

# Panama at a glance: New regulations in progress



No.2

April 2015

## Varela sanctions law against money laundering

Writing by La Prensa 27 abr 2015 - 18:18h



Picture by: LA PRENSA

On April 27, 2015, the President of the Republic of Panama, Juan Carlos Varela, enacted the law that establishes measures against money laundering and the financing of terrorism and weapons of mass destruction.

With this law the number of sectors that must implement controls and supervision to prevent money laundering and financing of terrorism in Panama increases to 31.

Additionally, with the new law the Ministry of Economy and Finance (MEF) remarked that “the Government is looking to protect important sectors of the Panamanian economy, so they are not used by criminals that attempt to launder money product of delinquent activities”.

The adoption of this law paves the way for Panama’s exclusion of the grey list of the Financial Action Task Force (FATF), emphasized the MEF.

The new activities that will be supervised are currency exchange, pawnshops, and companies dedicated to the commercialization of precious metals and stones.

Also, the companies of the Free Trade Zone, real estate brokers and promoters, casinos and gaming companies, lawyers, accountants, auditors, and notaries.

## National Assembly passes Law against money laundering

By: Gustavo A. Aparicio O. 22 April, 2015 - 21:26h  
Source: Newspaper La Prensa



Minister of Economy and Finance (MEF), Dulcideo De La Guardia, with the president of the National Assembly, Adolfo Valderrama. Picture by: LA PRENSA/Ricardo Iturriaga.

The Law 167 that adopts measures to prevent money laundering, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction, is now waiting confirmation from the Executive after being approved yesterday unanimously in the plenary of the National Assembly.

With this document the number of sectors that must implement controls and supervision protocols to prevent money laundering and financing of terrorism increases to 31.

Among the new activities that will be supervised are: currency exchange, pawnshops, companies dedicated to the commercialization of metals and precious stones, companies from the Free Trade Zone, real estate promoters and brokers, casinos and gaming companies, lawyers, accountants, auditors and notaries, among others.

With this initiative, according to the Minister of Economy and Finance, Dulcideo De La Guardia, it is



expected that Panama will be removed from the grey list of the Financial Action Task Force (FATF).

Likewise, the plenary approved the law project No. 183, which adopts a custody regime applicable to bearer shares, in order for this system to take effect since the enactment of the law.

While those societies that have issued these types of shares will have until December 31, 2015, for these shares to be in hands of an authorized custodian.

## **Preliminary draft law is presented in the Forum Panama United Against Money Laundering**

“The proposal complies with international standards”, highlights Andrea Garzón (Gafilat)  
Source: Ministry of Economy and Finance – March 20, 2015

In a crowded auditorium, in the middle of March, 2015, was developed the forum “Panama United Against Money Laundering”, activity that allowed the Ministry of Economy and Finance (MEF) to present the progress achieved jointly with the private sector, in the fight against money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction.

During this session were presented details of the preliminary draft law to prevent these criminal activities, which was introduced by the MEF in the National Assembly this Wednesday.

The Minister of Economy and Finance, Dulcidio De La Guardia, emphasized the fact that the Panamanian state maintains its commitment to join the international fight to eradicate these crimes, and is advancing every day towards the exclusion of Panama from the grey list of the Financial Action Task Force (FATF).

“The preliminary draft law is in the National Assembly. And I want to take this opportunity to give thanks to the deputies that have participated in the informative meetings that the Ministry has carried out so far, and I want to invite you to join this important national fight, which is a priority for the State for the protection of our economy”, highlighted the Minister.

The Minister of the Presidency, Álvaro Alemán, on his behalf, said all the efforts that have been made to exclude Panama from the grey list of the FATF will allow to safeguard companies and employees from important sectors of the national economy, reinforce the systems of supervision and prevention of these crimes, both in the financial and non-financial sectors, and give way to a new era of transparency for Panama.

In this forum also participated Andrea Garzón, technical expert of the Financial Action Task Force of Latin America (GAFILAT – in Spanish), who expressed that the preliminary draft law complies with the established international standards; Roberto Brenes, president of the International Services Counsel of Panama (COSIP); Roberto De Michele, in representation of the Inter-American Development Bank; and Raul Guizado, first vice-president of the Panamanian Banking Association.

These people intervened as panelists in the first panel of the event, which focused in the following topics: “FATF Processes”, “Why is it important to join as a country in this fight”, and “Consequences: What happens if we do not adopt these measures?”.

In the second panel was presented the preliminary draft law and the public was informed of the progress in the FATF action plan. In this panel participated the Vice-Minister of Finance, Eyda Varela de Chinchilla; Isabel Fernández, director of the Policies for the Prevention of Money Laundering and Financing of Terrorism Unit; and Julio Aguirre, advisor for the MEF.

## IMF recognizes improvements in the fight against money laundering

Beyond the challenge of financial transparency, the body has positive projections for the country. Growth between 6% and 7% is expected.

By Roberto González Jiménez April 23, 2015 - 00:05h  
Source: Newspaper La Prensa

The International Monetary Fund (IMF) recognizes the improvements of Panama in the execution of the process to strengthen the legal framework against money laundering.

The mission chief for Panama of the IMF, Luca Ricci, highlighted that the approval of the law to prevent money laundering and the financing of terrorism in the National Assembly (NA): "is something very positive". The project received yesterday, was adopted for NA, as well as the law that advances the entry into force of Law 47 of 2013, which created a custody regime for bearer shares.

Nevertheless, to minimize the vulnerability of the Panamanian system there are other steps that need to be completed, like the regulation of the anti-laundering law, the creation of a national risk evaluation, and the strengthening of the Financial Analysis Unit, among others. The government has taken steps toward these objectives, something that the IMF has recognized, but it also highlights the importance of completing the process.

In an interview granted to this newspaper last week in Washington, in the framework of the spring meetings of the IMF and the World Bank, Ricci said "important steps have been taken and are recognized, but there are still things that need to be done... it is important that there is a national consensus to ensure the process is completed as soon as possible".

After the inclusion of the country in the grey list of the Financial Action Task Force (FATF), the government initiated the implementation of a plan agreed with the institution to strengthen the local legal framework. According to this action plan, the majority of the steps must be completed by June.

Before April ends, Panama must send to the FATF the achieved improvements, in order to set a bilateral

meeting with representatives of the institution. These improvements will be shared in the plenary of the FATF, to be held in June.

Beyond the challenge of financial transparency, the IMF understands that the projections for the country are positive, and that it is expected for the economic performance to remain strong. The institution calculated that in the medium term growth will remain between 6% and 7%, which will continue making Panama one of the most dynamic economies of the continent.

## Panama highlights progress of the initiative against money laundering and the financing of terrorism.

Source: Taken from the Spanish.people daily (digital version)



The Panamanian government highlighted today the approval of the law initiative to prevent money laundering and the financing of terrorism, as part of the measures taken for the exclusion of Panama from the list of countries with pending tasks in this area.

The Ministry of Economy and Finance pointed through a statement the approval that the government initiative had Wednesday night, in the first legislative reading, which represents progress for the exclusion of Panama from the grey list of the Financial Action Task Force (FATF) on countries with deficiencies in this area.

The initiative presented by the Panamanian government is focused additionally in the prevention of the financing of the proliferation of weapons of mass destruction, with the purpose of protecting important sectors of the national economy and complying with international transparency standards.



The President of the Republic of Panama, Juan Carlos Varela highlighted that the law has as an objective to build a framework for supervision institutions, and for persons or legal entities subject to these supervisions, to establish the measures that will allow identifying, evaluating and understanding the risks and consequences of the mentioned crimes.

In addition he said the aim is to use the necessary tools to strengthen the responsibility, capacity and effectiveness of the supervision and control institutions.

Another objective is to strengthen the information disclosure obligations to the Financial Analysis Unit (UAF) on behalf of the obligated financial parties, obligated non-financial parties, and activities performed by professional parties subject to supervision, as part of the prevention measures in regulated sectors.

The FATF included Panama in its “grey list” in mid last year, where 21 countries identified with strategic deficiencies that show a commitment to improve their situation are included.

The classifications of the FATF also include the “dark grey list”, where Afghanistan and Cambodia are included, with the risk of being transferred to the “black list”, where there are nine countries that do not show progress in working out their deficiencies in the fight against money laundering and financing of terrorism, with the risk of entering the “red” list.

The government and the private sector of Panama have recognized negative effects for the international financial center of the country, due to the inclusion and permanence of the country in the “grey list” of the FATF, by affecting for example the contact with bank correspondents in the United States.



## Marelissa Quintero, new Superintendent of the Panamanian Securities Market

By: Ricardo Richards | PUBLISHED March 30, 2015  
Source: Telemetro

The President of the Republic of Panama, Juan Carlos Varela, designated this Monday Marelissa Quintero de Stanzola, as the new Superintendent of the Securities Market.

Varela highlighted the trajectory and the resume of Quintero, who won the position through a contest. The Executive assured that with this designation they are looking to give back the prestige the institution it deserves.

On her behalf, Quintero highlighted that her objective is to continue incentivizing the development of the market “I know there are many challenges and obstacles, but I have no doubt that they will all be accomplished”. She assured her management will be based in ethic, transparency, and honesty, “I am here to serve to ethic and to our beloved Panama”.

In regards to the people who will support her in the position she said she will review the personnel and their capacity and she will also analyze how to reinforce the supervision task carried out by the Superintendence of the Securities Market.

### Profile of Marelissa Quintero

- Until today she was Legal Director of the Superintendence of the Securities Market.
- From January 2008 until January 2011 she held the position of National and International Director of the Securities Market.
- She worked as consultant of the Inter-American Development Bank (IDB) in the development of the “Reinforcement Plan of the National Securities Commission of Panama” in the year 2001 and as a Legal Advisor of the National Securities Commission until the year 2004.
- Afterwards, in the private sector, she held the position of Legal Advisor of the Financial Unit of the group Morgan & Morgan, unit of the companies MMG Bank Corporation, MMG Bank & Trust Ltd. y MMG Asset Management Corp.