

**REPUBLIC OF PANAMA
SUPERINTENDENCY OF BANKS**

April 16, 2003

CIRCULAR No. 010-2003

Mr.
General Manager

Mr. General Manager:

For pertinent purposes, we hereby notify you that the United States of America's Department of the Treasury and the Financial Crimes Enforcement Network (FINCEN), pursuant to the Patriot Act to combat money laundering crimes and to minimize risks related to the financing of world terrorism, announced yesterday a legislative proposal whereby all United States financial entities shall be required to close money remittance accounts involving financial entities from Nauru.

Pursuant to Section 311 of the Patriot Act (Special Measures for jurisdictions, financial entities or international transactions of primary concern for money laundering), the United States Treasury's Secretary may designate a foreign jurisdiction or financial entity as one of primary concern for money laundering, and as a result may require United States financial entities to take necessary measures to counteract the situation; such is the case of yesterday's announcement concerning Nauru.

The measure announced includes money remittance accounts that may be maintained in United States financial entities by Nauru's financial entities, as well as –reason for this Circular- money remittance accounts that may be maintained in United States financial entities for any other foreign Bank, and that are utilized to provide **indirect** banking services to Nauru's financial entities, in which case the closure of such money remittance accounts is required by the application of due diligence obligations, if the United States entity does in fact have knowledge that such accounts are being utilized to provide indirect services to Nauru's financial entities.

Sincerely,

Delia Cardenas
Superintendent