

REPUBLIC OF PANAMA
Superintendency of Banks

AGREEMENT No. 12-2002
(of December 11, 2002)

THE BOARD OF DIRECTORS
In use of its legal faculty, and

WHEREAS

By means of Articles 17 (numeral 25), 137 and 138 of Law Decree No. 9 of 1998, the Superintendency of Banks is authorized to impose pecuniary sanctions of up to B/. 50,000.00, for breach of Law Decree No. 9 of 1998, and its statutory provisions, according to the gravity of the offense, its backslide and the damages caused to third parties;

By means of Article 30 of Executive Decree No. 16 of 1984, modified by Executive Decree No. 53 of 1985, which regulates the fiduciary business in the Republic of Panama, "the breach of any of the provisions contained there in, will be sanctioned with fines of up to B/. 50,000.00 according to the gravity of the case."

By means of agreement 2-98 of September 23, 1998, the criteria were established for the imposition of progressive fines for delay in presenting the periodic Reports and/or documents that have previously been required by legal provisions or by Circulars and/or Notes of the Superintendency;

By means of General Resolution No. 01-2002 of May 8, 2002, the content and frequency of the delivery of the information related to the Atoms were established, which must be delivered to the Superintendency of Banks in the time period stipulated;

Pursuant to Article 16, Numeral 7, of Law Decree No. 9 of 1998, the Board of Directors must set, in the administrative level, the interpretation and scope of the legal or statutory provisions in banking matters; and

In working sessions of this Board of Directors with the Superintendent of Banks, the need and convenience has been made evident of modifying the criterion related to the imposition of progressive fines for delay in presenting the Reports, Atoms and/or documents that have previously been required by legal provisions or by Circulars and/or Notes of the Superintendency;

AGREES:

ARTICLE 1: DEFINITIONS. The following definitions are for the purposes of this Agreement.

1. **Atom:** Structured Data of the Information Transferring System received in this Superintendency from the Banks and Trust Companies, in the determined periodicity.
2. **Reports:** All information or documentation required periodically in written form or by other means from the Banking Entities and Trust Companies, by this Superintendency of Banks, through Circulars, Resolutions, Agreements, Inspection Reports, notes, and those other documents of legal provisions applicable to the banking and fiduciary system.
3. **Other documents:** Any other documentation or information that is properly required from the Banks and Trust Companies.

ARTICLE 2: When Banks incur in delay in presenting the Atoms, Reports, and other required documents, the Superintendency of Banks will impose at its discretion any of the following sanctions according to the gravity of the offense, its recidivism and the damages caused to third parties:

- Private reprimand.
- Public reprimand.
- Fine, of up to **fifty thousand Balboas (B/. 50,000.00)**, which will be computed for each business day of delay, cumulatively, as follows:

- a. A fine of **ONE HUNDRED BALBOAS (B/. 100.00)** for each of the first ten (10) business days of delay;
- b. A fine of **TWO HUNDRED BALBOAS (B/. 200.00)** for each of the following ten (10) business days of delay;
- c. A fine of **THREE HUNDRED BALBOAS (B/. 300.00)** during each of the following ten (10) business days of delay;
- d. A fine of **SIX THOUSAND ONE BALBOAS (B/. 6001.00)** up to **FIFTY THOUSAND BALBOAS (B/. 50,000.00)** in cases when the delay in presenting the Atoms, Reports and other required documents is greater than thirty (30) business days.

ARTICLE 3: When the Trust Companies incur in delay in presenting the Atoms, Reports, and other required documents, the Superintendency of Banks will impose the following sanctions:

- Fine, of up to **fifty thousand Balboas (B/. 50,000.00)**, which will be computed for each business day of delay, cumulatively, as follows:
 - a. A fine of **ONE HUNDRED BALBOAS (B/. 100.00)** for each of the first ten (10) business days of delay;
 - b. A fine of **TWO HUNDRED BALBOAS (B/. 200.00)** for each of the following ten (10) business days of delay;
 - c. A fine of **THREE HUNDRED BALBOAS (B/. 300.00)** for each of the following ten (10) business days of delay;
 - d. A fine of **SIX THOUSAND ONE BALBOAS (B/. 6,001.00)** up to **FIFTY THOUSAND BALBOAS (B/. 50,000.00)** in cases when the delay in presenting the Atoms, Reports and other required documents is greater than thirty (30) business days.

ARTICLE 4: In spite of what is stated in the previous Articles as far as the delay in presenting the information, when the Banks and Trust Companies deliver to the Superintendency of Banks, Atoms, Reports and other required documents that contain incorrect information, the Superintendency will proceed according to what is established in Article 137 of Law Decree No. 9 of 1998, and in Article 30 of Executive Decree No. 16 of 1984.

ARTICLE 5: The payment of the fine does not discharge the Banks and Trust Companies from the responsibility of presenting the Atoms, Reports, and other documents required previously from these Institutions by the Superintendency of Banks.

ARTICLE 6: Leave without effect Agreement 2-98 of September 23, 1998. Any reference to Agreement 2-98 of September 23, 1998. All Agreements, Circulars, Reports, Notes, Resolutions and other communication means used previously, will be understood to refer to this Agreement.

ARTICLE 7: This Agreement will go into effect from the time of its passing

Given in the city of Panama, on the eleventh (11) day of the month of December of two thousand two (2002).

TO BE COMMUNICATED, PUBLISHED AND COMPLIED WITH.

THE PRESIDENT

(signature)
Jorge W. Altamirano Duque M.

THE SECRETARY

(signature)
Joseph Fidanque, Jr.