

TRANSLATION

**REPUBLIC OF PANAMA  
SUPERINTENDENCY OF BANKS**

July 14, 2003  
CIRCULAR N°036-2003

General Manager

Ref.: Violations to Title V of Decree Law N°9 of February 26, 1998.

Dear Sir:

In view of several complaints and/or claims filed by users of the banking services, we have detected that there has been some non-fulfillment of Title V Decree Law N°9 of February 26, 1998 specifically Articles 141, 144, and 147 of referent Decree Law.

The afore-mentioned norms specify the right to, and furnishing of information, as well as, the compliance with Law N°29 of one February 1, 1996 regarding information and contracts. Referent Articles specify the following:

**Article 141. FURNISHING OF INFORMATION**

Of the contents of Article 31 of Law 29 of February 1, 1996 the only ones applicable to providers will be numerals 1, 2, 7, 9, 12 and 13, which establish the obligations to furnish information to their clients.

For the purposes of what is established in said numerals and provided that the banking Contracts adjust to the requirements of the law, it will be understood that the providers I fulfill the obligations of furnishing information to their users with the delivery of the docu-ments that contain the contract or terms and conditions of the services in question.

The users may sign in blank accessory documents, provided they are related to the main transaction involved and are clearly identified as such. In said cases, a brief description of the signed blank accessory document or documents must be specified in the original contract or in any other document signed by the bank and the user. Any signed blank accessory document must be destroyed by the provider or returned to the user if it is not used once the particular operations concludes or ceases to exist. The return may be effected by registered mail or in any other efficient manner to the user's mailing address.

It is understood that the foregoing is not in detriment to the contents of the Law on negotiable documents.

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*I certify that the above is a true translation of the copy of the document in Spanish presented to me.*

**(Article 31 of Law 29 of February 1, 1996)**

Article 31. Obligations of the provider. The provider's obligations to the consumers are the following:

1. To report to the consumer clearly and truthfully, about the characteristics of the products or services offered, such as the nature,...price and any other determining condition, all of which will be consigned in the package, container or receptacle, on the product's label or on the shelf of the commercial establishment.
2. To indicate, in an express and visible manner when the product that is sold or the services that is rendered is paid on credit, the total amount of the debt, the terms, the rate of effective interest applied and how it is to be figured, the commissions, as well as the individual or corporations who finance the transaction, in case of third parties.
5. To maintain the consumer informed on the evolution or state of the respective Transaction, in cases of services rendered:
7. To inform the buyer about the terms for filing claims, as per the nature of the asset or service.
10. To deliver a copy of the sales contract to the consumer. The original of the Contract held by the provider must specify that a copy was delivered to the Consumer. Once the corresponding operation has been completed and a copy Has been delivered to the consumer, any contracts with blank spaces signed by the consumer in circumstances under wich these blank spaces might be filled in by providers in terms different to those specified I the contract in the future, in detriment of the consumer will be void, as well as, accessory documents to the contract signed by the consumer with blank spaces in circumstances under wich these blank spaces in might be filled in the future by the provider in terms different to those specified in the contract.
11. To abide by the Law, good commercial customs and equality in dealing with the Consumer.

**ARTICLE 144. WRITTEN CONTRACTS**

The contents of Articles 60 and 61 of Law 29 of February 1,1996 will not apply to banking contracts and transaction

In those cases in which the Law or banking customs and practices generally Observed in the market, demand that a banking contract or transaction be effected in writing, it must contains as a minimum, the following information:

1. Complete name, nationality, residence and number of the personal identification of each one of the contractive parties. In case of a corporation the legal name of the corporation, registry identification data, social residence, plus complete general information of its legal representative:

2. Detailed description of the contracted services:
3. Total amount of the contracted obligations or the transaction in question, expressed in monetary terms whenever applicable:
4. Indication of the periodicity in which the installments or payments to be made, their amount and the place where the payment will be effected.
5. Terms of the contracted obligations or life of the contract.
6. Rates of nominal interest and the rate of the effective interest applicable and method of calculation. In cases of lines of credits the formula for determining the applicable effective interest table must be expressed.
7. In case that the contract or transaction contains exclusions, limitations and/or causes for termination, said causes must appear within the text in bold face.
8. Date in which the contract or transaction is signed.
9. Any other clause or provision that the parties considered advisable to be specified.
10. In the contract itself or in a separate document, which must be delivered to the users anyway, there should be a detailed description of the amounts that a user of the banking services is to be charged, indicating the concept of the charge in monetary terms. It is understood that the charges for investigating credit, processing applications, interest, moratorium, surcharges, commissions, notary charges, registration charges, insurance premiums, surtax, and any other similar charges.

#### **Article 147. RIGHT TO INFORMATION.**

The users of banking services have the right to be informed, on time, of the interest rates, commissions and fees that the banks charge for their services, as well as, the evolution of operations, accounts and transactions maintained with the banks.

We consider that there is no justification whatsoever for the contents of the aforementioned Articles to be ignored. Therefore, we ask you to adopt the pertinent measures so that the user's rights regarding the furnishing of information be respected as to the Performance of their operations and delivery of any contract or documents that contain Terms and conditions of the banking transaction signed. You are reminded, that according to Title IV of Decree Law N°9 of February 26, 1998, the SUPERINTENDENCY OF BANKS is authorized to impose the respective sanctions for violations the aforementioned Decree Law.

Yours Truly,

Delia Cardenas  
Superintendent