Importance of facing challenges of money laundering is recognized

Some companies will have to assume additional costs to comply with the requirements that the new law for the prevention of money laundering is establishing.

TOPICS:
FATF (Financial Action Task Force group) Money Laundering MEF (Ministry of Economy and Finance)

Entrepreneurs recognize that the economy would be impaired if a new negative revision of the money laundering prevention structure is produced.

Representatives of business associations consulted by this newspaper agreed on the importance for the country to face the challenges generated by money laundering and the financing of terrorism.

In some cases, companies will have to assume additional expenses, but according to the Minister of Economy and Finance, Dulcidio De La Guardia, this costs are minors compared to those the economy would have to bear if measures to prevent money laundering are not taken.

The president of the Chamber of Commerce, Industry and Agriculture of Panama, Jose Luis Ford, said yesterday “it is a topic that cannot be avoided, and must be faced as a country because the world is demanding it from us”. He recognized that “not everybody is happy”, but it is a reality that must be faced.

Camilo Valdes, lawyer that has participated in the discussions for the preparation of the project in representation of the Banking Association of Panama, said that the bill “will improve the image of Panama and help it get out of the gray list of the Financial Action Task Force (FATF), something that is paramount.

Panama came into the gray list of this international organism the past month of June, after a report of the International Monetary Fund revealed the weaknesses of the system.

To get out of the list, one of the main recommendations of the organisms is to strengthen the legal framework of the prevention of money laundering.

This is the objective of the project presented last Wednesday in the Assembly, which defines a series of economic sectors as “obligated parties” that implies they will be supervised by the financial superintendence or the Ministry of Economy and Finance.

Among the “obligated parties” are the real estate promoters, gaming companies, car dealers, stones and precious metals dealers, the National Lottery, companies in the Free Trade Zone of Colon, and lawyers, notaries and public authorized accountants, when performing said activities.
Antonio Alfaro, president of the Association of Gaming Management, said the union is not posing any objections to the bill, because the sector has been regulated since the year 2000 and its reporting levels are “superior to the industry in general, including the United States”.

The president of the Panamanian Association of Real Estate Brokers and Promoters, Katherine Shahani, on her part said that her sector is also currently obligated to report determined cash operations. Nevertheless, recognized that certain definitions introduced in the bill will generate additional work for the companies. “The work of a promoter over the study of the client will have to be more profound,” she said.

The businesswoman said the sector was willing to collaborate, but it had also requested for some procedures to be performed on a more efficient level.

In the mean time, the lawyer Carlos Ernesto Gonzalez said, “Panama must get out of the FATF’s gray list and it must do so intelligently, making minimum impacts to our competitiveness and respecting the constitutional norms and of international public law that protect privacy”.

Source: Newspaper La Prensa – March 20, 2015

Cabinet approves preliminary bill against money laundering

This is the result of a dialogue between the public and private sector that has been developing since the last quarter of 2014.

Source: La Prensa - March 10, 2015.
TOPICS: Cabinet Council FATF

The Cabinet Council approved this Tuesday, March 10, the preliminary bill against money laundering, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction, informed a press release of the Presidency.

The purpose of this project is to eliminate the Nation from the gray list of the Financial Action Task Force (FATF). Picture by: La Prensa / Archivo

This preliminary bill is the result of a dialogue between the public and private sector that has been developing since the last quarter of the year 2014 and it is part of the initiative Panama United against Money Laundering, whose purpose is to eliminate the Nation from the gray list of the Financial Action Task Force (FATF).

“With the bill, the Government of the Republic of Panama safeguards companies and workers in key sectors of the Panamanian economy”, says the press release.

The preliminary bill reinforces the control and supervision systems that have already been established for banking, securities exchange and financial services in general.

In addition, it allows improving suspicious transactions reports by including as “obligated parties”, to report and comply with the dispositions of this Law, non financial sectors, such as companies in transportation of valuables, gaming, free trade zone, companies dedicated to the purchase of new and used cars, real estate companies and the National Lottery, among others.

The proposal designates as supervisors the Superintendence of Banks of Panama, Superintendence of the Securities Market of Panama, Superintendence of Insurance and Reinsurance of Panama, Panamanian Autonomous Cooperative Institute, and the Prevention Policy Unit of the
Ministry of Economy and Finance (MEF). On the other hand, a new standard of Approach Based on Risks is adopted for both obligated parties and supervision organisms, which implies the adoption of due diligence measures in accordance to the risk exposure of each activity.

In the following days, the MEF will present the preliminary bill to the National Assembly.

Source: Newspaper La Prensa – March 10, 2015.

MEF meets with deputies to give details of the preliminary bill

Thursday March 12, 2015.
The preliminary bill is the result of a dialogue between the public and private sector.
Minister of Economy and Finance, Dulcidio De La Guardia, meets with deputies.
Source: online@laestrella.com.pa

Authorities from the Ministry of Economy and Finance (MEF), gathered today with deputies of the National Assembly (AN) to discuss the preliminary bill against the prevention of money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction, which was approved past Tuesday by the Cabinet Council and which will be presented before the legislative plenary meeting next week.

This preliminary bill is the result of a dialogue between the public and private sector that has been developing since the last quarter of the year 2014 and that forms part of the initiative “Panama United against Money Laundering”, whose purpose is to eliminate the Nation from the gray list of the Financial Action Task Force (FATF).

With the approval of this law in the AN, Panama will reinforce its supervision and control systems within the financial and non financial sectors, and will comply with 60% of the action plan agreed with the FATF.

The vice minister of Finance, Eyda Varela de Chinchilla; Isabel Fernández, Director of Prevention Policies of Money Laundering of the MEF; and Julio Aguirre, advisor for the MEF, who participated actively in the preparation of the preliminary bill, presented the details of this legal proposal to the deputies.

Also intervened in this event Gustavo Vega Ruvalcaba, Deputy Director of International Affairs of the Financial Analysis Unit of Mexico before the Revisor Group of the Americas; Esteban Fullin, executive director of GAFILAT; and Luca Ricci, mission head of the International Monetary Fund in Panama.

On behalf of the National Assembly, participated deputies Raúl Hernández, Quibian Panay, Gabriel Soto, Raúl Pineda, Luis Eduardo Quiroz, Luis Barria, Daniel Ramos and representatives Néstor A. Guardia Jaén, Aristides de Icaza and Juan Manuel Poveda, among others.

Source: Newspaper La Estrella of Panama – March 12, 2015

Ricardo Fernández is the new Superintendent of Banks

With 30 years of experience, Ricardo Fernández served as director of Transaction Services of Citibank Panama. Replacing Alberto Diamond in this position, whose period in the SBP concluded December 31, 2014.

TOPICS: Banks Superintendence of Banks of Panama (sbp)
Ricardo Fernández

The banker Ricardo Fernández is the new director of the Superintendence of Banks of Panama (SBP),
acuerdo para financiar el terrorismo y la proliferación de armas de destrucción masiva.

El presidente de la Cámara de Comercio, Industria y Servicios, Ricardo Fernández, anunció que el sector no está dispuesto a hacer frente a los costos adicionales que implicaría cumplir con las nuevas regulaciones. Además, expresó su deseo de que la economía crezca de manera sustentable y no sea perjudicada por medidas que intenten erradicar la caja blanca.

Fernández indicó que algunos sectores, como el de transacciones financieras, no están bien regulados y su industria requiere de mayor supervisión. Por otro lado, algunos sectores, como el de la distribución de vehículos, han sobresalido en su rendimiento a pesar de las dificultades económicas actuales.

El ministro de Economía y Finanzas, Dulcidio de la Guardia, indicó que el país necesita ser feliz para mantener su posición en el ranking de 'País con menor inflación'. Sin embargo, el ministro también reconoció que la economía panameña tiene un futuro incierto.

En un comunicado, el superintendente del Sistema de Protección al Consumidor, Oscar Pareja, dijo que su institución ha establecido medidas para garantizar un ambiente de confianza y seguridad en el mercado financiero. Además, indicó que la protección al consumidor es una prioridad de su institución.

Por último, el ministro de Economía y Finanzas, Dulcidio de la Guardia, dijo que el país precisa de un nuevo modelo de desarrollo económico que impulse la creación de empleo y la inversión extranjera directa. Además, indicó que el país necesita un marco regulatorio adecuado para facilitar el crecimiento y la inversión.