



Superintendencia
de Bancos de Panamá



Monday, June 21, 2021

SBP issues new guidelines for the restructuring of loans of debtors with temporary liquidity restrictions



By means of the Board of Directors' General Resolution SBP-GJD-0004-2021 dated 21 June 2021, the Superintendency of Banks of Panama sets a new phase, aimed at restructuring the loans of debtors who, despite of being in a temporary liquidity restriction, are willing to meet their obligations.

Regarding the group of debtors who have historically met their personal or corporate credit obligations in a responsible manner, these measures allow banks to agree on the restructuring of loans, requiring, in turn, the active participation of such debtors. For these purposes, the debtor's contact with the bank must be evidenced, written support must be made on the temporary liquidity restriction (which must be documented in the bank's credit files) and the restructuring must be formalized.

The provisions of the aforementioned Resolution will be applicable to debtors who have not contacted the bank, or who, having contacted it, have not formalized a restructuring due to their current financial situation, and debtors with modified loans that, due to their financial situation, require restructuring their obligations.

The period to formalize the restructuring, under the new terms contained in Resolution SBP-GJD-0004-2021, will be from July 1, 2021 to September 30, 2021.



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According to the debtor's financial viability, and subject to meeting the conditions and other provisions established in the Resolution, the bank may consider, as part of the solution options, the deferral of payments or grace periods, among others.

The payment plan agreed on the restructurings may consider a term beyond December 31, 2021, subject to the regulation established for each type of loan and the financial viability of the debtor.

The debtors who restructure their loans under the provisions of the Resolution, if they continue meeting the terms agreed on, will benefit from the following measures:

1. They will be exempt from the execution of movable and immovable property held as collateral for such loans
2. They will be exempt from updating the appraisal (in the event of loans secured with real estate)

Regarding credit records, banks will report to the data information agencies, the credit records of restructured loans, in accordance with the provisions of Law 195 dated 31 December 2020.

Banks and debtors may not interpret the provisions of Resolution SBP-GJD-0004-2021 as automatic grace periods, i.e. without the client contacting the bank and formalizing the restructuring.

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