



## LAWS AND REGULATIONS

### PROMULGATED TO GIVE EFFECT TO THE PROVISIONS OF THE INTERNATIONAL TREATIES ON NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES

In accordance with the relevant articles of the international treaties on narcotic drugs and psychotropic substances, the Secretary-General has the honour to communicate the following legislative texts.

#### PANAMA

Communicated by the Government of Panama

##### NOTE BY THE SECRETARIAT

- (a) Some editing of texts may be done by the Secretariat in the interest of clarity. In this connection, words in square brackets [ ] have been added or changed by the Secretariat.
- (b) Only passages directly relevant to the control of narcotic drugs or psychotropic substances have been reproduced in this document. Non-relevant parts of laws and regulations have been deleted by the Secretariat; such deletions are indicated by [...].

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**EXECUTIVE DECREE No. 16**

(9 March 1994)

*Containing regulations regarding a special form to be completed by persons entering the Republic of Panama with money and paper convertible into money*

**THE PRESIDENT OF THE REPUBLIC**

*in exercise of his legal powers*

**CONSIDERING:**

That the Criminal Code of Panama establishes trafficking in drugs and the laundering of money derived from drug trafficking as criminal offences;

That, in virtue of the above, the National Banking Commission, by Decision No. 5-90 of 19 March 1990, established an obligation to report any banking transaction exceeding 10,000.00 balboas;

That it is necessary for the National Government to adopt measures to control the entry of money or paper convertible into money since, at the present time, a great number of persons enter the country bringing with them substantial sums of money or convertible paper without any questions being asked about its origin or destination;

That, although our legislation does not prohibit the entry or exit of money or paper convertible into money, it would be desirable to safeguard the principles on which the Panamanian banking centre is based and adopt certain regulations to ensure that money or convertible paper that enters the country with passengers is not derived from illicit trafficking in drugs;

That, under Law No. 30 of 8 November 1984, any act or omission that aims at evading, evades or frustrates the application of legal provisions or regulations on customs matters constitutes customs fraud;

**HEREBY DECREES AS FOLLOWS:**

**ARTICLE 1.** Any person entering the national territory shall complete, under oath, a special form to be prepared for this purpose by the Directorate-General of Customs.

**ARTICLE 2.** In this form, the person entering the national territory shall declare whether he is bringing with him money or paper convertible into money to a value of more than 10,000.00 balboas.

**ARTICLE 3.** The information given in the forms shall be handled in strict confidentiality by the Directorate-General for Customs, and shall be communicated only upon a written request of the *Ministerio Público* (Department of Public

Prosecution) in cases relating to illicit trafficking in drugs or the laundering of money derived from trafficking in drugs.

**ARTICLE 4.** All persons who fail to discharge the obligation set out in this Decree, or give false information, shall be sanctioned in accordance with the provisions of article 24 of Law No. 30 of 1984.

**ARTICLE 5.** This Decree shall begin to apply 30 days after its promulgation.

*Guillermo Endara Galimany*

President of the Republic

**MINISTRY OF THE INTERIOR AND JUSTICE**

**EXECUTIVE DECREE No. 125**

(of 27 March 1995)

Establishing the High-Level Presidential Commission against the Laundering of Drug Money as a permanent consultative council, making appointments and assigning functions.

**THE PRESIDENT OF THE REPUBLIC**

in exercise of his legal powers,

**CONSIDERING:**

That the National Government has repeatedly declared its commitment to a sustained effort to combat narcotics trafficking and the laundering of money derived from this illicit activity;

That the High-Level Presidential Commission that was set up by Executive Decree No. 473 of 27 September 1994 to recommend a national policy for combating the laundering of money derived from narcotics trafficking recommended, in its final report, the adoption of actions and measures needed to confront the serious danger that this crime represents for national and international security;

That, among these recommendations, the Presidential Commission proposed the establishment of an honorary national commission as a permanent consultative council for the implementation of the policies recommended, and the development of further measures to update national policies and to adjust them to the changing realities and new situations that affect such a dynamic problem as the laundering of money derived from narcotics trafficking;

That, in order to wage an energetic and effective struggle against the laundering of money derived from narcotics trafficking, an impetus must be given to the actions and measures required by coordinating the efforts of the public and private sectors, at national and international level;

**HEREBY DECREES AS FOLLOWS:**

**ARTICLE 1.** The High-Level Presidential Commission against the Laundering of Drug Money shall be established as an honorary permanent consultative council to advise the President of the Republic on the implementation of the necessary measures to implement national policies against the laundering of money derived from narcotics trafficking.

**ARTICLE 2.** This Commission shall be composed of persons from the public and private sectors, and the following persons are appointed:

**(A) PUBLIC SECTOR**

- (1) Mr. JOSE ANTONIO SOSSA;
- (2) Dr. GABRIEL CASTRO SUAREZ;
- (3) Mr. JOSE ANTONIO DE LA OSSA;
- (4) Mr. NESTOR MORENO;
- (5) Mrs. VICTORIA FIGGE, who shall preside the Commission;
- (6) Mrs. MERCEDES ARAUZ DE GRIMALDO, who shall act as secretary;

**(B) PRIVATE SECTOR**

- (1) Mr. EMANUEL GONZALEZ REVILLA;
- (2) Mr. RICARDO DURAN;
- (3) Mr. MIGUEL BROSTELLA;
- (4) Mr. OLEGARIO BARRELIER;
- (5) Mr. RAUL ALEMAN Z., who shall co-preside the Commission;
- (6) Mr. CARLOS A. SUCRE;
- (7) Dr. ELOY ALFARO DE ALBA, who shall act as Legal Adviser to the Commission.

**ARTICLE 3.** The Commission shall have the function of advising the President of the Republic on:

(a) National policies for combating money-laundering, and the updating of these policies taking into account the changes that affect such a dynamic problem as that relating to the laundering of money derived from narcotics trafficking;

(b) Measures that should be taken for the appropriate implementation of national policies to combat the laundering of money derived from narcotics trafficking.

**ARTICLE 4.** Dr. GABRIEL CASTRO SUAREZ is appointed the National Coordinator of Efforts to Combat the Laundering of Money Derived from Narcotics Trafficking, and given the following functions:

(a) To coordinate the efforts of the public and private sectors at national and international level, in the interests of the efficient and harmonious implementation of national policies to combat the laundering of money derived from narcotics trafficking;

(b) To promote the implementation and execution of measures needed for the optimum application of national policies to combat money-laundering, and the updating of those policies;

(c) To ensure coordination and liaison between the President of the Republic and the High-Level Presidential Commission against the Laundering of Drug Money.

**ARTICLE 5.** This Decree shall apply immediately upon its publication in the Official Gazette.

Done in Panama City on this twenty-seventh day of March in the year nineteen hundred and ninety-five.

**TO BE COMMUNICATED AND PUBLISHED**

ERNESTO PEREZ BALLADARES

President of the Republic

RAUL MONTENEGRO DIVIAZO

Minister of the Interior and Justice

E/NL.2001/26

**EXECUTIVE DECREE No. 136**

(9 June 1995)

*Establishing the Financial Analysis Unit for the Prevention of the Crime of  
Laundering Money Derived from Narcotics Trafficking, attached to the  
Council for Public Security and Social Defence*

**THE PRESIDENT OF THE REPUBLIC**

in exercise of his legal powers

**CONSIDERING:**

That the High-Level Presidential Commission against the Laundering of Drug Money, established by Executive Decree No. 125,<sup>1</sup> of 27 March 1995, recommended the establishment of a specialized unit to review and analyse the information at present received by various agencies concerned with regulating economic activities in Panama, and to support the competent judicial and administrative authorities in identifying suspicious transactions that may be connected with the laundering of money derived from trafficking in narcotic drugs;

That the above-mentioned Presidential Commission, in its recommendations, warned of the danger to the Republic of Panama and its national integrity arising from the possibility of the penetration of whole sectors of the national economy through the mechanisms used for money-laundering, which could lead to a concentration of power with serious implications for the country's security;

That the Council for Public Security and National Defence, established by Cabinet Decree No. 38 of 10 February 1990, implemented by Executive Decree No. 98 of 29 May 1991, is the governmental organ responsible for advising the President of the Republic on public security matters;

That article 7 of Executive Decree No. 98 of 29 May 1991 permits the operation within the Council for Public Security and National Defence of those offices required by circumstances;

**HEREBY DECREES AS FOLLOWS:**

**FIRST:** The Financial Analysis Unit (UAF) for the Prevention of the Crime of Laundering Money Derived from Narcotics Trafficking, attached to the Council of Public Security and National Defence, shall be established.

**SECOND:** Functions of this Unit shall be:

(a) To collect from public agencies all financial information, coming either from governmental bodies or from private parties, on commercial transactions that may be connected with the laundering of money derived from drug trafficking;

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<sup>1</sup> Note by the Secretariat: E/NL.2001/25.

(b) To analyse the information obtained, in order to identify suspicious or unusual transactions, as well as drug money-laundering operations or patterns;

(c) To maintain statistics on the movement of cash in Panama in relation to the laundering of drug money;

(d) To keep the Executive Secretariat of the Council for Public Security and National Defence permanently informed of the results of its work; and

(e) To coordinate with the Executive Secretariat of the Council for Public Security and National Defence the preparation of periodic reports for the consideration of the President of the Republic.

**THIRD:** The Financial Analysis Unit shall be composed of the professional and technical personnel, competent in matters of finance and the processing and analysis of data, necessary for the efficient performance of its functions. It shall also have at its disposal equipment and programmes for the ordering of data as needed for the effective discharge of its tasks.

**FOURTH:** The Executive organ, on the basis of recommendations from the High-Level Presidential Commission against the Laundering of Drug Money, shall issue regulations for the functioning of the Financial Analysis Unit.

**FIFTH:** The Financial Analysis Unit and its officials shall faithfully implement the constitutional and legal provisions in force and maintain complete confidentiality regarding information which they obtain or which comes to their knowledge in connection with the performance of their functions in this Unit.

These officials may reveal the information thus obtained only to the President of the Republic, through the Executive Secretary of the Council for Public Security and National Defence, who shall be the official responsible for supplying information on the crime of laundering drug money to those authorities legally authorized to request such information and undertake investigations.

**SIXTH:** The Executive organ shall institute proceedings against an official or former official of the Unit who reveals information obtained during the performance of his tasks in the Financial Analysis Unit to persons other than those authorized under the preceding article, as follows:

(a) If he holds public office, he shall be removed from office immediately, and

(b) In any case, the necessary charge shall be brought before the competent authorities to allow proceedings against the official under articles 170 and 171 of the Criminal Code, or in respect of any other offence committed.

**SEVENTH:** The Ministry of the Presidency shall include within its budget provision for the expenses and emoluments necessary for the operation of the Financial Analysis Unit.

**EIGHTH:** This Decree shall apply immediately upon its publication in the Official Gazette.

**TO BE COMMUNICATED AND PUBLISHED**

*Ernesto Pérez Valladares*

President of the Republic

*Raúl Arango Gasteazoro*

Minister for the Presidency

**LEGISLATIVE ASSEMBLY**

**LAW No. 46**

(of 17 November 1995)

AMENDING CABINET DECREE No. 41 OF 1990 AND ADOPTING OTHER MEASURES FOR THE PREVENTION OF THE CRIME OF LAUNDERING MONEY DERIVED FROM TRAFFICKING IN NARCOTIC DRUGS

**THE LEGISLATIVE ASSEMBLY**

**HEREBY DECREES THE FOLLWOING:**

(of 17 November 1995)

**ARTICLE 1.** Article 1 of Cabinet Decree No. 41 of 1990 shall be amended and paragraphs 3, 4, 5, 6, 7, 8 and 9 added to it, as follows:

**ARTICLE 1:** Banks established in Panama shall be obliged to maintain, in their operations, the necessary diligence and care to prevent these operations from taking place with funds, or on the basis of funds, derived from illicit drug-related activities, with the purpose either of concealing the illicit origin of such funds or of enabling them to be used by any person. To this end, the banks shall be subject to the following obligations:

1. To adequately identify their customers. For this purpose they shall require of their customers and all persons wishing to carry out transactions, except those that are regulatorily exempted, recommendations or references, declarations of the authorized representatives, identification of officials, directors, attorneys and legal representatives of companies, and required certifications from the corresponding authorities concerning the registration of such companies and its validity.
2. To make declarations and/or require their customers, attorneys or representatives to make the declarations necessary for the purposes of this Cabinet Decree and of the regulations issued for its implementation, particularly in the case of:
  - (a) Deposits or withdrawals of money in cash in an amount exceeding 10,000.00 balboas;
  - (b) Changing of notes, cheques (cashiers' cheques, travellers' cheques or others), payment orders or drafts in low denominations for others in high denominations, or vice versa, in an amount of 10,000.00 balboas or more. These measures shall be extended to:

- (i) Successive transactions on close dates which, although individually below 10,000.00 balboas, amount in total to more than 10,000.00 balboas;
  - (ii) Cheques (cashiers' cheques, travellers' cheques or others) and payment orders, made out to the bearer, with a blank endorsement and issued on a single date or on close dates and/or by a single drawer or by drawers at the same location.
3. To examine with special attention any transaction between the bank and its customer which, irrespective of the amount of the transaction, may be particularly linked to the laundering of money derived from illicit drug-related activities.
4. To supply to the National Banking Commission the declarations concerning transactions referred to in paragraph 2 of this article, together with any additional information on such transactions requested by the National Banking Commission for purposes of their effective analysis.
5. To report directly to the Financial Analysis Unit established by Executive Decree No. 136 of 1995, on their own initiative, any fact, transaction or operation that the bank suspects of being related to the laundering of money derived from illicit drug-related activities. The specific situations or transactions that must obligatorily be communicated to the Financial Analysis Unit, the persons responsible for the communication and the way in which it is to be made shall be determined by regulation.
6. To refrain from disclosing, to the customer or third parties, the fact that information has been transmitted to the Financial Analysis Unit in accordance with the provisions of this Cabinet Decree, or that any transaction or operation is being investigated because of a suspicion that it may be linked with the laundering of money derived from illicit drug-related activities.

Compliance with this provision on the part of banks is protected by the exemption from liability referred to in article 1-A of this Cabinet Decree.

7. To establish procedures and organs for internal control and communication aimed at preventing operations linked with the laundering of money derived from illicit drug-related activities. The suitability of such procedures and organs for control shall be monitored by the National Banking Commission, which may propose desirable corrective measures, compatible with the viability of the normal operations of legitimate users.
8. To take appropriate measures so that their employees are aware of the requirements derived from this Cabinet Decree. These measures shall include the drawing up of training plans and courses for employees that will enable them to detect operations that may be related to the laundering of money derived from illicit drug-related activities, and inform them how to proceed in such cases.
9. To keep for a period of five years the documents duly confirming the effecting of transactions and the identity of the subjects at law that

effected the transactions, or entered into business relations with the bank, where the obtaining of such identification was obligatory.

The Executive Organ may extend, by regulation, the period for the preservation of documents referred to in this section.

**Article 2.** Article 1-A shall be added to Cabinet Decree No. 41 of 1990, as follows:

**ARTICLE 1-A.** Any information communicated to the authorities of the Republic of Panama, in compliance with this Cabinet Decree or the provisions implementing it, by a bank or its officials, officers, employees or representatives shall not constitute a violation of professional secrecy or of restrictions on disclosure of information derived from bank confidentiality or imposed by contract or by any legislative or regulatory provision, and shall not involve banks or their officials, officers, employees or representatives in liability of any kind.

**ARTICLE 3.** Article 1-B shall be added to Cabinet Decree No. 41 of 1990, as follows:

**ARTICLE 1-B.** Persons who receive or have knowledge of information as a result of the provisions of this Cabinet Decree shall keep the information in strict confidentiality and may communicate it only to the competent authorities, in accordance with the law.

A public servant who violates this provision shall be liable to double the sanctions that the Criminal Code establishes for the violation of professional secrecy; he shall further be liable to the pecuniary sanctions established in article 2 of this Cabinet Decree, which shall be imposed by the competent judicial authority.

**ARTICLE 4.** The National Banking Commission shall be authorized to cooperate with the Financial Analysis Unit in the performance of its tasks and to provide it, at the request of the Unit or on its own initiative, with any information at the disposal of the said Commission concerning the banking system, any bank or any other financial institution so that the Financial Analysis Unit can examine and analyse the information and compare it with any other information at its disposal, in order to identify operations that may be linked with illicit drug-related activities.

**ARTICLE 5.** The following entities shall be obliged to furnish to the Financial Analysis Unit, in accordance with regulations issued by the Executive Organ, declarations on transactions in cash and other transactions referred to in paragraph 2 of article 1 of Cabinet Decree No. 41 of 1990, in an amount exceeding 10,000.00 balboas:

1. Money-changing or remitting offices and individuals or corporate bodies that engage in the changing or remittance of money, whether or not as a principal activity;
2. Finance companies;
3. Insurance and reinsurance companies;
4. Enterprises established in the Colón Free Zone;
5. Casinos and establishments for games of chance and hazard;
6. The National Charity Lottery;
7. Savings and loans cooperatives;

8. Other entities, institutions and individuals or corporate bodies that the Executive Organ may determine.

Anyone who fails to comply with the provisions of this article or those issued for its implementation shall be liable, for this single act, to a fine of between 100,000.00 and 1,000,000.00 balboas, to be imposed by the National Banking Commission.

The National Banking Commission, which is responsible for ensuring the improvement of conditions for the development of Panama as an international financial centre, shall be expressly authorized to inspect the documents and transactions referred to in this article, and any others necessary, to verify compliance with its provisions.

**ARTICLE 6.** This Law amends article 1, adds paragraphs 3, 4, 5, 6, 7, 8 and 9 to that article and adds articles 1-A and 1-B to Cabinet Decree No. 41 of 1990.

**ARTICLE 7.** This Law shall begin to apply ninety days after its promulgation.

#### **TO BE TRANSMITTED AND IMPLEMENTED**

Approved on third reading, in the Palacio Justo Arosemena, Panama City, on this sixteenth day of November in the year nineteen hundred and ninety-five.

CARLOS R. ALVARADO A.  
Chairman

ERASMO PINILLA C.  
Secretary-General

NATIONAL EXECUTIVE ORGAN—PRESIDENCY OF THE REPUBLIC  
PANAMA CITY, PANAMA, 17 NOVEMBER 1995

ERNESTO PEREZ BALLADARES  
President of the Republic

RAUL MONTENEGRO DIVIAZO  
Minister of the Interior and Justice

RESOLUTION No. 1

(2 January 1996)

*Establishing the Office of the Special Government Attorney for Drug-related Crimes, regulating its functioning and enacting other measures*

**THE ATTORNEY-GENERAL**

**CONSIDERING:**

That the general State budget for 1996 contains an allocation for the establishment of a new government attorney's office to reinforce the functions which, by constitutional and legal mandate, are within the competence of the *Ministerio Público*;

That, under article 328 of the Judicial Code, amended by article 2 of Law No. 1 of 1995, the Attorney-General is authorized to establish new investigation agencies and determine their location and operation when the needs of the service require;

That the grave danger represented for society by the increase in drug-related crime calls for the adoption of the necessary measures to confront these criminal acts with effective legal instruments;

**RESOLVES:**

- ARTICLE 1.** To establish the Office of the Deputy Special Government Attorney for Drug-related Crimes, to be attached to and subordinate to the Special Government Attorney for Drug-related Crimes.
- ARTICLE 2.** The Office of the Deputy Special Government Attorney for Drug-related Crimes shall have its headquarters in the city of Colón and have responsibilities and jurisdiction in the Province of Colón and in the Indigenous Territory of San Blas.
- ARTICLE 3.** The function of the Special Deputy Government Attorney for Drug-related Crimes shall be, in addition to the functions proper to any investigating officer, to carry out all appropriate measures for the purpose of investigating and instituting penal proceedings before the competent court in cases of drug-related crimes, in accordance with the provisions of Law No. 23,<sup>1</sup> of 30 November 1986, amended by Law No. 13,<sup>2</sup> of 27 July 1994.
- ARTICLE 4.** The Special Deputy Government Attorney for Drug-related Crimes shall keep the Special Government Attorney for Drug-related Crimes regularly informed of the measures taken by his Office, for

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<sup>1</sup> Note by the Secretariat: E/NL.1996/1.

<sup>2</sup> Note by the Secretariat: E/NL.1996/1.

the purpose of the adoption of the coordination measures necessary for effective action vis-à-vis this kind of crime.

**ARTICLE 5.** To be a Deputy Special Government Attorney for Drug-related Crimes, it is necessary to be a Panamanian national, to be at least 25 years of age, to be in full enjoyment of civil and political rights, to have a degree in law and to have a certificate of suitability issued by the Supreme Court of Justice.

Done in Panama City on this second day of January in the year nineteen hundred and ninety-six.

**TO BE TRANSMITTED AND IMPLEMENTED**

*José Antonio Sossa R.*

Attorney-General

**LAW No. 48**  
(11 July 1996)

*Regulating the publication in the communication media of messages against drug addiction in any of its forms*

**THE LEGISLATIVE ASSEMBLY**

**HEREBY DECREES AS FOLLOWS:**

**ARTICLE 1.** The communication media, in general, shall promote the publication and broadcasting of messages designed to discourage the consumption of, production of and traffic in drugs.

**ARTICLE 2.** The communication media, and particularly the television stations, shall contribute towards the education of children and young people in order to avoid the consumption of, production of and traffic in illicit substances.

**ARTICLE 3.** Television stations that show films or documentaries containing scenes alluding to illicit drugs and drug-related offences shall include in these programmes the messages referred to in article 1.

The print and broadcasting media shall include in their daily publication or emission at least one message designed to discourage the consumption of, production of and traffic in drugs.

**ARTICLE 4.** The Commission for the Study and Prevention of Drug-related Crimes (CONAPRED) and other organizations specializing in the topic shall be authorized to advise the communication media on the editing and content of messages designed to discourage the consumption of, production of and traffic in drugs.

**ARTICLE 5.** The Ministry of the Interior and Justice, through the Directorate for Mass Communication Media, shall supervise compliance with this Law.

**ARTICLE 6.** This Law shall enter into force immediately upon its promulgation.

**TO BE TRANSMITTED AND IMPLEMENTED**

Approved on third reading, in the Palacio Justo Arosamena, Panama City,  
on this fourth day of June in the year nineteen hundred and ninety-six.

*Juan Manuel Peralta Ríos*

Chairman a.i.

*Erasmus Pinilla C.*

Secretary-General

NATIONAL EXECUTIVE ORGAN, PRESIDENCY OF THE REPUBLIC

PANAMA CITY, PANAMA, 11 JULY 1996

*Ernesto Pérez Balladares*

President of the Republic

MINISTRY OF THE INTERIOR AND JUSTICE

EXECUTIVE DECREE No. 234  
(of 17 October 1996)

REGULATING LAW No. 46 OF 17 NOVEMBER 1995<sup>1</sup>

THE PRESIDENT OF THE REPUBLIC  
in exercise of his legal powers

CONSIDERING:

That, under Law No. 46 of 17 November 1995, measures were adopted to prevent the laundering of money derived from drug-related crimes, strengthening the earlier measures provided for by Cabinet Decree No. 41 of 13 February 1990, and extending their application to new declaring entities; and

That it is the responsibility of the Executive Organ to regulate the new provisions set forth in the above-mentioned Law No. 46;

**HEREBY DECREES AS FOLLOWS:**

**ARTICLE 1.** In order to prevent its operations from taking place with or on the basis of funds derived from illicit drug-related activities, for the purpose either of concealing the illicit origin of these funds or of enabling them to be used by any person, each declaring entity shall:

1. Record on the forms drawn up for this purpose by the Financial Analysis Unit (UAF) for the Prevention of the Crime of Laundering Money Derived from Narcotics Trafficking, the following:

- (a) Payments or receipts in cash in amounts exceeding 10,000.00 balboas;
- (b) Deposits or withdrawals in cash in amounts exceeding 10,000.00 balboas;
- (c) Payments or receipts in cash equivalents in amounts exceeding 10,000.00 balboas;
- (d) Deposits or withdrawals in cash equivalents in amounts exceeding 10,000.00 balboas;

2. Verify, at the end of each working week, whether several successive operations on close dates as referred to in subparagraphs (a), (b), (c) and (d) of paragraph 1 of this article, individually below 10,000.01 balboas, amount in total to more than

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<sup>1</sup> Note by the Secretariat: E/NL.2001/27.

10,000.00 balboas and, if so, make a record of the value accumulated at the end of the said working week, on the forms established for this purpose, on the basis of the operations referred to, respectively, in the above-mentioned subparagraphs.

The sums corresponding to transactions subject to declaration coming from collections made abroad by a declaring entity or, when they act on its behalf, its executives, workers, agents or representatives, or by third parties, shall be included by the declaring entity itself in the record corresponding to the working week in which it receives the sums concerned in Panama.

These forms shall be completed for each operation that qualifies in accordance with this article. A form shall be completed for each operation or heading.

The declaring entities shall make a declaration to the Financial Analysis Unit regarding operations that qualify in accordance with this article in the following manner:

(a) Enterprises established in free trade zones and in export-processing zones shall send to the Financial Analysis Unit for the Prevention of the Crime of Laundering Money Derived from Narcotics Trafficking, within the first five days of each month, a report of the aggregate amount of those operations during the month that qualify in accordance with this article, indicating only the number, the date and the amount of the corresponding invoices, on the forms drawn up for this purpose by the Financial Analysis Unit for the Prevention of the Crime of Laundering Money Derived from Narcotics Trafficking;

(b) Other declaring entities shall send to the Financial Analysis Unit for the Prevention of the Crime of Laundering Money Derived from Narcotics Trafficking, every month, within the first five days of each month, a copy of each of the forms mentioned in paragraph 1 of this article that have been completed during the month.

The declaring entity shall preserve each completed form and the documents substantiating each operation for a period of no less than five years from the date of the particular form or document, whichever applies.

**ARTICLE 2.** Banks shall be subject to the regulations issued by the National Banking Commission to ensure compliance with the provisions of Cabinet Decree No. 41 of 13 February 1990, with the amendments introduced by Law No. 46 of 1995.

**ARTICLE 3.** For the exclusive purposes of this Executive Decree, the following terms shall have the meanings indicated:

1. **Declaring entities:** Financial enterprises regulated by Law No. 20 of 1986; insurance and reinsurance companies; enterprises established in free trade zones and export-processing zones; casinos and other establishments for games of chance and hazard; savings and loans cooperatives; money-changing offices; enterprises for remitting money; and associations and societies for savings and loans.
2. **Successive operations on close dates:** Those that take place during the same working week.
3. **Cash equivalents:** Cheques (cashiers' cheques, travellers' cheques or others) and payment orders made out to the bearer,

with a blank endorsement and issued, received or deposited on a single date or on close dates in the same working week and/or by a single drawer or by drawers at the same location.

4. **Customer:** An individual or corporate body on whose behalf an operation is carried out with the declaring entity, once, occasionally or on a habitual basis, irrespective of the existence of more general contractual relationships established in advance between the parties.

**ARTICLE 4.** The provisions of this Executive Decree do not exclude the additional adoption by the relevant regulatory and supervisory bodies of measures requiring the declaring entities under their regulation and supervision to contribute to the pursuit of the objectives of Cabinet Decree No. 41 of 1990, amended by Law No. 46 of 1995.

**ARTICLE 5.** This Decree shall apply immediately upon its promulgation.

**TO BE COMMUNICATED, PUBLISHED AND IMPLEMENTED**

Done in Panama City on this seventeenth day of October in the year nineteen hundred and ninety-six.

ERNESTO PEREZ BALLADARES  
President of the Republic

RAUL MONTENEGRO DIVIAZO  
Minister of the Interior and Justice