

December 23, 2019  
Circular N° SBP-DR-0122-2019

General Manager

Subject: Clarification of Article 17 of Rule 10-2015

Dear General Manager:

We wish to make some clarifications hereby on item 6 of Article 17 of Rule 10-2015 that states:

**“ARTICLE 17. SIMPLIFIED DUE DILIGENCE. Without prejudice to the risk assessment conducted by the reporting entity, the bank or trust company may conduct a simplified due diligence in those cases the Superintendency of Banks determines, making sure they have gathered the following information:**

[...]

*Simplified due diligence will be applicable in the following cases:*

1. ...
2. ...
3. ...
4. ...
5. ...
6. *Checking or savings accounts whose holders are individuals whose balance does not exceed five thousand balboas (B/.5,000.00) at any time. In these cases, the financial profile will be supported with a customer affidavit on his/her income (see Appendix I) and the bank or trust company must have the tools to permit continuous monitoring of the balance to prevent the established limit being exceeded. In the event the customer exceeds the five thousand balboas (B/.5,000.00) balance, the bank must ensure it has requested all the data required by Article 14 of this Rule;”*

In connection with the above item 6 of Article 17, it is important to remember that this item was included through Rule 13-2018 dated 27 November 2018 for the purpose of helping banks to speed up the account opening process, in order to achieve an expedited process for customers wishing to open savings or current accounts whose balance would not exceed five thousand balboas (B/.5,000.00) at any time.

.../...

*“Velando por la solidez del Centro Bancario Internacional”*

In this sense, we deem it important to clarify that the requirement when establishing the declared ***“Checking or savings accounts whose holders are individuals whose balance does not exceed five thousand balboas (B/.5,000.00) at any time”*** refers to the cumulative amount, i.e. total deposits and withdrawals accumulated over one month must be kept at or below five thousand balboas for the account to be eligible for the simplified due diligence procedure. In the event total deposits and withdrawals exceed five thousand balboas, the bank must ensure it requests the customer provide all the information required in Article 14 of Rule 10-2015, among which is the customer’s financial profile. It is important to mention that at no time should the account exceed the five thousand balboas (B/.5,000.00) limit.

It is important to remember that we make this clarification in order to prevent practices that are against the true spirit of Rule 10-2015, which provides the minimum requirements for the prevention of money laundering and the financing of terrorism that banks and trust companies must follow to avoid the misuse of the services they provide.

In this regard, we urge banks to make the necessary adjustments to their monitoring tools to enable the continuous monitoring of account balances, including total accumulated deposits and withdrawals, in those cases in which the Rule had been otherwise interpreted.

We would greatly appreciate your providing the necessary instructions to your staff for compliance with these provisions.

Best regards,

Ricardo G. Fernandez D.  
Superintendent

ARV/ygl