendency is hereby empowered to update the amounts established in this article whenever it deems convenient, taking into account, among other criteria, the consumer price index.

CHAPTER II INFORMATION

ARTICLE 200. FURNISHING INFORMATION TO THE BANK CONSUMER. Of the contents of article 36 of Law 45 of 2007, only the provisions in numbers 1, 2, 7, 9, 12, and 13, which establish the obligation to furnish information to the bank consumer, shall be applicable to banks.

For the effects of the mentioned provisions, and assuming that banking contracts comply with the requirements of the law, it is hereby understood that the service providers

are in compliance with the obligation of furnishing information to the bank consumer with the delivery of the document that contains the contract or the terms and conditions of the service or product in question.

CHAPTER III NULLITIES

ARTICLE 201. NULLITY OF THE CLAUSES IN AN ADHESION CONTRACT. In banking contracts of adhesion, all stipulations that imply renouncement or diminution of a right recognized in this Decree Law and its enabling regulations, shall be considered null.

Those clauses that imply renouncement of rights or proceedings expressly permitted by other laws are excluded from the effects of said nullity.

ARTICLE 202. NULLITY OF CONTRACTUAL CLAUSES. The reach and interpretation of article 74 of Law 45 of 2007 shall be the following:

1. The abusive or excessive character of a contractual clause and, therefore, its absolute nullity, shall be determined taking into account the nature of the products or services object of the contract and considering, at the time of signing, all the circumstances that concur around said clause, as well as all other clauses of the contract, or other contracts from which the former depends on.
2. Price fluctuations of financial products shall not be considered a change in the conditions of the contract, as long as it has been so agreed upon.
3. Bank contracts drafted in a language other than Spanish shall not be considered null as long as this has been so requested by the user of the banking services and the contract is not a public document. Likewise, the drafting of bank contracts in a language other than Spanish is hereby permitted in those cases when the international nature of the contract demands so.
4. Clauses that permit waiver of domicile, of formality of proceedings, of procedural terms, and of personal notifications shall not be considered null as long as they comply with the norms of the Judiciary Code, the Civil Code and/or other laws.
5. Clauses that allow the bank to change or modify the terms and conditions of the bank contract shall not be considered null as per the provisions of article 196-10.

ARTICLE 203. CAUSES OF RELATIVE NULLITY. The parameters to determine the proper applicability of each of the causes of relative nullity established in article 75 of Law 45 of 2007 shall be those established in special legislation. In the absence of these causes, the norms developed by the Superintendency shall be applied and, lacking those, the banking usage and practices generally adopted in the market and the principles of good faith and contractual balance.

ARTICLE 204. DECLARATION OF NULLITY. The Superintendency may not declare the nullity of a clause in a bank contract of adhesion. Such power shall belong to other competent authority.

ARTICLE 205. AUTHORITY TO DECLARE NULLITY. The declaration of nullity in contracts between banks and their clients is subject to the jurisdiction of the Courts, as provided for in the law. Therefore, it is not a power or responsibility of the Superintendency to declare any nullity whatsoever in contracts among banks and their clients.

CHAPTER IV COMPLAINTS

ARTICLE 206. SYSTEM FOR ASSISTING COMPLAINTS. All general license banks will implement an administrative system, fitted to their activities, responsible for hearing of and assisting, in a personalized fashion, all complaints, claims or disputes that may arise in their relationship with their clients.

The executive responsible for this service will be accountable to the management of the bank. His/her decisions shall be compulsory for the bank and shall be rendered in no less than thirty days. In its answer to the bank consumer, the bank must state that in the case of inconformity the consumer has an additional term of thirty days to submit his/her complaint to the Superintendency as provided for in article 211.

Banks are responsible for informing their clients the location of the complaint assisting areas and identifying the responsible executive with adequate signage. The banks will maintain a logbook of complaints received.

ARTICLE 207. RIGHTS AND OBLIGATIONS. The bank consumer, in addition to the provisions of article 194, shall have the right to be heard by the Superintendency via administrative recourse, in all matters related to Titles V and VI of this Decree Law.

On their part, the banks shall have the obligation to appear before the Superintendency when, through an administrative recourse, a complaint is lodged against them for violation of, or not complying with, any provision of this Title.

ARTICLE 208. JURISDICTION AND COMPETENCY. The Superintendency shall have exclusive administrative authority to hear of and decide upon the complaints for violation to the provisions of Titles V and VI lodged by bank consumers against the banks, up to an amount of twenty thousand balboas. Once the Superintendency hears of these complaints for non-compliance of the banking norms for the banking protection of bank consumers, and due to the interest thereof protected and the nature of the activity, there shall be no intervention whatsoever, simultaneous or posterior, from any other authority.

PARAGRAPH. The Board of Directors will be empowered to update the sums set forth in this article, when it considers so, taking into account, among other criteria, the consumer price index.

ARTICLE 209. EXCEPTIONS TO THE COMPETENCY. The Superintendency shall not hear of complaints over matters provided for in Law 6 of 1987 regarding to benefits for retirees, pensioners, and senior citizens; Law 24 of 2002 regarding credit references, and Law 45 of 2007 regarding to truth in advertising.

ARTICLE 210. SOLUTION OF COMPLAINTS. Violations to the rights and obligations established in Title VI of this Decree Law shall be heard and solved by means of administrative recourse before the Superintendency.

ARTICLE 211. COMPLAINTS BEFORE THE SUPERINTENDENCY. The Superintendency will hear complaints from bank consumers against the banks in the following cases:

1. When the bank does not solve the consumer's complaint within thirty days and the consumer decides to lodge the corresponding administrative recourse before the Superintendency.
2. When the decision of the bank, even if timely, does not satisfy the bank consumer and he/she decides to lodge a complaint before the Superintendency.

PARAGRAPH. The bank consumer will have thirty days counted from the day he/she obtained a formal answer from the bank, to submit his/her complaint before the Superintendency.

ARTICLE 212. ARBITRATION IN BANK SERVICES. Arbitration in bank services is hereby instituted as an alternate method of solution to disputes among bank and bank consumers. The Superintendency is empowered to arbitrate in disputes between banks and consumers when both parties submit their dispute to the Superintendency's competency, with full authority to resolve these conflicts according to the provisions of this Decree Law and enabling regulations.

ARTICLE 213. DEFAULT RULE. For the purposes of this Title, in matters of consumer protection the pertinent provisions of Law 45 of 2007 shall be applicable to the extent that they do not contradict the provisions of this Title. In as much as they are applicable, they shall be interpreted administratively and shall be applied, in any case, in conformity with the norms and principles set forth in this Title.