



September 10, 2009
Circular No. 042-2009

General Manager
Panama City

Reference: Double Endorsement, Bank Notes and
Other Cases.

Dear Manager:

We hereby notify you that we have received multiple complaints from banking service users, because some banking entities in the marketplace refuse to receive checks with double endorsement and some bank note denominations, claiming to have received instructions from the Superintendency of Banks concerning this.

As you know, a check is a tradable document, transferrable through endorsement and no standard exists that forbids accepting double endorsement. Nevertheless, it is a sound and accepted banking practice for banks to abstain from paying or accepting as deposits, checks that for some reason seem to carry a risk that they do not have to undertake. However, this decision of the bank must not be explained or justified to banking customers as if the same were an instruction from the Superintendency of Banks.

Furthermore, we remind you that the United States Dollar is of legal tender in Panama and therefore it must be accepted by the banking entities in any one of its denominations. If a banking entity decides not to accept a US\$50.00 or US\$100.00 denomination note due to doubtful legitimacy, it must make it known to the bearer of the note. It is not acceptable to this institution for decisions protected under these considerations to be explained or justified to the user as taken "by instructions of the Superintendency".

As a consequence of the foregoing, we order the banks to refrain from using the Superintendency of Banks as an excuse to base decisions that belong to the banking entities on this and other subjects. Any infringement of this instruction will be object of a sanction.

We ask the Manager to give the staff in charge of customer attention, the pertinent instructions for the observance of this circular.

Sincerely,

Olegario Barrelier
Superintendent

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