

Republic of Panama

Superintendency of Banks

BOARD OF DIRECTORS' GENERAL RESOLUTION SBP-GJD-0001-2014
(dated 7 January 2014)

“Whereby the parameters for the use of technology tools as an aid to the due diligence process are provided”

THE BOARD OF DIRECTORS

In use of its legal powers and,

CONSIDERING

That due to the issuance of Decree Law 2 dated 22 February 2008, the Executive Branch reedited Decree Law 9 dated 28 February 1998 and all of its amendments as a sole text, and that this text was approved by means of Executive Decree 52 dated 30 April 2008, hereinafter referred to as the Banking Law;

That pursuant to Paragraph 5 of Article 11 of the Banking Law, the Board of Directors is responsible for establishing the administrative interpretation and scope of the legal provisions and regulations on banking matters;

That pursuant to the provisions of Article 114 of the Banking Law, banks and other entities supervised by the Superintendency will adopt policies, practices and procedures that will allow them to know and identify their clients and their employees with the greatest certainty possible, with the Superintendency retaining the power to develop the relevant standards in conformity with policies and regulations in force in the country;

That Article 111 of the Banking Law indicates that banks may only release information about their clients or their operations with their clients' consent, except when, among other circumstances, banks are required to supply the information on their own initiative to comply with legislation on the prevention of money laundering, the financing of terrorism and related crimes;

That by means of Rule 12-2005 dated 14 December 2005 the Superintendency of Banks updated the parameters related to the prevention of money laundering and the financing of terrorism, to consolidate and strengthen the regulation on the prevention of the misuse of banking and trust services in Panama;

That pursuant to Article 36 of Law 1 dated 5 January 1984 the Superintendency of Banks will supervise and oversee the proper functioning of the trust business;

That during the Board of Directors' working sessions it became obvious that it was necessary and advisable to establish parameters for the use of certain technology tools along with other elements of analysis to investigate and detect suspicious operations that may be related to money laundering and/or the financing of terrorism.

RESOLVES:

ARTICLE 1. USE OF TECHNOLOGY TOOLS. Pursuant to the provisions of Articles 4 and 5 of Rule 12-2005, banks and trust companies may use technology tools and

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resources to comply with the due diligence requirement to appropriately identify clients or users. For this, they may rely on the use of databases in the Identify Verification System (IVS) provided by the Electoral Court, the Digital Image System (REDI) and the Transactional Registration System (*Emulador*) provided by the Public Registry of Panama and any other information system that might help banks to appropriately identify and verify the clients or users of banking services.

ARTICLE 2. CONTROL POLICIES AND CONFIDENTIALITY POLICES FOR HANDLING INFORMATION. Banks and trust companies using these technology tools as an aid in their due diligence procedures must consider control policies for handling the information and/or documentation, as well as policies and procedures that guarantee the confidentiality of that client's information.

ARTICLE 3. EXAMPLES OF SITUATIONS IN WHICH THE BANK OR TRUST COMPANY MIGHT USE DIFFERENT TECHNOLOGY TOOLS. Technology tools can be used in the following cases:

1. To verify data of minors that may be the beneficiaries of checks or payment of inheritance.
2. To verify the identity of people when there is an investigation of fraud and when they use various bank channels to engage in their activity (e.g. ATM, Cashier).
3. To verify the photograph maintained by the Electoral Court's verification system against the image recorded on our video systems, for the purpose of avoiding identify theft.
4. To update the client database.
5. To update databases on deceased clients and to verify duplicate data, incorrect data or data not matching the records.
6. To verify the identity of a client who does not have his/her personal identification card when carrying out any transaction at the counter, such as cashing checks or to verify the signatures of the chairman/chairwoman or secretary of corporations when minutes are provided.
7. For confirmation of a minor's parents' names, date and place of birth.
8. To confirm the names of the bank's or trust company's clients who do not have their personal identification card with them, or in cases in which there is doubt about their signature.
9. To verify expired or damaged personal identification cards and in those cases in which the client has only documentary proof of having applied for a personal identification card to the Electoral Court.
10. To verify a client's data when the personal identification card has been stolen or lost and he/she needs to conduct a transaction.
11. When, because of double endorsement of a check, the identity of the first endorser is in doubt.
12. In any other circumstance in which, in the bank's or trust company's judgment, it is necessary to verify the identity of a client or user by means of the different technology tools used by the bank.

ARTICLE 4. ENACTMENT. This Resolution shall become effective upon its promulgation.

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General Resolution SBP-GJD-0001-2014

Given in the city of Panama on the seventh (7th) day of January, two thousand fourteen (2014).

LET IT BE KNOWN, PUBLISHED AND ENFORCED.

THE CHAIRMAN,

THE SECRETARY,

Nicolás Ardito Barletta

L.J. Montague Belanger