

TRANSLATION

Republic of Panama Superintendency of Banks

RULE N°. 5-2017
(dated 30 May 2017)

“Whereby Article 6 of Rule 5-2009 developing Article 215 of the Banking Law on Inactive Assets is amended”

THE BOARD OF DIRECTORS
in use of its legal powers and,

WHEREAS:

Due to the issuance of Decree Law 2 dated 22 February 2008, the Executive Branch reedited Decree Law 9 dated 26 February 1998 and all its amendments as a consolidated text, and that this text was approved by means of Executive Decree 52 dated 30 April 2008, hereinafter referred to as the Banking Law;

Pursuant to paragraphs 1 and 2 of Article 5 of the Banking Law, safeguarding the soundness and efficiency of the banking system and strengthening and fostering favorable conditions for the development of the Republic of Panama as an International Financial Center are objectives of the Superintendency of Banks;

Pursuant to subparagraph 5 of Article 11 of the Banking Law, establishing the administrative interpretation and scope of the legal provisions and regulations on banking matters is one of the duties of the Board of Directors;

Article 215 of the Banking Law provides that all banks must inform the Superintendency on any assets, funds and securities in their possession that have been inactive for five years and belong to persons whose whereabouts are unknown. After verifying the facts, the Superintendency will order these assets liquidated and their value transferred to Banco Nacional de Panamá;

Article 216 of the Banking Law establishes that Banco Nacional de Panamá is under the obligation to make restitution of the funds described in Article 215 to their owners if they are claimed within ten years following the date in which they were transferred, but without payment of interest;

By means of Rule 5-2009 dated 24 June 2009 Article 215 of the Banking Law on Inactive Assets was further developed;

During the Board of Directors' working sessions it was determined to be necessary and advisable to amend Article 6 of Rule 5-2009 dated 24 June 2009 in order to establish the parameters for transferring liquid inactive funds to Banco Nacional de Panamá.

RESOLVES:

ARTICLE 1. Article 6 of Rule 5-2009 shall read as follows:

“ARTICLE 6: ORDER TO TRANSFER THE LIQUID FUNDS TO BANCO NACIONAL DE PANAMÁ. Once the special examination is concluded, the Superintendency of Banks will send the corresponding report to the bank, wherein it will order, in the cases where it is suitable, the transfer of the liquid funds to Banco Nacional de Panamá, in compliance with Article 215 of the Banking Law.

The bank will transfer the liquid funds to Banco Nacional de Panamá, leaving evidence of this transfer by sending the Superintendency of Banks a copy of the check and the remittance letter sent to Banco Nacional de Panamá with their notice of receipt.

TRANSLATION

Rule N.º 5-2017
Page 2 of 2

PROVISO: To comply with the provisions herein, the bank shall transfer the liquid funds in the currency in which the bank account was opened. In cases where Banco Nacional de Panamá does not have accounts in a currency other than the United States dollar and cannot receive the transfer in the currency in which the account was opened, the bank will transfer these funds in balboas or United States dollars, for which the bank shall make the corresponding conversion using the exchange rate available on the effective date of the transfer.

For the purposes of the above paragraph, the bank holding inactive liquid assets in a foreign currency other than the United States dollar shall inform Banco Nacional de Panamá prior to the transfer, in order to verify the viability of the transfer of these funds. If it is not viable, the bank shall convert the currency to balboas or United States dollars.”

ARTICLE 2. ENACTMENT. This Rule shall become effective upon its enactment.

Given in the city of Panama on the thirtieth (30th) day of May, two thousand seventeen (2017).

FOR COMMUNICATION, PUBLICATION AND ENFORCEMENT.

THE CHAIRMAN,

THE SECRETARY,

Arturo Gerbaud

L. J. Montague Belanger