

Rule No. 007-2005¹
(dated September 21, 2005)

Whereby general parameters are set
for clearing checks and fund availability

THE BOARD OF DIRECTORS
Using its legal authority, and

WHEREAS:

According to Numeral 1 of Article 5 of Decree Law No. 9 of February 26, 1998, looking after the maintenance of the soundness and efficiency of the banking system is a function of the Superintendency of Banks;

According to Numeral 2 of Article 5 of Decree Law No. 9 of February 26, 1998, the Superintendency of Banks is responsible for strengthening and fostering auspicious conditions conducive to the development of Panama as an international financial center;

According to Numeral 7 of Article 16 of Decree Law No. 9 of February 26, 1998, the Board of Directors must set in the administrative realm, the interpretation and scope of the legal or regulatory provisions in banking matters;

In work sessions of this Board of Directors with the Bank Superintendent, the need and convenience has been made evident of setting the parameters and general guidelines regarding the clearing of checks and fund availability.

RESOLVES:

ARTICLE 1: APPLICATION SCOPE. The provisions of this Rule will apply to Official Banks, General License Banks and International License Banks.

ARTICLE 2: TIME PERIOD FOR SENDING CHECKS TO THE CLEARING HOUSE. The banking entities must send, as soon as possible, their customer checks that must be cleared by the National Bank of Panama Clearing House. For this purpose, they must use adequate and effective procedures that allow submitting the check to the Clearing House to be processed by the immediately next exchange.

ARTICLE 3: CLEARING TIME PERIOD. The checks drawn by or against banking entities in the market will be cleared according to the terms set in the Banco Nacional de Panama Clearing House Regulations.

ARTICLE 4: CASH DEPOSIT AVAILABILITY AND CHECKS DRAWN AGAINST THE SAME BANK. Cash deposits will be available immediately. Check deposits from the same bank will be available the same day, once the check's validity and the existence of funds has been verified.

ARTICLE 5: DEPOSIT AVAILABILITY OF CHECKS DRAWN AGAINST OTHER BANKS IN THE MARKET. In the case of General License Banks, the deposit availability of checks drawn against other Banks in the market will be immediate, once the check has been cleared in the Banco Nacional de Panama Clearing House.

Regarding International License Banks, their availability will be immediate once the Bank that renders the clearing services confirms the availability.

ARTICLE 5-A²: PERIOD FOR THE RETURN OF CHECKS AND RELEASE OF FUNDS. Banks must send checks to be exchanged by the processor— no later than 3:00 p.m. on the day they were settled in the Clearing House. Therefore, the availability and release of funds from the receiving bank shall be made no later than 5:00 p.m. on the same day.

ARTICLE 6³: DEPOSIT AVAILABILITY OF CHECKS DRAWN AGAINST BANKS IN FOREIGN MARKETS. The Banks must inform their customers approximately how long it

¹ Amended by Rule 7-2009 dated 30 July 2009, Rule 6-2014 dated 29 July 2014 and Rule 2-2015 dated 10 February 2015.

² Added by Rule 6-2014 dated 29 July 2014, amended by Rule 2-2015 dated 10 February 2015, which will enter into force on 16 March 2015.

³ Amended by Article 1 of Rule 7-2009 dated 30 July 2009.

will take for the funds of check deposits drawn against foreign market banks to be available. This time period cannot exceed fifteen (15) working days.

Nevertheless, in the case of checks drawn against Banks in the United States' market, as long as the clearing is performed by way of services designed to give a specific time for payment or the notification of non-payment, the Bank will have a term equivalent to said specific time to make the funds available to the customer, term which will not be greater than twenty-two (22) working days.

ARTICLE 7: SANCTIONS. In case of breach of the provisions stipulated in this Rule, the sanctions stipulated in Article 137 of Decree Law No. 9 of 1998 will be applied.

ARTICLE 8: EFFECT. This Rule will be in force from the time it is proclaimed.

Given in the city of Panama, on the twenty first (21st) day of the month of September of two thousand five (2005).