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# **SMS ISSUES RESOLUTIONS CONSIDERING NEW MEASURES IN TIMES OF CRISIS**

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## SECURITIES MARKET SUPERINTENDENCE (SMS) ISSUES RESOLUTIONS CONSIDERING NEW MEASURES IN TIMES OF CRISIS

### TEMPORARY WORKING HOURS OF THE SUPERINTENDENCE

#### Resolution No.SMS-142-20 of April 3, 2020 (O.G. 29011 of April 27, 2020)

The SMS, with the objective of reducing the risk of the propagation of COVID-19, has adopted a temporary work schedule established as of April 6, 2020, as follows:

- ▶ Staff members who must work in person according to the requirement of SMS, will do so during the hours of 8:00 a.m. to 12:00 noon.
- ▶ The employees that are working in the teleworking modality will do it from 8:00 a.m. to 4:00 p.m.
- ▶ The schedule for receiving documents via the e-mail address designated by SMS, [tramites\\_SMS@supervalores.gob.pa](mailto:tramites_SMS@supervalores.gob.pa), will be adjusted to the schedule for in-person work, from 8:00 a.m. to 12:00 p.m. Any document that is submitted after this time will be considered received on the working day following its submission to SMS.

### SPECIAL AND TEMPORARY CONSIDERATIONS SO THAT THE REGULATED COMPLY WITH NOTARIAL REQUIREMENTS

#### Resolution No.SMS-JD-4-20 of April 3, 2020 (O.G.29011 of April 27, 2020)

In view of the concern expressed by the regulated entities, the SMS decided to make the deadline for the submission of certain reports more flexible. This measure is in addition to the initiative taken in this regard through Resolution SMS-JD-2-20 of 16 March 2020.

Thus, the SMS issues Resolution No.SMS-JD-4-20 of April 3, 2020, which provides the following:

- ▶ Establish in a special and temporary manner, that the regulated subjects that have a license or registration with the SMS may replace the requirement of authenticating the signature or granting sworn statements before a Notary Public, by sending the respective electronic document, in PDF format and with the qualified electronic signature of the grantor.
- ▶ For those regulated entities that do not have a qualified electronic signature, they must send such documents with the handwritten signatures of the grantors, scanned and in PDF format, but will be subject to later submission, when required by the SMS, of the documents with the authenticated signatures and the sworn statements granted before a Notary Public.
- ▶ Regardless of the form in which the documents or statement are sent, they will be deemed to have been made under oath.
- ▶ The e-mail address, [tramites\\_SMS@supervalores.gob.pa](mailto:tramites_SMS@supervalores.gob.pa), is established for the submission of documents by regulated entities.

On the other hand, the Resolution establishes the extension of the deadlines for the submission of reports, as follows:

### Issuers listed and investment companies registered with SMS:

Date of filing:	Documents in order to file:
Until June 1, 2020	<ul style="list-style-type: none"> <li>• Audited annual EEEFs.</li> <li>• Update Report (IN-A) of those investment companies and registered issuers, respectively, whose original filing date had been extended to April 30, 2020.</li> <li>• Affidavit that belongs to the IN-A or that accompanies the annual audited EEEF.</li> <li>• Interim EEEFs.</li> <li>• Quarterly Update Report (IN-T) of those registered issuers whose original filing date is May 31, 2020.</li> </ul>
Until June 30, 2020	<ul style="list-style-type: none"> <li>• Interim EEEF.</li> <li>• Quarterly Update Report (IN-T) for those registered issuers whose original filing date is May 31 2020.</li> </ul>

### Entities with a license issued or with an SMS registration:

Until May 8, 2020	<ul style="list-style-type: none"> <li>• Affidavit accompanying the annual audited EEEFs of those entities whose original filing date had been extended to April 30, 2020</li> </ul>
Until June 30, 2020	<ul style="list-style-type: none"> <li>• Interim EEEF for those entities whose reporting frequency is quarterly or half-yearly and whose original due date is May 31, 2020.</li> </ul>
Until June 1, 2020	<ul style="list-style-type: none"> <li>• Monthly reports of those entities whose original filing date is due within the month of May 2020.</li> </ul>
Until July 1, 2020	<ul style="list-style-type: none"> <li>• Monthly reports of those entities whose original filing date is due within the month of June 2020.</li> </ul>

Finally, it is important to mention that the resolution does not exempt regulated parties from immediately informing the SMS of any important fact or relevant circumstance that affects or may affect the development or continuity of its operations or the interests or rights of investors or the requirements established by the Securities Market Law.

### AGREEMENT NO.5-2020 OF APRIL 23, 2020 (O.G 29011 OF APRIL 27, 2020)

Within this agreement the SMS makes modifications to Agreements 5-2004, 4-2011 and 1-2015, aimed at maintaining market stability. In view of the potential economic impact, it is necessary to establish a procedure that guarantees the continuous supervision and monitoring of the possible deterioration of the prudential indicators of the regulated entities.

For the above-mentioned reasons, the SMS aimed at protecting the rights of investors, we mention below the main amendments made to the agreements:

- ▶ Establish at one hundred and fifty thousand balboas (B/.150,000.00) the minimum capital amount of the equity corresponding to the capital and reserve of the shareholders of the company. (Agreement 5-2004 of July 23, 2004).
- ▶ To establish at three hundred and fifty thousand balboas (B/.350,000.00) the amount of minimum capital of the Equity corresponding to a Securities House. (Agreement 4-2011 of June 27, 2011).
- ▶ Establish in fifty thousand balboas (B/.50,000.00) the minimum amount of capital that must be kept free of liens by the Investment Advisors. (Agreement 1-2015 of June 3, 2015).

The provisions of this agreement shall be applicable to Investment Managers, Securities Houses and Investment Advisors that at the time this agreement enters into force are faced with a decrease in the minimum total capital required as a result of the national emergency decreed by the **COVID-19**.

## FOR MORE INFORMATION:

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