

# TRANSLATION

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February 4, 2011  
Circular No. SBP-DRB-0014-2011

General Manager

Subject: Circular No. 42-2009.

Dear General Manager:

Hereby, we would like to remind you the contents of Circular No. 42-2009, whereby this Office informs its position in regards to checks with double endorsement and some bank note denominations. In the captioned circular, is recognized that checks are a tradable document, transferable through endorsement as provided in Law 52 of 1917 on Negotiable Documents. In addition, we would like to remind you that the United States Dollar is of legal tender in Panama and therefore it must be accepted by banking entities in any one of its denominations.

Also, said circular states that to this date this Office has not issued any regulation restricting or limiting banks to accept checks with double endorsement or U\$50.00 or US\$100.00 denomination notes; without prejudice to the bank, according to its policies or due to doubtful legitimacy of any document, the bank can refrain from accepting those when these actions suppose a risk that the bank cannot take.

In connection with the above, when the bank decides to refrain from accepting checks with double endorsement or US\$50.00 or US\$100.00 denomination notes, it shall clearly inform the customer the reasons of that decision in order to avoid any misinterpretation that such decision is following or is based on instructions issued by the Superintendency of Banks.

For your reference, Circular No. 42-2009 can be accessed through our website [www.superbancos.gob.pa](http://www.superbancos.gob.pa) under Laws and Regulations section.

We would highly appreciate to inform your customer service staff of these instructions in order to fully comply with this Circular.

Sincerely yours,

Alberto Diamond R.  
Superintendent

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