



November 26, 2014
Circular N° SBP-DR-0152-2014

General Manager

Subject: Special Examinations Program

Dear General Manager:

Please be advised that as of November 18, 2014, the Superintendency has started a special bank examination program. The purpose of these examinations is to verify compliance with the regime established to prevent their services from being misused for money laundering, the financing of terrorism and related crimes, or crimes of the same nature or origin. This program is in addition to the examinations conducted by the Superintendency.

We wish to remind all banks and trust companies of the importance of complying with their due diligence obligations towards their clients, requiring them to always know the source and origin of the resources used by those clients. In the case of Politically Exposed Persons (PEP), banks and trust companies must ensure appropriate risk management systems are in place and to conduct more in-depth due diligence as set forth in Articles 4 and 5 of Rule 12-2005 on the "Misuse of Banking and Trust Services."

Similarly, we wish to remind them of the need to support the work of the Compliance Officer, as well as to review and strengthen their internal control processes in accordance with Rule 10-2000.

It is necessary to point out that, in those cases where noncompliance with the legal provisions for the prevention of money laundering and the financing of terrorism and the banking regime is proven, the Superintendency of Banks shall apply the fines established for those cases in Article 185 of the Banking Law:

"ARTICLE 185. FINES. The following sanctions are established:

1. Fines of up to one million balboas to:
 - a. ...
 - b. Anyone not complying with the provisions of Chapter XIII in Title III on the Prevention of Money Laundering, the Financing of Terrorism, and related crimes."

"Velando por la solidez del Centro Bancario Internacional"

These sanctions shall be applicable without prejudice to those established by other competent authorities.

We would greatly appreciate your providing your staff with the necessary instructions for compliance with the provisions of this Circular.

Best regards,

Alberto Diamond R.
Superintendent

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TRANSLATION