



December 10, 2015
Circular N° SBP-DPC-0193-2015

General Manager

Reference: Requirement for Information on the Compliance Manual and Program and the Manual adopting the Methodology for the classification of customer risk.

Dear General Manager:

By virtue of Law 23 dated 27 April 2015, which adopts steps to prevent money laundering, the financing of terrorism and financing the proliferation of weapons of mass destruction, we remind you of Circular 7-2010 dated 21 January 2010, in which we requested you send the Superintendency your Manual, Program, Policies, Procedures, mechanisms and any other information used by the bank in the management, control and prevention of Money Laundering and the Financing of Terrorism.

In this context, and taking into consideration the new regulations, we need you to submit the updated manual with the new policies adapted to the new legal framework established in Article 3 of Rule 10-2015.

At the same time, we request you send us the manual adopting the methodology for the classification of customer risk established in Article 11 of Rule 10-2015.

ARTICLE 11. METHODOLOGY FOR CUSTOMER RISK CLASSIFICATION. Every regulated entity must design and adopt a method for customer risk classification that must contain, as a minimum, the following elements:

1. General concept.
2. Minimum criteria or variables for analyzing the customer's risk profile.
3. Description of the customers' risk classification and categories.
4. Definition of models for establishing the customer's risk profile.
5. Design and description of risk matrixes.

The methodology for customer risk classification and its updates must be approved by the Prevention of Money Laundering Committee and annually submitted to the Superintendency of Banks to be verified.

The Superintendency of Banks will verify that the methodology for customer risk classification is reasonable in accordance with the volume and nature of the operations conducted by the regulated entity, as well as the risk profile of the customer the bank is serving. In those cases where it is determined that the method for classification is insufficient or inappropriate, the Superintendency may ask the regulated entity to take the relevant measures to remedy or clarify them within a period the Superintendency will establish.

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The information required should be sent to the Department of Control and Prevention of Illegal Operations in electronic form (CD) and pdf format compatible with the Acrobat program.

The deadline for sending this information is Friday, 8 January 2016.

Any updates to any of these documents must also be sent to this Superintendency, indicating which pages are being modified.

If you have any questions about this requirement, we would appreciate their being sent to soporte@superbancos.gob.pa, referencing this circular.

We would greatly appreciate your providing your staff with the necessary instructions for compliance with the provisions of this Circular.

Best regards,

Ricardo G. Fernández D.
Superintendent

/mddec.

TRANSLATION