

TRANSLATION



January 11, 2010
Circular No. 004-2010

General Manager

Subject: Law 49 of 2009 “Whereby the Fiscal Code is amended and other tax measures are adopted.”

Dear Manager:

We wish like inform you that on 1 January 2010 articles 9, 10, and 29 of Law 49 dated 17 September 2009 “Whereby the Fiscal Code is amended and other tax measures are adopted” became effective. Article 29 of the aforementioned regulation establishes the following:

“Article 29. Number 5 is added to subparagraph “a” of Paragraph 1 of article 1057-V of the Fiscal Code as follows:

Article 1057-V. A Tax is established on the Transference of Tangible Personal Property and the Provision of Services made within the Republic of Panama.

Proviso 1. This tax accrues as determined in the following provisions:

a. ...

5. The fees charged for the transference of negotiable instruments/documents and securities in general, payment of commissions for banking and/or financial services rendered by entities legally authorized to provide these kinds of services, and the fees or levies charged by persons engaged in the brokerage and real estate businesses.

...”

The above article confirms that all banks must comply with the provisions of Law 49. However, it is important to clarify that the interpretation and scope of Law 49 fall under the authority of the General Revenue Office of the Ministry of Economy and Finance.

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Notwithstanding the above, we wish to remind you that compliance with all regulations related to the collection of fees and charges established by the Banking Law, Rules and other notices that the Superintendency of Banks has issued pertaining to this matter is compulsory.

We would appreciate your informing your staff of these provisions so they may comply with this Circular.

Best regards,

Alberto Diamond
Superintendent

Enc.: a/s: Law 49 of 2009

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