

Law 23
of April 27th, 2015

Adopting Measures for the Prevention of Money Laundering, Terrorism Financing and Financing of Proliferation of Weapons of Mass Destruction and other provisions

THE NATIONAL ASSEMBLY

DECREES:

Title XI

Other Dispositions

Article 69: Article 14 of the only text that includes Part II of Law 67 of 2011 will be as follows:

Article 14. Powers of the Superintendent. The duties of the superintendent are:

1. Solve applications for registration of securities for public offerings and any others that are submitted to the Superintendent under the Law of the Securities Market.
2. To ex officio cancel or upon request by the securities records stated in the Superintendence.
3. Suspend public offerings that violate provisions of the Securities Market Law or as otherwise provided by law.
4. To issue, suspend, revoke, cancel and deny licenses whose granting is in charge of the Superintendent pursuant to the Law on the Securities Market.
5. Receive notifications in cases of opening branches or subsidiaries in Panama and abroad of entities licensed by the Superintendent.
6. To examine, supervise and oversee the activities of entities licensed by the Superintendent and its top executives, brokers and analysts within the functions inherent to their licenses, as appropriate.
7. To examine, supervise and monitor the activities of investment companies.
8. Monitor and supervise a foreign branch of entities licensed by the Superintendent, as the procedures to be established by agreement.
9. Issue, grant or refuse registration of risk rating agencies and entities providing prices according to procedures established by agreement.
10. Conduct inspections, investigations and prosecutions under the Securities Market Law, subject to the procedure of investigation and sanction of the Superintendent.
11. To impose the sanctions established by the Securities Market Law.
12. Authorize the draft for the articles of incorporation and amendments linked to the activity of the market, in the case of change of name, merger, liquidation or

reduction of share capital when the actual reimbursement of contributions involving entities licensed by the Superintendence.

13. Liaise bilateral or multilateral cooperation with foreign supervisory authorities or market authorities in order to facilitate effective international monitoring and research.

14. Establish partnerships with public institutions or private institutions of professional or educational character.

15. To issue certifications related to the existence and activities of entities licensed by the Superintendent or the National Securities Commission based on the information contained in the Superintendence.

16. Issue certificates relating to the registration of securities in the Superintendence.

17. To initiate collective processes of class, upon decision of the Board of Superintendence and use those other actions and measures available to enforce the Securities Market Law.

18. Issuing opinions expressed administrative position of the Superintendence regarding the application of the Securities Market Law.

19. To issue the necessary circulars on instructions for compliance with the Securities Market Law and the rules for its implementation.

20. Procure goods and hire the services necessary for the proper functioning of the Superintendence and to execute or carry out the functions entrusted to it by the Securities Market Law.

21. Prepare the draft annual budget, the annual report on the activities and projects of the Superintendence and put those for the consideration of the Board.

22. Set salaries and other emoluments and select, appoint, transfer, promote, license with or without pay and dismissal of employees and officials of the Superintendence and apply the relevant disciplinary sanctions.

23. Ensure the implementation and efficient administration of the annual budget of the Superintendence.

24. Approve the hiring through exceptional recruitment procedure required by the Superintendence on amounts for less than thirty thousand dollars (B/30,000.00), under the circumstances provided for in the Public Procurement Law and its regulations concerning such procedures.

25. Submit to the Board the following documentation: a. The unaudited financial statements of the Superintendence. Quarterly reports shall be submitted within two months following the closing of each quarter of each fiscal year and the annual report on two months following the closing. b. The annual and quarterly work report at the same time that the financial reports are presented. c. The monthly budget execution.

26. To resolve all administrative measures that were not expressly reserved to the Board or other authority.

27. To authorize, modify and revoke exceptions to use names that relate to the Securities Market, as well as communications and actions referred to in Article 332 of Decree-Law 1 of 1999.

28. Require any person, natural or juridical, for sending information or documentation required for the purposes of effective monitoring, investigation or for the purpose of sharing it with foreign authorities or entities monitoring the securities market whereby with the Superintendence of the Securities Market have signed agreements for mutual cooperation or are part of multilateral memoranda of understanding. In cases where the Superintendency of Securities requires banking information, this will be requested by the Superintendence of Banks. The Superintendence of Banks shall be entitled to request information on banks liabilities and identity of depositors. Such exchange of information will be pursuant to a memorandum of understanding between the two regulators for such purposes.

29. Quote and take statements from anyone who can contribute or contribute to success in investigations conducted by the Superintendence or other body or supervisory body of the Securities Market from abroad that is part of a multilateral memorandum of understanding with the Superintendent. The Superintendence may use any technical and legal means to obtain full, complete and accurate record of statements, complying with the formality of being transcribed and signed by the respondents.

30. Liaise bilateral or multilateral cooperation with local authorities supervising financial activities in order to strengthen local effective monitoring mechanisms and to update preventive regulations, trading and supplying useful information for it to exercise the function supervisor of local authorities.

31. Exercising the powers that the Securities Market Law and other regulations stipulate. The Superintendent may delegate functions, subject to the decisions and directives of the Board of Directors, officers of the Superintendence, except for the adoption or amendment.

Article 70. Article 30 of the only sole text that includes Part II of Law 67 of 2011 is as follows:

Article 30. Understandings with foreign supervisory bodies. The Superintendence will held bilaterally or multilateral agreements of understanding and cooperation with foreign authorities or supervisory bodies of the Securities Market, in order to facilitate effective international monitoring and research, asking, sharing or providing the information necessary for the best development for it of supervisory and investigative functions on market agents. Cooperation between the Superintendent and supervisors abroad will be based on principles of bilateralism and reciprocity, mutual cooperation, confidentiality of information, relevance of information requirement for specific purposes of effective monitoring and research on agents and participants of securities market could include an

investigation or sanction in the administrative, civil or criminal sphere provided that such are behaviors arising from breaches to the securities market, so as any other principle estimated suitable for the purposes of effective supervision of the securities markets. The Superintendence may make rules, procedures and requirements to be fulfilled for the implementation of this article.

Article 71. Article 331 of the Sole Text of Decree Law N° 1 of 1999, will read as follows:

Article 331. Access to information and confidentiality. All information or any document submitted to the Superintendence, or that it may obtain, shall be public and may be examined by the public, unless:

1. It has to do with industrial or commercial secrets, such as patents, formulas or other, or business information or financial secret whose confidentiality is protected by law and not required to be made public to meet the purposes of this Decree law.
2. Have been obtained by the Superintendence in an investigation, inspection or negotiation concerning a violation of the Securities Market Law. Nevertheless, the Superintendence may submit such information and documents to courts in a class collective process, to the Public Ministry in case it has reasonable grounds to believe that there has been a violation of the criminal law or to comply with the provisions in the article that regulates the consolidated supervision of the Securities Market Law.
3. At the request of an interested party, the Superintendence has agreed to hold it in reserve, because there are justified reasons and that the disclosure of such information or document is not essential to protect the interests of the investing public.
4. It concerns to information obtained through the Superintendence of Banks in accordance with the powers set out in paragraph 28 of Article 14. The Superintendence of the Securities Market may only share such information with foreign financial supervisory entities of Securities Market, provided that a multilateral memorandum of understanding has been subscribed.
5. When it pertains to information or documents that the Superintendence by agreement dictates that they are to be kept confidential.

The Superintendence shall disclose the information required by a competent authority of the Republic of Panama as provided by the law. The Superintendence will not be authorized to provide information that has been obtained through a local or foreign financial supervisory entity under a multilateral memorandum of understanding. In this case, the Superintendence shall request from the competent authority in the

Republic of Panama such information to the supervisory authority of origin, be it domestic or from abroad.

The Superintendence will take the necessary measures to preserve the confidentiality of any information or documents that must be held in reserve as provided in this Article.