

# Legislación Economía

## PANAMA PAPERS

¿Quo vadis?

WILDFIRES RAVAGE  
PANAMA

CYBER CRIME AND PANAMA  
PAPERS.

EUSEBIO ANTONIO MORALES

ISSN 1726-0485 Edición April '16

rbc.com.pa

## 6.

### EDITORIAL

“PANAMA PAPERS: A TURNING POINT IN TAX MATTERS”

## 8.

### INVITED WRITER

“PANAMA PAPERS” QUO VADIS

## 12.

### NORMS OF INTEREST

EMPLOYMENT PLACEMENT AGENCIES ARE REGULATED

EXTENSION FOR SUBMISSION OF HEALTH REGISTRATION COLONY

LAW APPROVED FREE INTERNATIONAL TRADE AREA

PANAMA BILINGUAL PROGRAM IS REGULATED

## 16.

### CONSULT DOCTRINE & JURISPRUDENCE

SUPERINTENDENT OF INSURANCE AND REINSURANCE IS ENTITLED TO SIGN AGREEMENTS OF UNDERSTANDING

CYBER CRIME AND PANAMA PAPERS.

## 20.

### POLITICS

RE-ELECTION CLAIMS OF PANAMANIAN LEADERS

## 24.

### PANAMANIAN ECONOMY

CONSUMER’S PRICE INDEX

MAIN ECONOMIC INDICATORS

MONTHLY: JANUARY-FEBRUARY 2015-16

GOVERNMENT DEFENDS THE COUNTRY FINANCIAL PLATFORM  
PANAMA IS NOT A TAX HAVEN.

PANAMA MAINTAINS ITS GROWTH DESPITE  
CONTRACTION IN LATIN AMERICA

RESERVES TO TRANSIT THE EXPANDED  
CANAL

## 31.

### WORLD ECONOMY

*EUROPEAN COMMISSION AND WORLD  
BANK SIGN AGREEMENT ON ACCESS TO  
INSURANCE RISK OF DISASTER IN CENTRAL  
AMERICA AND THE CARIBBEAN*

SLIGHT INCREASE OF REMITTANCES  
TOWARDS DEVELOPING COUNTRIES IN  
2015

REPORT ON THE GLOBAL FINANCIAL STA-  
BILITY APRIL 2016

GOOGLE AND FAO OPENS A NEW ERA IN  
KNOWLEDGE OF ENVIRONMENT

## 42.

### ENVIRONMENTAL CAPSULE

WILDFIRES RAVAGE PANAMA

## 44.

### ILLUSTRIOUS PEOPLE

EUSEBIO ANTONIO MORALES

## 48.

### SPORTS CAPSULE



## 52.

### CULTURAL CAPSULE

ACTIVITIES FOR THE MONTH OF MAY



## Consejo Editorial

## Colaboradores en esta edición

José Javier Rivera J.  
Rafael Fernández Lara  
Giovana del C.  
Miranda G.  
Albin Rodríguez  
Mariela de Sanjur  
Augusto García  
Lisbeth Martéz  
Luis Carlos Ortega  
Lucila Rivas  
Zumara Garrido

José Javier Rivera J.  
Giovana del C. Miranda G.

Portada y Diagramación:  
Virginia Medina  
Idalia Ballesteros

Fotografía:  
Mariela De Sedas de Sanjur

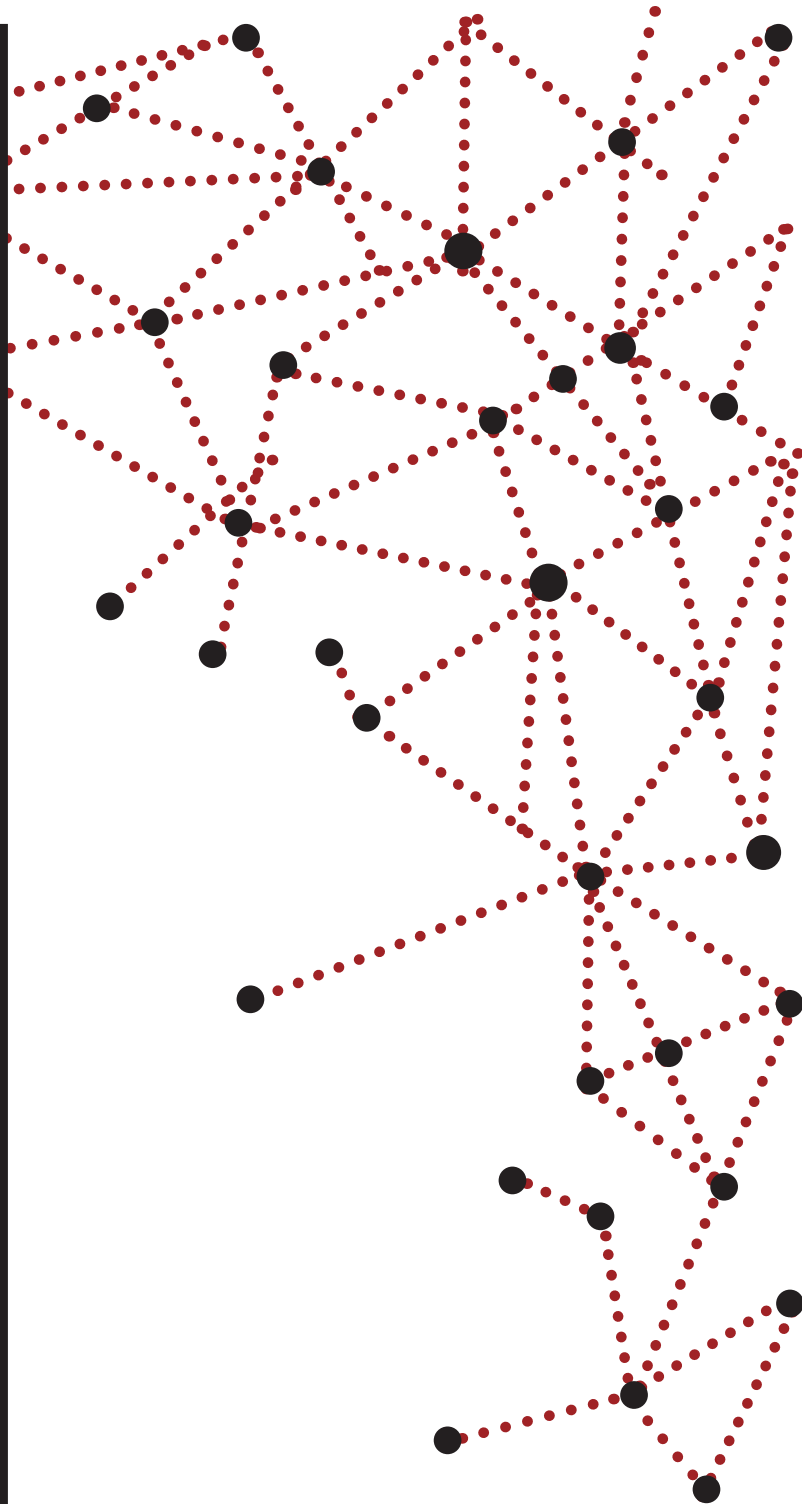


## ÁREAS DE PRÁCTICA

IMPUESTOS - CONTRATACIÓN PÚBLICA - PROPIEDAD INTELECTUAL -  
REGISTRO SANITARIO - LITIGIOS, ARBITRAJE Y MEDIACIÓN -  
DERECHO MARÍTIMO - ABANDERAMIENTO DE NAVES - DERECHO LABORAL -  
ASUNTOS MIGRATORIOS - SOCIEDADES - APERTURA DE NEGOCIOS -  
FUNDACIONES DE INTERÉS PRIVADO - CONTRATOS, FIDEICOMISOS -  
ASESORÍA BURSÁTIL - SERVICIOS NOTARIALES Y REGISTRO - AMBIENTAL -  
LEYES ANTIMONOPOLIOS - TELECOMUNICACIONES

Legislación y Economía  
es una publicación de  
**Rivera, Bolívar y Castañedas,**  
que tiene como  
propósito principal  
mantener informados a  
nuestros clientes, empresarios,  
industriales, ejecutivos,  
banqueros, inversionistas, y a  
todo aquél que tenga  
**INTERÉS** en la actividad  
de **PANAMÁ.**

Legislación  
Economía



Rivera, Bolívar y Castañedas



@rbc\_abogados



RBC Abogados

## "PANAMA PAPERS: A TURNING POINT IN TAX MATTERS"



**José Javier Rivera - Abogado**  
[jj.rivera@rbc.com.pa](mailto:jj.rivera@rbc.com.pa)

the date indicated and with the power of universal credibility.

Much ink has flowed in the world since that time and have shaken financial and political capitals such as London, Washington, Paris, Moscow, Beijing, Berlin and others too numerous to mention.

There have been resignations of prime ministers, ombudspersons and other officials in different countries, but there have also been questioning politicians and businessmen, with the exception of mainland China where first reaction of the government was to veto any mention of these papers.

Some have wanted to rend their garments, talking about tax evasion as if everyone were an absolute achiever of their status as taxpayers.

But in any case, it has focused this scandal in Panama with irreparable damage to the country's image, showing that only here are such societies and beyond that, the vast majority is used for an unlawful purpose, which demonstrates the hypocrisy of this approach to a subject that never have been allowed to be called "Panama Papers".

Those who for more than a year ago covertly participated in this plot have had an Olympic disregard for the consequences of his ambition to figuration and great resentment toward very success of an economy that now must re-structured. It's noteworthy that none of the authoritative voices that have come to condemn activities of offshore companies, have referred boldly a fact that underlies all these economies of first world and refers to the well-known

**O**n April 3, 2016, will be remembered in the world as a date on which it was negatively publicized a type of corporation to run a variety of international transactions opaque nature of politicians, businessmen close to the government, multinational companies and glittering figures arts and sports, through four decades had been created in different countries, jurisdictions and territories by a law firm in Panama and its subsidiaries and licensees located abroad.

It's known that documents reach astronomical figure of eleven point five million were illegally removed, even if it hasn't revealed how nor those responsible for this plot.

The truth is that the documents went to Germany, from where were collected and delivered to a consortium of journalists after a rigorous scrutiny, published simultaneously on

tax authority, ie, sovereignty of each State to determine tax assets and even inheritance tax, an aliquot is accepted by operators, in the case of income tax, consumption tax, and ordinary citizens, as a reasonable tax burden.

I ask these journalists today don't stand up if they agree to pay income tax at a rate of 50% or a tax of ITBMS more than 20% or a tax on all assets of a taxpayer 3% and 4% or inheritance tax of 20% and 30%. I would ask if they would be willing to pay those fees and if that's what today is paid in our country.

Also ask whether it's reasonable that all these countries as Spain, France, Italy and even Germany consider reasonable that taxpayers have to pay exorbitant taxes to maintain excessive government scaffolding and represents a burden for society as a whole. Most of these countries are in a situation of unemployment in some of them exceeds 25% and recurring deficit.

In other words, they are broken and think that a country like Panama should make tax collection task without receiving any benefit in return, because we have a criterion of territorial taxation or source, or who believe that Panama must establish the worldwide income criteria that would mean that local income and foreign income obtained by natural or legal persons who have the status of Panama, be taxed regardless of where it is obtained resource.

The government of France has been disrespectful to pretend that unilaterally Panama must voluntarily agree to an automatic exchange of tax information universal because if it does it will be considered a tax haven.

Diplomatic and economic relations are based on convenience factors and reciprocity and according to the territorial criterion unfounded unilateral exchange information, unless Panama change its imposition criteria and become a criterion global.

Nothing has been considered the best efforts of country to adapt its legislation to international regulations or standards, because reality is that the staff is not getting equivalently and equitable for all territories, countries, jurisdictions that can be identified perfectly in the world. If countries that have hegemony in the OECD want to do things right, then the rule is universal, that can't be

exempt United States of America, or Britain, or France, or Italy, or other jurisdictions that compete with ours.

Explaining why did the French and the other members of the European Economic Union a "Luxembourg papers" when tax agreements secrets of this country with multinationals were identified to reduce their tax burden in Europe and why they did not make a "Papers of Ireland" when US pharmaceutical companies were relocating agreements through merger or acquisition that allowed the companies to locate in Ireland just to get a tax reduction to which every taxpayer is entitled.

I remember a judgment of the Supreme Court of the United States of America which established clearly that every American citizen is entitled to seek, within the framework of the law, pay the least possible tax.

These Panama papers have demonstrated once again that friends and strangers have had the cowardice to straighten their poisonous darts against our economy and have tested us like a phoenix to resist.

The country has to move forward on a rule of fair play with competitors.

It depends on integration of a multidisciplinary team with serenity and patience to turn this situation into an opportunity to identify areas of growth and also placed within the tax court.

So it is not merely a question of offshore companies as sadly has been painted in our country, but there are very profound aspects that have to do with an acceptable level of international taxation and tax powers which we are sovereign as fortunately we have been in our territory, particularly since 1999. I hope that a theme of transcendence in question is weighted criteria in the national interest and have a strictly professional and technical treatment, without cowardice, without conflicts of interest and seeking the greatest benefit for country amid inequities representing a world in which these Europeans have become accustomed to welfare state to state paternalism and believe they can still direct the reins of the world. L&E

**It will down and see.**

## "PANAMA PAPERS" QUO VADIS

Zumara Garrido  
[zumara.garrido@rbc.com.pa](mailto:zumara.garrido@rbc.com.pa)

**A**fter filtration of the so-called "Panama Papers" and the need to protect the integrity of international financial system, the Organisation for Economic Co-operation and Development requested that Panama applied immediately with international standards set in recent years for the financial transparency. This in order to reduce tax evasion and that can be verified who the ultimate beneficiaries of the offshore companies.

Similarly, following the indicated filtration, finance ministers of countries of the G20 proposed to obtain the means to define who are ultimate beneficiaries of the offshore companies while drawing up a list of countries that don't cooperate on issues of tax evasion with respect to this issue. The G20 also asked the OECD to identify countries that refuse to cooperate with the international community and stressed that defensive measures against jurisdictions that don't cooperate because they believe that these measures are essential to fight corruption and tax evasion will be taken arising through use of off-shore companies.

### **United States as a turning point and its impact on Panama**

Following criticism of the United States said he was



willing to meet the standards of the OECD to increase control measures and transparency for bank accounts deposited abroad, for this reason in recent days the United States Department of the Treasury said to proceed to implement measures to eradicate these practices.

Among these measures will require banks and other financial institutions to identify the owners of new clients who are companies, likewise it will seek to propose legislation requiring the LLCs with one owner to identify true owners to the United States De-



partment of the Treasury. The initiative was carried out following the G20 proposal to combat tax havens.

## Panama Commitment.

The efficiency costs of implementing taxes were defined by Adam Smith in his classic “The Wealth of Nations” in 1776, which stated that one of desirable objective of any tax system was the fact that “it was not costly tax collection and also not discourage economic activity “goals long pursued but, as history shows, not always been achieved. One of the main reasons why hasn’t achieved the goal of which is performed successfully raising is the fact known as tax evasion. Tax evasion is a legal entity that is not to pay voluntarily efficiently and any tax is established by law. This action by which taxpayer violates the laws by failing to pay the corresponding taxes carries great consequences for the individual and for the state economy.

That is why there is a global fight against tax evasion, in which Panama is also committed to participate adjusting their laws to collaborate on this issue and that is why the August 6, 2015 came into effect modification Act 47 of 2013 for corporations continue issuing bearer shares under a series of elements that require banks and law firms to establish a custodian of shares issued to the bearer. This law was enacted in order to prove that Panama is a contributing country against tax evasion and seeks to prevent use of our financial services unduly.

The change of bearer shares was implemented to avoid inclusion of Panama in discriminatory lists that may affect competitiveness of different sectors of the economy and at the same time to comply with measures of international transparency and exchange of information.

## ¿Is Panama Model of Territorial Income sustainable?

The Republic of Panama follows a system of determining income tax is territorial, ie, applies the principle that should only be subject to this tax those income or revenue generated or produced within the country. In Panama income tax produced by Panamanian residents of any other country who choose to do business or investments are not taxed.

However, as in most countries of the world, the system of income tax in Panama has adopted legal figures of other legislation, precisely because the different public administrations have considered that such rules may have the virtue of strengthening collections or attract foreign investment.

Taking into account the above, consider the transit of territorial income worldwide income, it’s a measure that has implications for all residents of Panama who receive money from abroad and for companies that have operations abroad. An arrangement like this, it would represent a lot of changes for the country and at the end there are few additional taxes that may raise the Treasury to change. At the time the country should cut taxes canceling taxpayers abroad to avoid double taxation. The largest countries in the world with the most powerful and efficient tax administrations have failed to raise the extraterritorial tax taxpayers and therefore are granting amnesties right and left, which shows that the system of global income is not exactly better the Territorial Income, especially for our country.

It should be clear that the offshore business is not to hide money from tax authorities or commit a crime. Almost every country in the world, including those considered major economic powers compete for foreign investment.

All countries offer special benefits investors and multinational. Panama like these, seeks to generate through the benefits given investment. This helps strengthen the portfolios of banks to lend more, and at the end of the day helps to ease credit

for small businesses. As mentioned, our authorities must act cautiously, making a balance between complying with international standards to combat tax fraud and corruption, but equally offer benefits to investors who can later equally benefit the country.

It's possible to consider that there is no perfect tax system for all countries, as this will depend on particularities of each country, such as the level of economic development, functioning of institutions, degree of economic investment, its legal structure, among others. The tax system should be stable over time, so that many producers, consumers, and investors can plan with some certainty its future economic decisions. The instability of tax system and tax rates increase compliance costs. These represent the direct and indirect costs that individuals or companies invest to comply with the tax authorities. Currently in Panama the tax rate with respect to income tax for individuals is 15% for those earning up to B/. 50,000.00 per year and 25% for those with higher incomes to B/. 50,000.00, in the case of legal persons is 25%. Remittance tax is 25% on 50% of the amount that shipment and in the case of Transfer Tax Personal Property and Services rate is 7%. Panama has implemented changes to its regulations in order to position itself according to the standards of transparency and exchange of information in recent years. Panama being a country whose main income, providing international services, it is up to implement the rules already exist for depriving transparency and legality in their actions.

## **Changes that have made other jurisdictions with similar systems at Panama.**

Global economic crisis and recent scandals have encouraged tax evasion calls for fairness and transparency of the tax system internationally. The elimination of practices that facilitate tax evasion and thus

encourage corruption is part of a campaign to ensure the global economy. The OECD has urged those countries considered tax havens, changes in its internal regulations to eradicate tax evasions through their financial systems. Countries like Luxembourg, Virgin Islands and Switzerland have been obliged to sign the agreement to implement mechanisms for multilateral information exchange, which means that all territories to sign this agreement, will be part of a central register of information It contains data on the direct beneficiaries of offshore companies.

## **Automatic exchange of information, benefits and costs.**

The automatic exchange of information entails automatic delivery of a jurisdiction other information related to assets or income streams received or held in a country by residents of another country. Without it, the direct supervision of remuneration may be increasingly difficult as the tax authorities are hampered access to the accumulated income residents unable to access this information.

Currently some of the agreements to avoid double taxation signed Panama, maintain provisions for exchange of information, however this type of exchanges are given at the request of each country, ie for one of the two countries make the exchange, formal and specific request for the information required is necessary.

In 2014 was presented the Declaration on the Automatic Exchange of Information in Tax Matters OECD, which urged members and non-members to become part of this Agreement so that a trend of towards greater transparency and to combat fraud and tax evasion.

The standard on information exchange established by the OECD, is common standard for communication and investigation of bank accounts, ie the "Common

Reporting Standard”, which is a report that is intended to define as it should be the procedure for obtaining information and similarly determine commitment of the parties to adopt rules necessary to ensure implementation and compliance by financial institutions.

In this situation, pressure that came to Panama was in sense that if it was well signed the agreement for exchange of information, the country wanted to reserve the right to negotiate not only with what country share information but also what shared and through what mechanisms, as the automatic exchange of information always carries an implicit risk is that confidential information is compromised, this due to the possibility that the information used by third parties to affect taxpayers.

If Panama adopt the standard proposed by the OECD, the country would join more than 90 countries and jurisdictions that have committed to improve transparency in tax matters. Also it means that Panama would agree to the exchange of financial information automatically with all member countries to respect the requirements for protection of confidential information. All major financial centers and have adhered to this model and this has enhanced its reputation.

However, we must take into account representing provide this information at economic level for each country. This is to get all the information from a person who has income from another country, which involves application to all entities related to this person, resulting in a cost of state to meet the need for information has another State and hasn't been able to get information through their own means.

It addition to this, when analyzing requirements of the Agreement on Information Exchange as required by the OECD, it's clear that the system of access to information held by Panamanian government, is not equal to that of many countries that have already adopted the standard OECD, we are among the topics most requested

information related to the shareholders of a company.

However, although Panama has made changes in its laws to meet the final beneficiaries of societies and that requires the existence of a custodian, the Public Registry of Panama doesn't have a register of shareholders of the company as in other jurisdictions and the DGI through statement of income of legal persons doesn't have a requirement that the names of shareholders detailing. This would require making a change to Companies Act and the Tax Code of Panama, that likewise alter the system registry and what is declared and would require an investment from the state only to meet standards OECD.

On the other hand, it's important to note that some of the requirements under the OECD standards are a bit irrational, first, require all countries to make the necessary cost of that country investigations, secondly not consider as in many countries, keeping a corporation in a particular country, doesn't require these people to relate their bank accounts in that country, how then, in the case of Panama, it could obtain information from the accounts of that society when they are not here?

The objective is to renew Panama tax structure and has been willing to participate in discussions on the mechanisms of exchange of information maintained. Panama had committed itself to automatic exchange, however had not done with rules on information exchange established by the OECD, as it is Onerous comply with these regulations for the country.<sup>L&E</sup>

## EMPLOYMENT PLACEMENT AGENCIES ARE REGULATED

Giovana del C. Miranda G. - Abogada  
[giovana.miranda@rbc.com.pa](mailto:giovana.miranda@rbc.com.pa)

**E**mployment Placement Agencies were regulated by Executive Decree No. 105 of December 26, 1995, which was repealed with the approval of the Executive Decree No. 32 of April 15, 2016.

The new regulation provides that it's understood by agencies or job placement companies, those private entities conducting collection activities, data supply, job placement, counseling in personnel and activities related, aiming to provide applicants or job seekers, a place of dignified work and adequate to your requirements or the requesting companies suitable candidates for the posts.

Before the reform, license was issued for a term of one year (1) extended at the discretion of the Ministry, is now extended to two (2) years the term of extendible expedition every two (2) years and is called temporary authorization.

Among requirements for a temporary authorization of private employment agency contained in the new regulations, are among others:

1. Notice of operation.
2. Except Peace and MEF.
3. Paz y Salvo of the municipality.
4. Paz y Salvo of the Social Security Fund.

As it regards obligations of employment placement



agencies, Mimas have been defined, the most important being those of:

1. Maintain records properly classified documents submitted by applicants or applicants.
2. Save strict confidentiality of information provided.
3. Keep in offices, places or spaces suitable for their activities and places.
4. Escalate bi-monthly activity reports.

For purposes of the application of fines, we note that the amounts have increased because for the first time the penalty is B/. 1,000.00, the second time will be of B/. 10,000.00 and the cancellation of the authorization.

Finally, within sixty (60) calendar days for placement agencies that are in force refer to the Directorate General of Employment refer and update their data by sending the documents listed in paragraphs above is established. **L&E**

Giovana del C. Miranda G. - Abogada  
 giovana.miranda@rbc.com.pa

## EXTENSION FOR SUBMISSION OF HEALTH REGISTRATION COLONY

The Ministry of Health adopted Resolution No. 0388 of 23 March 2016 for which an extension is granted until 30 September 2016 for the submission of applications for veterinary colonies, toilet waters and perfumes.

The rule establishes sanitary registration of these items for personal use, it has undergone several extensions, latter which expired on February 29, 2016 being.



# salud

# METROPOLITAN ÓPERA HD LIVE IN

## PANAMA

Panama Canal Miraflores Theatre

Con la colaboración:

### Temporada 2016 - 2017

<p><i>Tristan und Isolde</i></p> <p>Sábado 8 de oct. 11:00 a.m.</p>	<p><i>Renée et Juliette</i></p> <p>Sábado 21 de enero 11:55 a.m.</p>
<p><i>Don Giovanni</i></p> <p>Sábado 22 de oct. 1:55 p.m.</p>	<p><i>La Traviata</i></p> <p>Sábado 11 de marzo 11:55 a.m.</p>
<p><i>L'Amour de Loin</i></p> <p>Sábado 10 de dic. 11:55 a.m.</p>	<p><i>Indoménec</i></p> <p>Sábado 25 de marzo 11:55 a.m.</p>
<p>Boletos de venta en:          Desarrollo Golf Coronado          Rivera, Bolívar y Castañedas</p> <p>Entrada: B/. 35.00          Miembros: B/. 30.00          Niños: B/. 10.00          Estudiantes: B/. 15.00</p> <p>Más información: 209-5900          366-6200</p> <p> Metropolitan Ópera Panamá  @Metopera507</p>	
<p><i>Eugene Onegin</i></p> <p>Sábado 22 de abril 11:55 a.m.</p>	
<p><i>Der Rosenkavalier</i></p> <p>Sábado 11 de mayo 11:30 a.m.</p>	

# Law Approved Free International Trade Area

In recent days it was approved by the Executive, Law 8 of 4 April 2016 reorganizing the Colon Free Zone, institution operating under the 1948 Act.

The recently approved Law 8 will modernize the legal framework of the Colon Free Zone, allows the establishment of free trade zone within multinational companies; the establishment of call centers, e-commerce and creates a one-stop shop for managing permits and procedures established and shall consist of entities public necessary for granting such permits and formalities expeditiously, agile and efficient, operates similar to the Panama Pacific Economic area.

Law 8 states that the Free Zone is a state institution with its own legal personality and autonomy in their internal system, whose primary objective is to exercise as exclusive custody, use, regulation and administration of the areas of free international trade, as real property located within the same areas and promotion of economic development, in order to achieve optimum utilization and resources, increasing investment and maximum benefit for the country.

Regarding composition of the Board of Directors and Executive Committee for first time it has been designated as a member of the Association of Free Zone Users in both entities, which represents a significant change for sector which will have a representative.

On the other hand, any construction or building within the Area of Free International Trade must be secured against fire by its owner, through an insurer, including the respective liability coverage to third parties.

In this regard, it is for the Board to regulate the matter, for which it will take into account the available infrastructure in the Free International Trade and actions taken by the Free Zone for infrastructure improvement, prevention and care claims. For the migration regime, the residence permit as an in-

**Giovana del C. Miranda G. - Abogada**  
[giovana.miranda@rbc.com.pa](mailto:giovana.miranda@rbc.com.pa)

vestor Colon Free Zone is created and can avail themselves abroad to check they have invested a minimum amount of two hundred and fifty thousand US dollars (US \$ 250,000.00) in a company duly authorized to operate within the Free Zone. resident permits and working for foreign workers who are hired to work in the Free Zone, which as already mentioned is the one-stop restructure processed.

It has been established that the National Customs Authority shall determine all such provisions as it deems necessary or desirable to control, monitor and control the entry and exit of all kinds of goods, articles, effects, means of transport in the Free Trade Area to prevent, investigate and punish customs offenses.

Another aspect to mention is that within the Free Trade Area of the establishment of private residences or the entry of persons who haven't complied with all legal and regulatory formalities to remain in that territory, either as a user or bystander will not be allowed.

Law 8 referring also provided a framework for modification of some articles of the Tax Code, within which are Articles 717, 733, 1004, 1057-V and 1230, and Article as Article 60 of the law 41 of 2014 creating the Special area Panama Pacifico. L&E



---

# PANAMA BILINGUAL PROGRAM IS REGULATED

---

**B**y Executive Decree No. 148 of April 1, 2016 Panama regulates Bilingual Program which aims primarily to implement the teaching and learning English as a second language, in official schools in the country, in order to equip their students with the best tools of competitiveness to facilitate their integration into the labor market.

It's worth mentioning that program has three components namely: Teacher Training; Increase class hours in English in the general basic level within regular school called "Kids Program", "After School" Program, which will be held in extraordinary days at average levels until extended day is implemented in all centers.

The implementation of the last two components of the program will be done gradually, depending on the characteristics of official middle schools in the country early childhood education, basic general and.

Another aspect is regulated Concerning That selection procedure of training centers; selection of teachers to be trained; Obligations of teachers selected for training; Commitments Assumed by Ministry of Education for the selected teacher.

Thus we have, implementation of Panama Bi-

Giovana del C. Miranda G. - Abogada  
[giovana.miranda@rbc.com.pa](mailto:giovana.miranda@rbc.com.pa)

lingual Program will be in charge of the Unit of Languages who must ensure that the program will be developed with sufficient flexibility to ensure the correct and proper implementation of its various aspects, both related to the organization and curriculum planning, and human resource management and program evaluation. L&E



## SUPERINTENDENT OF INSURANCE AND REINSURANCE IS ENTITLED TO SIGN AGREEMENTS OF UNDERSTANDING

**Source:** Office of Administration

The Office of Administration, through Consultation C-21-16 of March 8, 2016, had the opportunity to rule on questions raised by the Superintendent of Insurance and Reinsurance, in sense of knowing whether conclusion of memoranda of understanding ( MoU), are within legal powers under the Act, or whether on the contrary, it exceeds and if that power rests with Superintendent of Insurance and Reinsurance.

Considers the Authority that the Superintendent of Insurance and Reinsurance of Panama, in accordance with the provisions of Articles 9 and 12 (numeral 18) of Law 12 of 3 April 2012, which regulates the activity of insurance and other provisions, in accordance with articles 19 and 20 (paragraph 12) of Law 23 of April 27, 2015, which adopts measures to prevent money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction and other provisions in the form of legal representative is legally entitled to conclude memorandums of understanding.

In this regard, it notes that the Superintendent of Insurance and Reinsurance of Panama, through its legal representative, is legally entitled to conclude memoranda of understanding, as is clear from the legal rules as discussed above.

The Attorney enters subscribe to analyze the concepts and conventions; however, it indicates that while the Panamanian legal system lacks a special legal framework which defines these terms in the field of international cooperation, has supported the doctrine to indicate that the “Memorandum of Unders-

tanding” is also a form or Simplified kind of agreement.

Concludes by stating that it is the law itself that defines who is responsible for the legal representation of the superintendency, ie, who will act on its behalf and the law empowers the Superintendent of Insurance and Reinsurance of Panama, to enter into agreements, including “ memoranda of understanding “; which are designed to exchange information between the Insurance and Reinsurance of Panama and other national and international organizations, which will promote the improvement of supervised activities. L&E





# CYBER CRIME AND PANAMA PAPERS

Lucila Rivas Guerrero - Abogada  
[lucila.guerrero@rbc.com.pa](mailto:lucila.guerrero@rbc.com.pa)

**M**uch has been made of the extensive research conducted by the International Consortium of Investigative Journalists apparently started over a year ago, when several journalists from the German newspaper Suddutsche Zeitung received a filtration 11.5 million confidential documents, including financial records and legal approximately 14 thousand clients of the law firm Mossack Fonseca, whose main operations are in the Republic of Panama.

Although our name as a nation has not ceased to be mentioned and constantly hit by harsh criticism from other nations, who question our weak financial system, promising a return to the dreaded gray list CFATE.

The severity of the criticism, we can not ignore the prospect of seeing the complex problem of papers Panama from many angles.

I define important vertical according to our law what the term "tax evasion" very mentioned elsewhere, without forgetting that the effects have different connotations and distant legal effects, depending on the kind of legislation concerned.

Tax evasion is merely hiding assets or income with the intention of not paying or pay less taxes, behavior that has tried to associate with operation of calls companies "offshore" which has been subject of many debates for being considered main source of income for firm Mossack Fonseca, for over 40 years.

In this regard, we note that in Panama tax evasion itself as such, is not defined in the criminal behaviors described in the Penal Code and therefore can't be considered a pu-

nishable act, worthy of any sanction of a criminal nature. Rather evasion or tax fraud, it's considered as a lack of administrative character, with tax rule states as punishment no less "fine of five times or more than ten times the defrauded amount, or arrest of one month to one year, except when you have designated a special sanction. "

It deserves more attention the fact how the leaked documents to this group of journalists were obtained. Which it means that could be internally, ie through a trusted partner or through the aforementioned hackers (it's a specialist in a branch of computer technology, dedicated to intervene and/or make alterations of character technical).

We want to deepen the second case, since could be one of the mechanisms used for the production of more than 11.5 billion financial and legal documents, received by this group of investigative journalists.

With the advent of technology, they have also come cybercrime, fraud, threats and technological risks, who don't let companies, law offices are large or small, banking, private or state groups, as is if the firm Mossack Fonseca.

The legally protected is stored, processed and transmitted information through computer systems, and is considered as an economic value of company activity.

We must also determine against such crimes if we are dealing with an individual or collective criminal legal right. The legal right is individual character if stored information is of value to a person. Howe-

ver if it is a collective legal right information becomes an instrument of great value proportional to the activity performed by the company it is public or private.

In this sense we can say that in the event that the leak of the documents obtained either an internal or external to the organization, although not know or those responsible, such conduct if it is typified in our substantive rules as follows.

**Title VII**

**Crimes against the legal security of electronic media**

**Chapter I**

**Computer security crimes.**

**Article 289.** Whoever wrongfully enter or use a database, network or computer system shall be punished with two to four years in prison.

**Article 290.** Whoever wrongfully takeover, copy, use or modify data in transit or contained in a database or computer system, or interferes with, intercepts, obstructs or prevents transmission shall be punished with two to four years in prison.

Of the items described above, we can see that criminal uses guiding verbs like enter, seize, copy, use or modify and applies a minimum penalty of two to four years in prison.

Which is legally translates the criminal conduct described by substantive rule doesn't penalize the offender so serious, since not justify the immediate implementation of a precautionary measure as preventive detention.

In the event that the perpetrator can be anyone who has access to the information contained in databases or systems, the criminal law he says aggravating when it comes to government agencies or banks or financial public or private entities.

**Aggravating factor for criminal behavior**

**Article 291.** The conduct described in Articles 285 and 286 shall be increased by one-third to one-sixth of the sentence if committed against data contained in databases or computer system:

1. Public offices or under his tutelage.

2. Public, private or mixed institutions
3. Banks, insurance companies and other financial and securities institutions.

it will also worsen in the manner provided in this article when the facts are committed for profit.

These penalties shall apply without prejudice to the penalties applicable if the data covered by this Chapter consist of confidential information with restricted access, concerning state security, as provided in Chapter I, Title XIV of Book II of this Code.

**Article 292.** If the conduct described in this Chapter are committed by the person in charge or responsible for the base or the computer system, or the person authorized to access this, or made using insider information, the sanction will worsen between one-sixth and a third part.

Of the items described above we can stress that imposing a more severe sanction when the active agent is the custodian of the database or computer systems, since in this half offense access and trust factor.

We must emphasize that cybercrime also rigged a correlation with other criminal activities such as the violation of liberty in the form of crimes against the inviolability of secrecy and the right to privacy.

Our criminal law regulates this type of behavior as follows.

**Title II**

**Crimes against freedom**

**Chapter III**

**Offences against the inviolability of the secrecy and the right to privacy**

**Article 164.** Whoever seizes or wrongly report the contents of a letter, message of electronic communication, electronic signature, electronic document, sheet, wire service dispatch or otherwise, that there would have been addressed, shall be punished with imprisonment of one to three years or its equivalent in daily fines or weekend arrest.

When the person who committed the crime get any be-

nefit or disclosing the information obtained and this proves damage, it shall be punished with two to four years of pressure or its equivalent in daily fines, house arrest or community work. If the person has obtained information that the previous paragraph as a public servant or employee of a telecommunications company and refers to reports, the penalty shall be increased by one sixth half.

The article noted above can be seen that the conduct displayed by the active agent can be executed by computer means.

**Article 165.** Anyone who removes, destroys, replace, hide lost, intercepted or block a card, specifications, electronic communication, electronic document or cablegram office or otherwise, addressed to others, shall be punished with imprisonment from two to four years or the equivalent in days fine or arrest weekends, which will be increased by one sixth if they disclose or reveal.

If the person who committed the action is a public servant or employee of a telecommunications company, penalty shall be three to five years in prison, which will be increased by one sixth if revealed or disclosed.

**Article 166.** Any person lawfully in possession of mail, recording or private and personal documents, not for publicity, although he had been directed, and make them public without proper authorization and this proves injury shall be punished by two to five hundred daily fines or weekend arrest.

Not considered crime disclosure of documents necessary for the understanding of history, science and the arts.

If half the forgiveness of the victim file the case was ordered. For these crimes the Penal Code takes into account to punish the offender so aggravated the manner, time, place and subject to quality when increasing it.

Jurisprudential the Supreme Court has been emphatic in pointing out that in crimes that violate the secrecy and privacy should be considered the facts as a whole, since the consequences resulting are serious and the damage often irreparable.

What is clear is that this is a problem that has transcended

borders and whose organizations are handled through cell directing criminal operations from different countries and through sophisticated electronic means, thus preventing the victim act immediately and predict from where the attack.

I can't conclude these small findings without comment that according to comparative law, computer crimes are being vigorously punished as in case of United States and European countries, who consider such acts as terrorism as it affects the security even of States.

It's evident that "Panama Papers" should be seen objectively, from their different angles, following Public Ministry is responsible for the heroic task of investigating punishable offenses affecting the State as is their duty and constitutional law as well. It corresponds to prosecution of crimes that seriously affect rights of partners. L&E



## RE-ELECTION CLAIMS OF PANAMANIAN LEADERS

Rafael Fernández Lara  
Abogado independiente  
[rbcweb@rbc.com.pa](mailto:rbcweb@rbc.com.pa)

**D**uring the administration initiated in 1994 by President of the Republic, Ernesto Perez Balladares, he sought to be nominated for a second presidential term in May 1999 through a referendum called by government on 30 August 1998. The consultation was aimed to carry out constitutional reforms and not a few Panamanians thought it was a new event recorded in our native policy.

In that referendum, 34% of voters favored the proposed constitutional reforms as described, 64% voted against and the remaining 2% voted blank or their votes were canceled. Voted a total of 1.1 million voters, with one abstention that reached 34% of individuals with the right to vote.

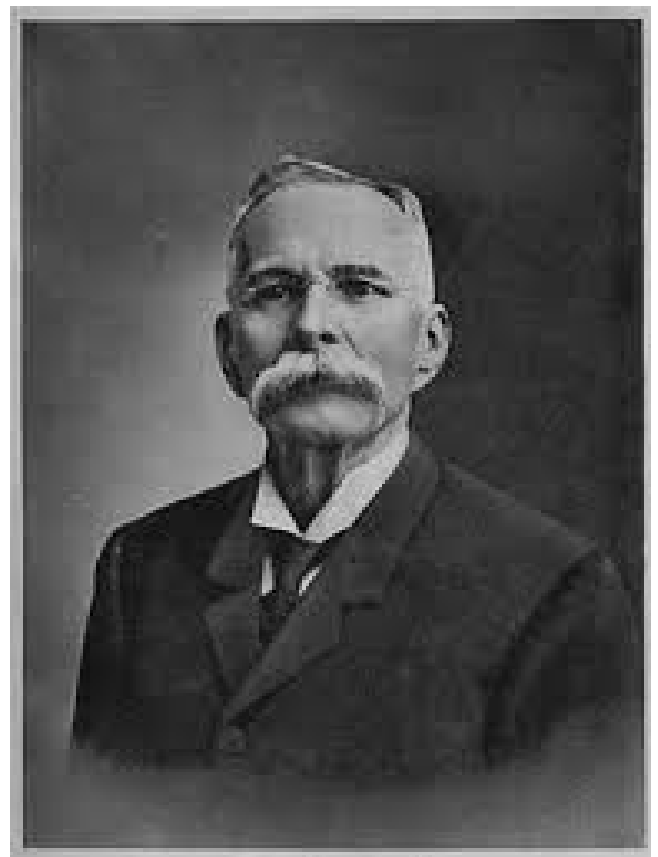
However, details of our history show that wasn't always so, as often the re-election intentions were present in minds of our Presidents.

First, it should be noted that our first Constitution, 1904, Article 82 established that the President may be reelected for another term, provided that diverges from the presidency six months before elections, which he remained in force until November 1924 when a Legislative Act forbade it.

The first case was that of our president, Dr. Manuel Amador Guerrero, who was elected for period 1904 to 1908. President Amador was encouraged by a group of supporters who organized political group called Constitutional Party, in order to achieve his nomination for a new presidential term. Faced with this possibility, Dr. Amador Guerrero requested license, which was granted the National Assembly, in accordance with Law No. 28 of June 19,

1907, also coupled with his desire to seek rest and relief for ailments affect physical. Dr. Amador Guerrero toured several countries in Europe and the United States, leaving the executive to Don Jose Domingo de Obaldia.

During his visit to New York, Dr. Amador consulted Dr. Francis Delafield, Vanderbilt Clinic, and physician noted that "President of Panama was prey to Kaposi invincible disease", told to First Lady that "wouldn't live



another two years,” which proved to be a very accurate prediction since died May 2, 1909 at 75 years old. Upon his return to Panama, his party members and friends asked him to accept re-election, but his reply was categorically negative repeatedly, mainly through an open letter that became public in late January 1908.

Don Jose Domingo de Obaldia was elected President for period 1908 - 1912.



He died on May 1, 1910 and was replaced by Dr. Carlos Antonio Mendoza, Second Appointed (Vice President), who had been elected as such for biennium 1908 1910, since First Designated, Don Jose Agustin Arango, had in turn passed away. During the administration of Dr. Carlos A. Mendoza as head of state, he began to run errands for the National Assembly as re-elect in office since, according to the Constitution, the Assembly should choose new appointees to the Presidency for biennium 1910 - 1912. However, this aspiration wasn't successful, among other reasons constitutional arguments.

As a result of above, at end of their period of just seven months Designated to the Presidency, Dr. Mendoza was replaced

by Dr. Pablo Arosemena, the new Prime Appointed elected by National Assembly for biennium 1910-1912, taking possession of Presidency of the Republic on October 5, 1910.

During his tenure, Dr. Arosemena also planned to go to the re-election and thus the February 2, 1912, was separated from the Presidency of the Republic, leaving manager Don Rodolfo Chiari Robles for being a Third Appointed since Federico Boyd, Second Appointed, declined the position.

Finally, Dr. Pablo Arosemena decided not to go for re-election for reasons of constitutional order and promoted candidacy of Don Pedro A. Diaz, who lost the elections of July 14, 1912 in front of his opponent, Dr. Belisario Porras Barahona.

Ciro Luis Urriola was the eighth president of the Republic since June 3, 1918 to October 1, 1918.

He took over the presidency to die Ramón Maximiliano Valdés, for his status as First Appointed (VP) having been elected for the biennium 1916 - 1918. His term ended in September 1918, when legislature must elect new Designates (Vice-Presidents), but before municipal elections were conducted and deputies.

Urriola president issued Decree 80 of June 20, 1918, by which indefinitely suspended next elections. This measure caused the general rejection of the population and United States, at the request of some national, gave an ultimatum to Urriola to respect date of elections on the grounds that his action was unconstitutional, which prevented prolonged the power.

Dr. Belisario Porras Barahona took over presidency for second time as Prime Designate, to be elected by National Assembly for biennium 1918 - 1920. On January 31, 1920 presented his resignation as Chairman to the within the National Assembly to aspire to the Presidency of the Republic. This action complied with requirements of the Constitution of 1904, according to which the presidents elected for a term of four years who aspire to a new period, had to resign 18 months before and designated (vice presidents) to the Presidency who aspired to a new nomination were forced to separate from office six months in advance.

Belisario Porras's resignation took place before legis-

lature and in the same act took possession of the Second Appointed presidential inauguration, Lefevre, who took office for six months prior to the elections.

On October 1, 1920 Dr. Belisario Porras Barahona was elected constitutional president for a third term for quadrennium 1920-1924.

In the electoral tournament Aug. 3, 1924, Don Rodolfo Chiari Robles won broadly, with 19,372 votes out of the 2,920 obtained by General Manuel Quintero Villarreal.

At the end of his term, in 1926, Don Rodolfo Chiari sent the National Assembly a proposal for certain amendments to the Constitution, including a proposal for the re-election of members of the Assembly and the President of the Republic.

The legislature responded by resolution adopted on December 29, 1926: "The National Assembly fails to consider the proposal of certain reforms requested by the government" because "any modification of the Constitution doesn't correspond to a single Assembly". The President re-election idea was manifested when he said that "the idea of re-election arose spontaneously in the national consciousness. Similarly he took shape and gained currency everywhere, to become rooted aspiration overwhelming majority."

The President was referring to members of the National Assembly of Municipalities, important political centers and important figures recognized expertise in the country.

On October 15, 1927 day, called Centurions of Chiarismo, an organization founded by General Manuel Quintero Villarreal with Alfredo Aleman, they went to the National Board of the Liberal Party, proposing re-election of Don Rodolfo Chiari Robles for quadrennium 1928-1932. In attitude that attracted much attention, a group of the majority of the Legislative body did pass a resolution in which the reelection of president, Don Rodolfo Chiari Robles recommended, decision was also supported on 28 October by the full Municipal Council of Panama.

Months later, at the beginning of 1928, of suddenly, the President of the Republic, Rodolfo Chiari Robles, desists from its re-election aspirations, a fact officially on April 3, 1928 before



National Board of Liberal Party meeting the Palace of Herons.

After considering several names for presidential nomination of the ruling party for elections in August 1928, was appointed unanimously anointed president, Ing. Florencio Harmodio Arosemena.

In the elections of May 4, 1932 two candidates for president of the republic, Dr. Harmodio Arias Madrid, who eventually won with 39,533 votes against Don Francisco Arias Paredes, with 29,282 votes, presented for the period 1932 - 1936.

At the beginning of 1935 began to be noted the possibility that President of the Republic, Dr. Harmodio Arias Madrid, aspired to re-election. That possibility arose in first instance by Don Octavio Fabrega, who, among others, at all times supported this possibility, but the project failed political support, taking into account that didn't have a constitutional basis. After discarded that idea, mentioned several recom

mended to be official nominee. Finally, the anointed was former Secretary (Minister) of Foreign Affairs, Dr. Juan Demóstenes Arosemena, who was favored in elections of May 1936 as First Magistrate of the Nation for period 1936-1940.



After several decades, in elections of May 1952, was elected Constitutional President of the Republic of Panama Colonel Jose Antonio Remon Cantera for four years 1952 - 1956. Prior to this, Colonel Remon had occupied headquarters of the Panama National Police and had become an arbiter of conflicts in the country's political class.

During his presidential mandate he exerted a marked influence on various organs of the state. He was honored by both the Supreme Court as members of the legislature and many civic organizations, extolling its virtues as alleged Panamanian leader.

In 1954, last year of the presidential term of President Remon, begins within the Legislative Organ finding a constitutional method to ensure his re-election, as some deputies presented him as President model, irreplaceable in the country.

However, on January 2, 1955, President Remon was assassinated at Juan Franco National Hippodrome, in an

unfortunate episode in evolution of our republican history that changed political landscape of the nation.

They presented the above are examples of Panamanian presidents re-election attempts. Figure reelection in our country was established in our first Charter of 1904, but later banned by Legislative Act of 1924. However, on several occasions re-election claims were present on the wishes of the rulers. There have also been formulas to remain in power through the presidential anointed President, frequently observed in all cases our republican history.

After the re-election of President Perez Balladares attempt and its rejection by the people to consider it harmful, there has been no re-election attempt by the four governors who have subsequently been elected democratically in our country.

However, we can't ignore that the figure originates re-election discussions with foundations on whether it's appropriate or not for democratic system of government. Recall that between 1984 and 2013, 18 of the 20 Latin American presidents who sought re-election were re-elected. In our Latin America, the presidential power is very strong, especially when participating in an election where it is very difficult for the President to be defeated because often abused that power with all that it represents.

It is also important to mention that between 1990 and 2010 re-election was allowed in nine nations of the American continent, but it ended up becoming real authoritarianism, as in the case of Peru Alberto Fujimori and Venezuela's Hugo Chavez.

One can also mention examples of leaders who aspired for re-election because their legal systems permit and not break constitutional order and objectively strengthened and strengthened their political entities. Such is the case of Juan Manuel Santos in the neighboring country and Brazilians Fernando Cardozo and Lula De Silva.

So as to apply the figure of the presidential election may or may not be detrimental to the rule of law depending on the strength of democratic institutions in each country, and, above all, resulting from the sovereign will of the people, in order account, is the most responsible for destiny of a country. L&E

## CONSUMER'S PRICE INDEX

Source: GCRP

In March, nine of the twelve groups that make up the basket recorded increases. Two had declines and one was unchanged. Groups that had positive changes and more significantly affecting CPI were Transport 0.8 percent, with an impact of 0.127 percentage points; Health 1.9 percent, with an impact of 0.067 percentage points; Miscellaneous goods and services 0.6 percent, with an incidence of 0.061 and Food and non-alcoholic beverages 0.2 percent, with an impact of 0.052 percentage points.

Transportation group, the kind that most affects price variation is "Fuels and lubricants for personal transport equipment" by 6.5 percent, due to increased fuel prices for cars. The Health Group, variation of classes "Medical Services" with 3.3 percent highlighted by the increase in price of medical consultations; "Pharmaceuticals" 1.2 percent due to the increase in price of medicines.

In the Real and various services group, classes were greatest impact "Other appliances, articles and products for personal care" 0.8 percent, rise in the price of personal care items; and "Insurance connected with transport" 3.2 percent due to the increase in price of auto insurance.

In the group Food and non-alcoholic beverages, classes were greatest positive impact "Fish" 2.2 percent; "Fruits" 3.3 percent and "Vegetables-Vegetables" 0.6 percent.

The other groups that positive changes in CPI were: Restaurants and hotels 0.6 percent; Alcoholic beverages

and snuff 1.1 percent; Clothing and footwear 0.1 percent; Furniture, household items and routine household maintenance and education; both 0.1 percent. Increases in the index were offset by groups that presented negative variations, highlighting Communications 1.2 percent and Recreation and culture 0.1 percent.

Declining prices in Communications is mainly due to decline recorded in class "telephony services" 1.0 percent due to drop in price of mobile phone services.

The Recreation and Culture group was affected by lower class "audiovisual, photographic and information processing equipment" 0.7 percent, due to lower prices of TV and DVD player.

Finally, Housing, water, electricity and gas remained unchanged.

Comparing National Urban CPI in March 2016, with its similar of 2015, the following increases were observed: Restaurants and hotels 10.4 percent; Alcoholic beverages and snuff 7.9 percent; Health 3.9 percent; Miscellaneous goods and services 2.9 percent; Education 2.8 percent; Food and non-alcoholic beverages 2.3 percent; Furniture, household items and routine household maintenance 1.4 percent; and Communications 0.5 percent.

Then graph the monthly incidence group National Urban CPI for March 2016:



ÍNDICE DE PRECIOS AL CONSUMIDOR

Marzo 2016

A continuación, gráfica con la incidencia mensual por grupo del IPC Nacional Urbano de marzo de 2016:



Incidence: is the contribution of each group to the total variation of the National Urban Index, therefore, the sum of incidents resulting index variation.

## EVOLUTION OF CONSUMER PRICE INDEX: MONTHLY AND CUMULATIVE VARIATION

**GRUPOS**  
IPC MARZO 2016  
Base anual 2013 = 100

Grupo	Ponderaciones	Incidencia	Variación mensual
TOTAL	100.0	0.3	0.3
Alimentos y Bebidas no Alcohólicas	22.4	0.0520	0.2
Bebidas Alcohólicas y Tabaco	0.7	0.0070	1.1
Prendas de Vestir y Calzado	7.7	0.0070	0.1
Vivienda, Agua, Electricidad y Gas	8.5	0.0000	-
Muebles, Artículos para el Hogar y para la Conservación Ordinaria del Hogar	7.8	0.0060	0.1
Salud	3.4	0.0670	1.9
Transporte	16.8	0.1270	0.8
Comunicaciones	4.3	-0.0540	-1.2
Recreación y Cultura	9.7	-0.0100	-0.1
Educación	2.4	0.0030	0.1
Restaurantes y Hoteles	6.7	0.0400	0.6
Bienes y Servicios Diversos	9.8	0.0610	0.6

# MAIN ECONOMIC INDICATORS

## MONTHLY: JANUARY-FEBRUARY 2015-16

Source: GCRP

**F**or January-February 2016, main monthly economic indicators showed favorable performance in production activities related to domestic demand in the country, compared with their counterparts in 2015 were: slaughter of pigs, production of pasteurized milk and soft drinks; thermal power generation, electricity and water billing in the Republic.

Negative rates were observed in cattle slaughter, production of raw milk used for the production of derivative products and hydraulic power generation, among others.

Indicators related to the rest of the world, presented positive sign: weight exported banana, melon, watermelon, shrimp and other seafood; also, the entry of passengers residing abroad and expenses; and revenues from tolls on Panama Canal. declines in exports of pineapple, flour and fish oil, hotel business in Panama City and in the volume of cargo transported by the Panama Canal were reported.

### 1. Manufacturing:



Increased slaughtering of live pigs 10.8 percent, producing goosebumps 8.3 percent, evaporated, condensed and powdered 5.2 percent milk, pasteurized milk 2.6 percent, sugar 8.3 percent was recorded, salt 83.2 percent, alcoholic drinks by 2.3 percent, soft drinks by 5.5 percent and rectified alcohol at 14.4 percent. negative rates were observed: cattle slaughter 9.4 percent, production of raw milk used for the manufacture of products derived from 7.3 percent and tomato by 18.0 percent.

### 2. 2. Water and electricity:



a. Electricity supply: The total domestic supply of electricity rose by 8.0 percent, driven by gross electricity generation by 7.3 percent, as well as for its components: thermal at 18.6 percent, wind at 554.7 percent and solar at 28,631.3 percent. The hydraulic decreased by 19.9 percent.

b. Electricity destination: fate of energy offered billed consumption recorded increase of 6.1 percent mainly residential and 12.5 percent, trading at 5.7 percent, 10.0 percent government and industry at 1.6 percent.

c. Water: billing of drinking water in the Republic increased by 5.1 percent, corresponding to the following sectors: trade by 7.6 percent, industry 2.4 percent and 5.5 percent residential; however, it reduced government sector 1.7 percent.

### 3. Construction:



The value of permits for construction, additions and repairs recorded a positive change of 1.0 percent. Residential construction increased by 32.6 percent; by contrast, non-residential decreased by 18.7 percent. Regionally, the most prominent districts were: San Miguelito with increased 19.3 percent, 772.6 percent Colón and other districts grouped (David, Santiago, Chitre, Aguadulce and La Chorrera) at 71.1 percent. By contrast, low was observed in the district of Panama at 18.0 percent and 19.7 percent Arraiján. The recorded production of ready-mix concrete and

gray cement declined by 33.1 and 3.0 percent respectively.

**4. Domestic trade:**



a. Sale of fuel for domestic consumption: sale of fuel for domestic consumption grew by 12.4 percent, with gasoline of 8.9 percent, exceptane at 4.7 percent and 95 octane 12.9 percent, bunker C at 104.5 percent and liquefied petroleum gas by 1.5 percent.

b. Sales of new cars: Information not available to date, by the source.

**5. Foreign trade:**



a. CIF value of imports of goods: CIF value of imports of goods decreased by 16.4 percent, mainly consumer goods 13.3 percent, intermediate goods by 27.6 percent and capital goods by 8.4 percent.

b. FOB value of exports of goods: FOB value of exports fell by 8.0 percent and the items that most were reduced were: pineapple 44.3 percent, fish and fish fillet (fresh, chilled and frozen) 21.2 percent, flour and fish oil 41.9 percent, coffee 29.0 percent, 14.4 percent clothes, beef cattle 34.3 percent, and hides and skins 41.1 percent; on the contrary, positive variations in petroleum products were observed in 99.7 percent, banana 3.9 percent, melon 222.3 percent, watermelon 118.1 percent, shrimp 18.1 percent, other seafood in 506.2 percent and unrefined sugar 3.4 percent.

c. Weight of exports of goods: The weight of exports of goods increased by 13.5 percent; most sensitive areas were 6.1 percent banana, melon 373.5 percent, watermelon 172.0 percent, 60.8 percent

shrimp, other seafood 570.2 percent and 4.0 percent sugar. Moreover, unfavorable performance was recorded: petroleum products at 63.4 percent, pineapple 42.1 percent, fresh fish and fish fillet (fresh, chilled and frozen) 28.4 percent, flour and fish oil 51.5 percent, coffee 1.5 percent, clothing 25.1 percent, beef cattle at 27.1 percent, and hides and skins 2.8 percent.

d. Colon Free Zone: value of commercial activity in Colon Free Zone reported negative variation of 29.2 percent, because CIF imports fell by 29.7 percent and re-exports FOB 28.8 percent. The weight of commercial movement in metric tons dropped by 16.8 percent, imports by 20.5 percent and re-exports by 12.2 percent.

**6. Hotels and passenger entry:**



a. Hotels: The hotel business in the city of Panama presented positive variation in the number of housing units by 0.4 percent and average daily overnight stays at 13.4 percent; however, the average daily rooms occupied 10.8 percent and the occupancy rate at 11.3 percent declined.

b. Passenger entrance living abroad and expenses: The entry of passengers residing abroad grew by 6.0 percent, due to increased entry of visitors at 3.8 percent, helped by higher influx of hikers in 23.2 percent and tourists at 3.0 percent, while passengers arriving on cruise fell by 11.9 percent. The value of expenses incurred by tourists amounted to 5.0 percent.

**7. Transport:**



The Panama Canal indicators recorded positive variation of toll revenue by 1.2 percent and net tons at 0.8 percent; the volume of cargo was reduced by 11.0 percent. In turn, transit of ships through Panama Canal declined by 0.5 percent.

Cargo movement through National Port System reported

negative variation of 17.9 percent, mainly bulk cargo by 16.5 percent, containerized 19.5 percent and 11.7 TEUs container percent.

**8. Financial Intermediation:**

a. National Banking System:



Total assets of the national banking system amounted to 6.3 percent, highlighting loan portfolio by 9.8 percent, mainly domestic by 10.6 percent and 7.8 percent outside. Total deposits increased by 5.7 percent, the most representative of these were external 8.1 percent.

b. Stock market indicators:

The Balboas negotiated by the Panama Stock Exchange volume rose by 25.3 percent. Of this, primary market increased by 33.4 percent and buybacks in 2215.6 percent. The calculated on the Stock Exchange index decreased 7.3 percent. Moreover, volume traded in Balboas decreased by 85.8 percent and the number of shares 94.8 percent.

c. Insurance:

The value of written premiums rose by 5.8 percent; protruding segments: Personal accident 24.5 percent, health 11.8 percent, collective life 2.1 percent, fire and multi-risk 31.3 percent, automobiles 5.0 percent, other transportation 11.0 percent, technical fields 34.3 percent and bonds in 3.8 percent. negative variations were observed in individual life of 1.0 percent and claims 7.4 percent.

d. Loans approved by the Agricultural Development Bank:

Approved by Agricultural Development Bank loans increased by 369.4 percent of these those for agriculture 148.0 percent, also the livestock 234.2 percent, 292.5 percent fishing and other items at 1,232.7 percent.

**9. Public Sector Finances:**

a. Central government current revenue:



Total current revenues amounted to 6.7 percent of these non-tax revenues stood at 21.1 percent and 2.9 percent tax. ITBMS collection of sales increased by 14.3 percent as production, sales and selective consumption by 24.7 percent and insurance premiums at 20.7 percent.

**10. Activities of scattering:**



a. Gross bets: The bets report gross (includes paid awards) operators of games of chance recorded negative variation of 13.7 percent, mainly of revenue from slot machines type "A" at 11.0 percent, table games 32.5 percent and rooms sporting events 23.3 percent ; on the contrary, they increase in lottery sales 7.6 percent, bingo halls 0.9 percent and 0.8 percent horse racetrack were observed.

b. Net betting: decreased by 12.2 percent (excluding prizes), betting on gaming tables 13.1 percent, slot machines type "A" at 11.3 percent, betting shops sporting events 34.3 percent fell and horse racetrack at 3.1 percent; However lottery sales increased by 10.2 percent and betting on bingo halls at 0.1 percent.

**11. Other related:**



a. Employment contracts recorded in the MITRADEL: Employment contracts registered in the Central Office of MITRADEL grew by 2.2 percent, mainly those defined in 9.2 percent and works identified in 5.4 percent; on the contrary, indefinite decreased 9.9 percent..l&E

# GOVERNMENT DEFENDS THE COUNTRY FINANCIAL PLATFORM PANAMA IS NOT A TAX HAVEN

Source: MEF

The Republic of Panama has one of the most important centers of financial services in the world, that has a proven record of change and that with the efforts of public and private sector, has managed to meet highest standards of transparency, adopting legal instruments much more strict and rigorous than many other service centers worldwide.

Government of the Republic of Panama further regrets disqualification by international organizations and countries that are unknown to the situation existing agreements to exchange tax information as well as the implementation of rules on transparency and tax cooperation.

Panamanian authorities are calling organizations, countries and media to deepen the content of publications, before spreading damage on the country.

Panama is a serious country, a major player in the globalized world and is not acceptable that the work of an entire country that benefits international community into disrepute.

## Actions done

From January 2016 came into effect new rules limiting use of bearer shares of Panamanian corporations. With these new rules, companies which have issued bearer shares in custody should deliver to authorized agents and regulated financial entities.

In compliance with commitments with FATF Law 23 of 2015 was passed, with which measures to strengthen our financial system against money laundering and te-

rorist financing, in compliance with the roadmap prepared by the Commission were adopted Money laundering in order to lift our nation from gray list of FATF.

In addition, as part of implementation of monitoring and combating illicit activities they have been approved 7 new laws that include new offenses and regulation of non-traditional financial sectors such as law firms and real estate businesses in order to increase transparency and combat abuse of our financial center. L&E



## PANAMA MAINTAINS ITS GROWTH DESPITE CONTRACTION IN LATIN AMERICA

Source: MEF

The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) and the World Bank (WB), updated this week its forecast for economic growth in the region and both multilateral agencies agree that Panama will be the country with the largest expansion of gross domestic product (GDP) this year.

ECLAC forecasts that GDP will expand Panamanian 6.2% and the World Bank estimates that growth will be 5.9%, well above growth rates are expected for most countries in Latin America and the Caribbean.

This regional bloc, instead of growing, will shrink this year. According to new estimates from ECLAC, Latin America and the Caribbean it will decrease by an average of -0.6% in 2016. And the World Bank, meanwhile, expects the region to contract 0.9% this year.

“South America, which has borne the brunt of fall in commodity prices and Chinese growth, would shrink more than 2% this year, driven by strong recessions in Brazil and Venezuela. However, in Mexico, Central America and the Caribbean -which are less dependent on commodities exports and are more closely linked to economic recovery of United States- would remain positive growth in 2016, reaching 2.5% “, World Bank said in its report.

Despite the downward revision of ECLAC projections for region, the agency maintained its growth estimate for the Republic of Panama at 6.2%, which coincides with the official estimates of the Ministry of Economy and Finance.<sup>L&E</sup>

## RESERVES TO TRANSIT THE EXPANDED CANAL

Source: ACP

The Panama Canal opened this Monday, April 18, 2016, period of reserve quotas for transit neopanamax ships to transit from Monday June 27, 2016. With the announcement of the opening of expanded Canal 26 June 2016, Panama Canal made available to its customers neopanamax four berths for ships daily, in addition to the 25 seats already available for current Canal.

After finishing first period of competition for quotas neopanamax ships, first was awarded to ship liquefied petroleum gas (LPG, for its acronym in English) LINDEN PRIDE, which has a length of 754.59 feet and a sleeve 120.08 feet, Yusen Kaisha Nippon line (NYK line) and represented by Norton Lilly International (Panama), S.A. shipping agency.

During the first hours after started the booking process, they had already been awarded 25 neopanamax quotas for transiting through the new locks. This initial period is for transit reservations until 30 September 2016.

On the other hand, it notes that the ship will transit the opening of the expanded Canal will be chosen by a lottery on April 29.<sup>L&E</sup>



CANAL DE PANAMÁ

## *EUROPEAN COMMISSION AND WORLD BANK SIGN AGREEMENT ON ACCESS TO INSURANCE RISK OF DISASTER IN CENTRAL AMERICA AND THE CARIBBEAN*

Source: World Bank

**T**he European Commission and the World Bank today signed an agreement for 14 million Euros to be implemented by Multi-Donor Fund (MDTF) to facilitate access to safe, high quality and low cost for disaster risk for governments of Central American countries and the Dominican Republic.

This grant will support countries to become formal members of CCRIF SPC (formerly Mechanism catastrophic risk insurance in the Caribbean), a program of several countries that allows its 17 current members share the risk, access to insurance coverage by disaster at low cost, and manage and finance better disaster risk.

The agreement was signed today by Neven Mimica, EU Commissioner for International Cooperation and Development, and Jorge Familiar, World Bank Vice President for Latin America and the Caribbean. Milo Pearson, Chairman of the Board of CCRIF SPC. Ivan Acosta, Minister of Finance and Public Credit of Nicaragua, and Wilfredo Cerrato, Honduras Secretary of Finance, also attended the signing ceremony.

“Contribution of the European Union (EU) to Multi-Donor Fund for Central American countries and the Dominican Republic is a reflection of our shared concern about the need to support partner countries in building disaster resilience and change climate; concern that



has led to an increase in the contribution of funds by climate change in the priorities of EU development “ Mimica said. “The urgency of the situation demands immediate action, that’s why we value being able to make this announcement today.”

“For small economies face the risk of climate disasters effectively it requires efforts at the regional level, for effective solutions require sharing those risks. This is key to the Caribbean and Central America that are increasingly vulnerable to the effects of climate change”, said Familiar. “Insurance is a good example of a regional public good, by



which member countries will benefit from insurance coverage at more affordable rates disasters”.

This commitment is part of renewed efforts of donors and international community to address the growing risks from disasters and global climate.

As part of these efforts, countries have adopted new agreements in recent months (as the Framework Sendai Risk Reduction Disaster Action Agenda Addis Ababa of the Third Internatio-

nal Conference on Financing for Development and Transform our world: 2030 agenda -the global goals for sustainable development) priority to commit funds and support efforts to manage and finance disaster risk in developing countries.

In addition to the EU contribution, the governments of Canada and the United States have also pledged funds to the MDTF, totaling approximately the date of US \$24 million to support the participation of countries COSEFIN[1] in CCRIF SPC.

Contributions from donors have a key to enable countries to benefit from insurance coverage more affordable rates CCRIF role. Membership payments made by member countries also contribute to the financial sustainability of the mechanism.

Since 2007, CCRIF index insurance offered by disasters like tropical storms, earthquakes and -since 2013- by excessive rainfall at affordable rates for the governments of Caribbean countries. Currently 16 Caribbean countries are members of CCRIF and Nicaragua formally joined the mechanism in 2015.

Parametric insurance mechanism CCRIF allows you to provide immediate financial resources after a disaster, which allows governments to implement activities to address emergencies, to better respond to the initial needs of their populations and continue with the provision of essential services. Since 2007, CCRIF has made 13 payments totaling US \$38 million approximately eight member countries.

All payments have been disbursed within two weeks immediately following the catastrophic event. L&E



# SLIGHT INCREASE OF REMITTANCES TOWARDS DEVELOPING COUNTRIES IN 2015

Source: World Bank

Remittances to developing countries grew only marginally in 2015 as the weakening of oil prices put pressure on the incomes of international migrants and their ability to send money home, says the latest version of the Review on Migration and Development published by the World Bank.

The value of remittances to developing economies registered officially was \$ 431,600 million in 2015, an increase of 0.4% compared to USD 430,000 million by 2014. The pace of growth in 2015 was the lowest since the global financial crisis. Global shipments, including shipments to high-income countries, decreased from USD 592,000 million in 2014 to USD 581,600 million in 2015, down 1.7%.

Slowdown in the growth of remittances began in 2012. However, trend worsened last year because of low oil prices, a situation that is adversely affecting many of the countries of origin of transfers that are oil exporters, Countries such as Russia and the Cooperation Council for the Arab States (GCC).

As a result, many remittance-receiving countries, such as India, the main target in terms of volume, and Egypt, suffered a decline in inflows in 2015 with considerable decline in remittances from GCC countries. Transfers to the nations of the region of Europe and Central Asia fell by 20%.

In that region, Tajikistan and Ukraine were the most affected because of the troubles experienced by the Russian economy and the depreciation of the ruble to the US dollar. All this contributed to the decline in transfers to the region.



India held top spot in 2015 to attract around USD 69,000 billion in remittances, although with a slight decrease from \$ 70,000 millions received in 2014. Other major recipients in same year were China with USD 64,000 million Philippines (USD 28,000 million), Mexico (USD 25,000 million) and Nigeria (USD 21,000 million).

“Remittances are an important source of income and quite stable for millions of families and foreign exchange earnings in many developing countries. However, if the flow continues to moderate, and so drastically as in the nations of Central Asia, poor households in many parts of the world face serious problems, including the level of nutrition, access to health care and education “, said Augusto Lopez-Claros, director of the World Bank Group on Global Indicators.

Projections indicate that remittance flows will recover this year after bottoming out in 2015 and that growth will be driven by sustained economic recovery

in United States and euro area, in addition to stabilizing the exchange rates of dollar countries of origin. In addition to currency fluctuations, oil prices are a key risk that could impair this perspective. If the oil price suffers unexpected falls, remittances from Russia and GCC would be affected even more.

The average total cost of sending USD 200 was approximately 7.4% in the fourth quarter of 2015, a slight decrease from the previous quarter and 0.6 percentage points lower end of 2014. Saharan Africa, with an average cost of 9.5%, remains the region with highest costs.

However, major international banks continue closing correspondent bank accounts of money transfer operators (MTO acronym) to limit exposure to money laundering and other financial crimes. A survey by the World Bank confirms that closure of accounts is a widespread phenomenon that adversely affects costs and flows of remittances in rural and remote regions. For example, 33 foreign banks from 13 countries remittances major emitters closed 84 accounts from 32 Filipino suppliers (including both banks and MTO) for the past two years, according to Central Bank of Philippines.

A special article on natural disasters and epidemics warns that migration and remittances have long been important tools for dealing with natural disasters, although the vast majority of those displaced by a disaster only moved for a short period and stays in their home countries.

Diaspora has helped people in areas hit by disasters by sending more money to country of origin. However, remittances can also decrease if disaster disrupts the infrastructure to realize shipments. And while it is likely that the frequency and severity of disasters caused by extreme weather conditions increase due to climate change, at present the international community lacks the legal and institutional framework required to address migration can be generated from zones affected.

“Diasporas are of great help during a natural disaster, as happened in the case of the earthquake in Nepal last year,” said the lead author of the review and head of the World Association of Knowledge on Migration and Development (knomad, for their acronym), Dilip Ratha. “However, we know very little about how to res-

pond to the community in case of an epidemic, such as Ebola. We need more data and research on this issue.”

### Regional trends in remittances

Between geographical regions, Latin America and the Caribbean had the highest rate of increase (4.8%) in remittances during 2015 due to recovery of labor markets in United States. Growth is expected to be maintained in 2016, albeit at a slower pace, and that value of remittances increased from USD 66,700 million last year to US \$ 69,300 million this year.

In East Asia and the Pacific, remittances rose 4.2% in 2015 from 7.4% in 2014. However, the region remained main recipient of these transfers among all regions. For this year, it's projected that remittances rise to USD 131,000 million, USD 127,000 million in 2015.

Remittances to South Asia grew by 2 %% in 2015, down 4.3% compared to 2014. This was caused by the contraction in flows to India, world's largest recipient of this money, and to Sri Lanka, and it couldn't be offset by the sharp rise in remittances to Nepal in response to the earthquake. The region is expected to attract \$ 123,300 million this year, compared with \$ 117,900 million in 2015.

Saharan Africa experienced a modest growth of 1% in remittances in 2015, compared with 0.2% in 2014. 3.4% increase in transfers to this region is expected to reach \$ 36,000 million (from USD 35,200 million in 2015).

Remittances to Middle East and North Africa contracted by 0.9% in 2015, compared with 4% in 2014, largely due to the fall in inflows to Egypt, largest recipient of this money in the region. However, an increase of 2.6% from USD 50,300 million in 2015 to \$ 51,600 million expected this year.

Remittance flows to Europe and Central Asia were severely affected in 2015, shrinking by 20.3% due to depreciation of the Russian ruble against the dollar and the slowdown of economic activity in Russia, which represents an important source of remittances. However, the region is likely to experience a strong recovery this year and it's expected that remittances increase by 5.1% to reach USD 36,300 million (from USD 34,600 million in 2015).L&E

# ECONOMIC ACTIVITY IN LATIN AMERICA AND THE CARIBBEAN WILL CONTRACT -0.6% IN 2016

Source: ECLAC

The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) revised downwards growth projections of economic activity in the region and expects an average contraction of -0.6% in Latin America and the Caribbean by 2016, said today the agency of the United Nations through a press release.

With this new estimate, contraction experienced by regional gross domestic product (GDP) in 2015 (-0.5%) would continue this year.

The new projections realize a difficult global environment in which low growth, a significant slowdown in emerging economies, particularly China, increased volatility and costs in financial markets and low prices of developed countries remains raw materials, particularly oil and minerals.

In addition, further weakness in domestic demand in countries of region in which fall in domestic investment is being accompanied by a slowdown in consumption seen.

As in 2015, during 2016 the growth dynamics shows marked differences between countries and sub-regions, says ECLAC. The economies of South America, specialized in production of commodities, especially oil and minerals, and with increasing degree of trade integration with China, recorded a contraction of -1.9%.

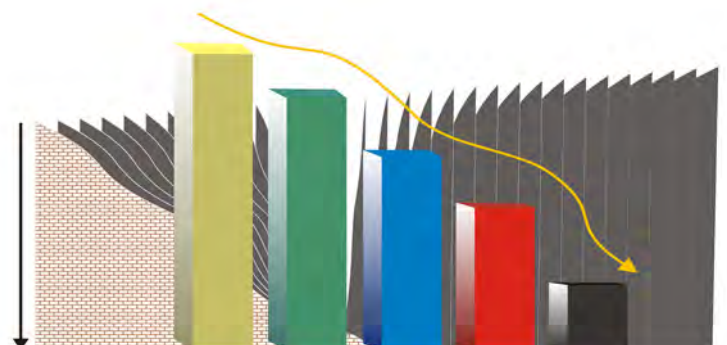
Meanwhile, economies of Central America a growth rate of 3.9%, lower than in 2015 (4.3%) is expected figure. If you take more Mexico Central projections for 2016 are 2.6%, down from 2.9% in 2015. For the English and Dutch-speaking Caribbean growth around 0.9% in 2016 is estimated.

This new scenario for economies of northern Latin Ame-

rica and the Caribbean reflects lower than anticipated US recovery and realizes the effects of adjustments in fiscal policies that have been adopted in some economies in the sub-region, indicates the organism.

According to ECLAC, reverse the current downturn and stimulate growth in the current situation imposes a number of challenges for the economies of the region. On the one hand it is essential to boost investment and increase productivity to resume a path of sustained and sustainable growth in the long term.

In addition, efforts should be made to protect social progress in recent years and prevent setbacks to the scenario of lower economic growth. In this context, the agency notes that policies that sustain social and productive investment in a context of smart fiscal adjustments are required. Adds that should ensure the sustainability of public finances in the region, with policies that take into account both the impact on growth potential in the long term, and on the social conditions of inhabitants of region. L&E



# REPORT ON THE GLOBAL FINANCIAL STABILITY APRIL 2016



**Source:** International Monetary Fund

The risks to global financial stability have increased since publication of the October 2015 Report on the Global Financial Stability (GFSR). In advanced economies, prospects have deteriorated due to increasing uncertainty and setbacks in growth and confidence. Disruptions in international asset markets have exacerbated these pressures. Decline in oil prices and commodities has remained high risks in emerging markets, while most uncertainty surrounding the transition of growth model of China has increased contagion effects in global markets. These developments have meant a tightening of financial conditions, reduced risk appetite and increased credit risks and have hindered the recapitalized balance sheets, thus weakening financial stability.

Many market prices suffered sharp declines during turbulence experienced in January and February, which stood valuations of assets at lower levels compatible with economic fundamentals point to a path of growth steady but slowly improving (see editing April 2016 world economic Outlook, or WEO report, for its acronym in English).

However, the intensification of market volatility and risk aversion could be due to increased economic, financial and political risks, as well as reduced con-

fidence in policy. The recovery of asset prices from February annulled [much of] these losses and reduced volatility. Market sentiment has been supported by rising oil prices and raw materials, the stronger US data and support measures by central banks. However, net effect of turbulence has been a shock of confidence, with negative implications for financial stability. The main conclusion of this report is that additional



measures that give way to a more balanced combination of powerful policies to improve prospects for growth and inflation and to

achieve financial stability are required. Otherwise, it may return the turbulence in markets. In such circumstances, increase in risk premiums could cause a further tightening of financial conditions that would lead to a pernicious chain of interactions between fragility of confidence, weak growth, lower inflation and debt loads each heavier time.

Disruptions in global asset markets could increase the risk of falling into a more serious and prolonged slowdown marked by financial and economic stagnation. In a context of financial stagnation, it is possible that financial institutions that are responsible for allocating capital and mobilizing savings balances must face worn for a long time.

Financial strength could be eroded to the extent that both economic growth and financial stability they saw adversely affected in the medium term. In such a scenario, by 2021 world output may have fallen by 3.9% compared to baseline. It's necessary that policymakers take advantage of current economic recovery and establish a path of solid growth and financial stability; They must address global challenges on three fronts: inherited problems in advanced economies, high vulnerabilities in emerging markets and systemic risks greater liquidity in the markets. Progress on these fronts will enable world's economies take a decisive turn towards a solid and healthy financial system and to a sustained recovery. In such a scenario, by 2018 world production could increase by 1.7% compared to baseline.

Advanced economies must address problems inherited from crisis. Banks in advanced economies have become safer in recent years; defenses have expanded their capital and liquidity and have made progress in cleaning up balance sheets. However, despite these advances, earlier this year banks were subject to market

pressures as a result of concerns about the profitability of the banking business model in a weak economic environment. Approximately 15% of banks in advanced economies (as assets) face significant challenges to achieve sustainable profitability without reforms. In the euro area, market pressures also revealed the existence of long-standing problems inherited, making it clear that you can't keep putting off a more complete resolution of the problems of European banks. The bulging portfolio of bad loans is a problem that must be addressed urgently through a comprehensive strategy, and eventually will need to address the overcapacity of the banking system of the euro area. In the United States, mortgage markets -sited at the epicenter of the crisis of 2008-09- continue to benefit from strong support from government. The authorities should redouble efforts to reduce dominance of Fannie Mae and Freddie Mac and continue reform of these institutions.

Chapter 3 shows that in different advanced economies the contribution of the insurance -especially, of life- insurance industry systemic risk has increased, although not to the same extent observed in the case of the banking sector. This increase is largely due to growing common aggregate risk, partly because of a greater sensitivity to interest rates between insurers and partly by higher correlations between different asset classes exhibit space. Therefore, an adverse shock occurs, it is likely that insurers can't fulfill their role as financial intermediaries at a time when other segments of the financial system also have difficulty doing so.

These findings suggest that supervision and regulation of insurance companies should have a more macro-prudential approach. Among the measures that could be applied include regular testing of macro-prudential stress and stockpiling of anti-cyclical capital. Steps that would complement promoting stronger macro-prudential policies include adoption of international standards for capitalization and transparency in the sector. In addition, the observed differences in the behavior of the smaller and weaker insurers deserve the attention





of supervisors.

Emerging markets need to strengthen their resilience to adverse global factors. Emerging market economies face a difficult combination of factors: slowing growth, declining commodity prices and a tighter credit conditions in an environment of increased vola-

tility of portfolio investment flows. This mixture has remained high financial and economic risks. To date, many economies have shown extraordinary resilience to the internal and external situation more complicated, and economic authorities have made a rational use of reserves under policies reinforced frames.

The companies in commodities sector are slashing their capital spending, since the heavy burdens of private debt increases the risks for credit and banks. Exporters of raw materials as well as the Middle East and the Caucasus, are particularly exposed to pressures in different segments of real economy and financial sector. Link between state enterprises and sovereign entities has intensified, and could lead to increased risks to fiscal and financial stability in countries experiencing repayment pressures. More broadly, the share of non-financial corporations with a reduced capacity for debt repayment amounted to USD 650,000 million, or 12% of total debt of listed companies analyzed in this report. Capital reserves banks are generally adequate, but it is likely to be subjected to the test by the deterioration of profits and slowing credit cycle.

In general, emerging market economies have needed to increase their resilience and to counteract the effects of lower commodity prices and slowing growth and capital flows tools.

The authorities in emerging market economies should continue to use their reserves and the room for maneuver of policies, if any, to smooth adjustments and shore up the balance sheets of sovereigns and banks.

This means using external, fiscal and monetary policy and macro-prudential and supervisory frameworks, including tools reservations. Countries that don't have sufficient reserves and whose room for maneuver is limited policies should anticipate and adjust their macroeconomic policies to address their vulnerabilities, which may include seeking external help.

The process of economic rebalancing China is taking root. The country has made considerable progress in rebalancing its economy towards new sources of growth and correcting some risks to the financial sector. In addition, stricter regulation of the activities of the parallel banking system has helped direct composition of financing to bank loans and bond issues. Still, rebalancing of China is inherently complex, and urgently needs a commitment to a program of broader and more comprehensive policies acquired, to anticipate the growing vulnerabilities. Slowing growth has eroded the strength of the business sector, and declining profitability has undermined the ability to service debt of companies that are responsible for about 14% of the debt of companies listed, which has exacerbated tensions in the balance throughout the system.

A comprehensive business plan to address the debt overhang would help the deleveraging occurs in a fluid way.

Deleveraging business should be accompanied by a strengthening of banks and social safety nets, especially for displaced workers in sectors with overca-



capacity. It should be formulated without delay a comprehensive restructuring program to address the problem of impaired assets and strengthen banks, with a strong legal and institutional framework that simplifies process of bankruptcy and debt renegotiation.

Chapter 2 concludes that contagion effects of shocks originating in emerging markets that have an impact on prices of equities (stocks) and exchange rates have increased substantially, and today that impact explained a third of variation in asset returns. This highlights importance of authorities in both advanced economies and emerging markets to take into account economic developments and policy developments in the economies of emerging markets when assessing internal macro-financial conditions.

More than the size of its economy and degree of trade integration, is the level of financial integration of a country key factor that determines the importance of an emerging market economy as a receiver and transmitter of contagion effects. For example, the level of integration explains why the purely financial contagion from China remains less significant, despite the impact of the shocks of the growth of China impinges increasingly on the performance of equities, both in the economies of emerging markets and advanced. As you continue growing role of China in the international financial system, increasingly im-

portant to be clear and timely communication of the country's decisions on policy and the transparency of its policy objectives and strategies for achievement. Given the obvious importance of corporate debt and brokering of mutual funds as amplifiers contagion effects arising from shocks, it will be essential to adapt the supervision and macro-prudential policies to contain systemic risks arising in these channels.

It should be strengthened resilience of market liquidity. As noted in previous reports, to avoid the risk of market shocks are amplified it is necessary to adopt a comprehensive approach to reducing the risks of withdrawals of liquidity of mutual funds and strengthen services that provide liquidity to markets.

Much is at stake: First, we must avoid increasing the risks of a weakening of growth and greater instability.

Then you have to underpin growth and financial stability beyond the baseline scenario. an agenda of comprehensive policies is needed, with a more balanced and powerful combination of policies, including more fundamental financial reforms and to maintain the monetary slack. Increase confidence in the policies help reduce vulnerabilities, dispel uncertainties and launch a chain of positive interactions between financial markets and the real economy.<sup>L&E</sup>

# GOOGLE AND FAO OPENS A NEW ERA IN KNOWLEDGE OF ENVIRONMENT

Source: FAO

**F**AO and Google work together to make satellite data of high resolution is a tool for daily use in the management of natural resources on the planet, in a joint effort that is changing the way the world tries to achieve sustainable development.

The Director-General of FAO, José Graziano da Silva and the Director of Google Earth Outreach and Earth Engine, Rebecca Moore, applauded for having strengthened its partnership established recently in a joint event at the end of an intense week of training and exchange of ideas at FAO headquarters in Rome.

This collaboration and allows resource managers and researchers in many countries to assess the change in land use plots of individual size observed by satellites from the sky. The method represents a quantum leap to improve the ability to assess carbon storage capacity of a landscape plan or strategy of a country on emissions of greenhouse gases. For example, data readily accessi-

ble and updated quickly sensing represent a change in forest management, from inventories to take the pulse in near real forest time, allowing new policy perspectives and opening further doors scientific perception.

FAO and Google are “announcing an unprecedented level of knowledge about the environment,” said Graziano da Silva.

The initial focus is in forestry sector, where national experts can -after a short period of training- use software FAO and geospatial data files accessible to Google to perform few tasks -in hours- mapping and classification



that used to take weeks or months. Opportunities for future collaboration are very broad, and can lead to innovation in a range of topics ranging from nutrition and pest control to water management and climate change.

“The more people involved, the better it works,” said Graziano da Silva. “Understanding the effects of climate change, he added, plan improvements in the efficiency of production and distribution of food, and monitor progress towards Sustainable Development Goals require more frequent and accurate data on the environment and its changes.”



NACIONES UNIDAS



“This type of partnership enables the practical application of our products,” said Rebecca Moore, Director of Google Earth, Earth Engine and Earth Outreach, a team that described “created for science.” This partnership with FAO is a way to “unite our strengths to make a difference for future generations.”

### *Bringing technology to new frontiers*

This collaboration -in which Google makes data processing capacity and are easily accessible, while FAO notion ways to extract useful- information has led to an innovative field, especially with a Global Dryland Assessment in which national experts, university researchers, partner institutions and FAO have joined forces in an initiative open source. The results will be published later this year.

Unit Locust FAO has used Earth Engine to improve forecasting and control of desert locust outbreaks. Satellites can't detect these voracious insects, but can accelerate identification of potential breeding areas and make field interventions more effective. Other possible applications for this technology can reduce losses of crop yields and improve the health of plants. Monitoring of forest cover has proven useful in Costa Rica, since trees provide habitat for birds that feed on insect responsible for the coffee berry borer, a pest that can destroy up to 75 percent of harvest of a coffee producer.

In addition, other innovative uses will emerge as more people learn to use tools as OpenForis FAO and CollectEarth. In late May, a team from NASA, National Aeronautics and Space USA will travel to Rome to study the use of these tools.

Google has put cloud a huge archive of images of Landsat satellite data from 1972, and recently added data obtained by Copernicus, the European Earth Observing System, which are particularly useful for rapid real-time studies, and are covering the same plot of land every five days. In addition to the focus on land use, Google is making a parallel effort

to allow remote sensing data to track global trends in water, including their availability and reservations.

### *Seeing the forest and the trees*

Satellite imagery can't replace knowledge and local experience -which is often called “ground truth”- but can increase the efficiency, quality, transparency, credibility and, above all, the appropriateness and effectiveness of collection data and validation of existing cartographic products worldwide.

For example, zooming in on local plots with very grainy images, researchers and officials can distinguish between temporary loss of forest cover due to harvesting and deforestation driven by the change in land use, which is an important technical difference in as for carbon sequestration. Similarly, citizens may be able to make more efficient use of natural resources and even monitor their misuse.

“We will be able to provide, every 10 days, forest assessments and in the near future, assessments cover food crops, which are especially important in times of climate change,” said René Castro, Deputy Director General of FAO, in front of the Forestry Department.



## WILDFIRES RAVAGE

### PANAMA

Augusto García - Abogado  
augusto.garcia@rbc.com.pa

It's known to all the difficult situation product of drought caused by El Niño phenomenon, which has hit hardest this year, sensitively affecting agricultural production, livestock, water supply and in general terms the development of Panamanian economy.

However, in recent months media have warned of the significant increase in fires and forest fires in many areas throughout the territory of the Republic of Panama, a situation which, as has been reported to the authorities, most cases are due to arson and uncontrolled, causing deep to a large number of hectares of protected areas nationally damage, a situation that calls us to become aware of this practice, which far from bringing benefits resulting in the generation of damages irremediable for the environment in general.

In this regard, statistics of the Fire Department of Panama recorded an alarming number of 4,300 fires reported in the first quarter, a figure that is roughly equivalent to 50 fires per day, a worrying situation if we consider negative effects that these fires cause to environment, which include increased levels of carbon dioxide in the atmosphere, contributing to greenhouse effect and climate change, in addition to the generation of ashes and destruction of nutrients, phenomena that cause soil erosion, leading floods and landslides in some geographical areas.



A significant element of this problem lies in the involvement of nationally protected areas as a result of these uncontrolled forest fires. It is worth noting that according to statistics, it's found that from 2000 to 2014, in Darien approximately 11,800 hectares were burned, and in the months from 2016, preliminary figures indicate that it has already affected about 10 thousand hectares with these incidents, which have resulted in serious consequences for communities, vegetation, wildlife and ecosystems.

As discussed above is compounded as other protected



Source: Panamá America

areas have also been affected by these fires, as is the case of 15 thousand hectares were recently consumed by flames in the forest reserve of La Yeguada, located in Santa Fe de Veraguas. Similarly, in recent days Ministry of Environment filed a complaint with the public prosecutor by the fire that consumed nearly 2,000 hectares in the Laguna de Matusagaratí, located in province of Darien. These are just some examples of the most significant fires and recently reported by various media and have sensitively affected protected areas throughout the country, with the province of Coclé, followed by the provinces of Herrera, Los Santos and Darien , the most affected.

**Concern by the Fire Department of Panama. (BCBP)**

UA very important element in uncontrolled forest fires, is the ability to react by the Fire Department, compared to the substantial increase of these fires this year.

According to statements by Colonel Jaime Villar from FDP, collected by newspaper La Prensa, said that addressing each of these burnings demand the participation of between 50 and 300 firefighters per call, who work an average of eight hours, although in some cases, the work may extend for weeks as has occurred in the province of Darien.

This situation is compounded by lack of tools and equip-



Source: día a día

ment which suffers the Fire Department of Panama to fulfill their duties in addressing this problem, which has been overtaken front of a huge number of reports of fire in so far this year. So much so that it has required the assistance of other institutions through the so-called Joint Task Force (composed of SENAFRONT, SENAN, SINAPROC, National Police, Fire Department of Panama, among others.); as well as assistance of the Government of the United States, to achieve control large fires such as occurred in the Filo del Tallo Reserve and around Yaviza, Darien Province. This acquires an important relevance, since for the tasks of fighting forest fires requires specialized equipment, which may include the use of helicopters and other equipment and tools to increase capacity of work of firefighters, which in most cases they don't exist in the inventory of equipment that handles Fire Department. I pointed out previously makes it clear that the Fire Department of Panama lacks the equipment and personnel required to cope with the growing crisis on forest fi-

res in our country, a situation that forces us to make a new wake-up call to government authorities as well as internally of the Fire Department of Panama, in order that the correct equipment of this entity is sought.

It's worth remembering that during the last administration the acquisition of a new fleet of trucks for different barracks of the Fire Department inside the country, recruitment was affected due to serious irregularities, which have resulted in the hired today in firefighting cars low quality and efficiency required to meet emergencies features, and much less help to combat forest fires.

Evidently the Fire Department of Panama is facing a severe crisis, as they have been constant and repetitive statements for help to improve your team and thus more optimal results in the event that their participation and support is required.

It's of cardinal importance that manpower and equipment of this noble institution is strengthened, and that teams of wildfires are acquired to develop effectively its work, based on objective elements that allow acquisition of tools to ensure adequate quality and functionality.

It's necessary to finish to call attention to the public about dangers that result from burning of grasslands, which causes serious damage to ecosystems and that far from helping ends up worsening the delicate situation in which they find sectors of the Panamanian economy as livestock and agriculture more reason to raise awareness of these actions is taken. This clarion call is for the authorities to investigate and apply penalties to those who emphasize the practice of indiscriminate burning, to the detriment of environment and the general public.<sup>1&E</sup>



Source Telemetro

# EUSEBIO ANTONIO MORALES

## (1865-1929)

Lisbeth Martez- Asistente  
[lisbeth.m@rbc.com.pa](mailto:lisbeth.m@rbc.com.pa)

**L**awyer, Panamanian, writer, economist, statesman ideologue and politic.

He was born in Sincelejo on February 5, 1865, former Department of Bolivar, Republic of Colombia. Son of Don Juan Jose Morales and Doña. Ramona Mogollon de Morales. He received the degree of Doctor of Law and Political Science at the University of Cartagena.

Regarding his habits, he was punctual and dressed impeccably. Maintaining intellectual discipline and physical training. mathematically it projected the distribution of work, study, rest and all daily activities and pleasures. They undertook tasks that were carefully prepared, then executed with a vigorous dynamism and optimism of one who has minutely calculated success.

After a long period of disruption because of the infighting that took place in the late nineteenth century Colombian soil. Since then Eusebio Morales declared liberal and defender of the Constitution of Rionegro (1863), federalist.

That was how he came to Colòn in the State of Panama, where he settled and married.

Worked as a lawyer with great success, including the Panama Railroad Company, was municipal judge. By 1892 he was already a famous recognized lawyer, so much so

that Justo Arosemena, railroad lawyer also, entrusted a study on the feasibility of rescinding or solve a simulated purchase contract.



Fotografía del Dr. Eusebio A. Morales, en la época en que ejerció el cargo de Secretario de Hacienda y Tesoro (1922-1924)

He participated in the Thousand Days' War, within liberalism, and with Belisario Porras based in Nicaragua, Carlos A. Mendoza, General Benjamin Herrera and Emiliano Herrera, after some difficulties in negotiating help of Nicaraguan President Jose Santos Zelaya the expedition leaves the port of Corinto, on the Pacific of Nicaragua, on March 26, with 110 men, 600 rifles, ammunition and two guns, disembarking at Punta Burica, west end of Chiriqui.

Faced with conservatives in that civil war. the brave liberal army was killed in an unstoppable frontal attack on the bridge of Calidonia, where half of his forces, effective 1200, were low; while the Conservative government with 415 soldiers had only 98 victims. Following the defeat, the Liberals signed a peace treaty leaving released their fighters. Porras comes to Central America, while facing Mendoza Morales and conservatives grievances November 21, 1902.

All this before the dilemma of presence of the United States in the region, ways to impose its expansionist policy (and in danger of annexing the Panamanian region), liberal and Colombian Conservatives signed the treaty in the American warship Wisconsin, with US mediation.

A year later, Jose Agustin Arango, conservative and main promoter of independence, Eusebio A. Morales reports on separatist movement in October 1903.

He was a member of the Board of Provisional Government, following separation of Panama from Colombia, on November 3, 1903. Then made clear his condition ideologue of the independence of Panama. He wrote a manifesto that justified the separation of Panama from Colombia and objectives of the new Panamanian nation. Then in 1904, intervened frequently in discussions of the Constitution, Dr. Morales is owed the wording of Articles 65, 66 and 67. The really controversial issue, discussed in 1904 Constitution, was the proposal of Amador Guerrero at that time deputy to include Article 136 of the Constitution, the right of the United States to intervene in the internal affairs of the country. This motion which

was adopted by 17 votes in favor and 14 negative.

Finally, Eusebio A. Morales was hurt personally edited the Constitution. The published text added the word "first" in the context of Article 141 in the phrase "may be chosen first constitutional president of the Republic of Panama, any citizen without being Panamanian birth any taken an active part in the independence of her." Benefiting only Amador Guerrero, both the ones born in Colombia who participated in independence.

He was the editor Message Board Provisional Government to the National Constitutional Convention of 1904. He wrote the Canal Treaty. Its history and interpretation, in October 1904, for the North American Review, but withdrew the item sponsored by President Theodore Roosevelt, known by the name of Taft Convention arrangements. Morales set what would be a traditional Panamanian position on the meaning and the letter of the Treaty of 1903, which contains provisions whose interpretation was because of an ongoing conflict between Panama and the United States during much of the twentieth century.

A great defender of sovereignty and independence of Panama, analyzed the Panama Canal Convention of 18 November 1903, and defended the principle of exercise of sovereignty between the two countries that made possible the construction of the Canal; above all, raised his voice against the Executive Order that established the opening of the Canal Zone to international trade, including ports, customs and postal services in the area. He had been appointed during the first administration of Dr. Belisario Porras (1912-1916) to develop a draft treaties to which you will be clearly established what would be the new benefits that would be the end of the Panama Canal construction.

He participated with Ricardo Arias in negotiations for the conversion of currency. As he enjoyed great influence in US banking, managed to get loans for the country. Following the abrogation of Taft Agreement, on July 28, 1926, commissioners of the government of Panama, Ri-



cardo J. Alfaro and Eusebio A. Morales, signed a controversial treaty with the US, with which the government tried to reduce some Rodolfo Chiari points discord that had its origin in the 1903 Convention Canal.

Held the portfolio of Treasury during the third government Porras and successively under the administration of President Rodolfo Chiari, presented as an instrument for improving the tax system Law No. 29 of 1925, tax rates of introduction were established, distinguishing between goods subject to the general rate of 15%, the exonerated and those with a special charge. Specific export goods are also taxed, donation or inheritance tax was established, as well as controversial property tax, which increased the tax on urban property. However, the owners of tenements moved that increase the amount of vacation. This measure was rejected by tenants, and, therefore, a strike of nonpayment was generated from 10 October 1925, the results were tragic for the popular movement and its leaders, and led to a confrontation between Panamanians and US intervention of October 12, 1925.

In the Republican era, glimpsed the weaknesses of the Panamanian legal system and therefore urged reforms at

the legal and constitutional; He was advocate of the Supreme Court as a guarantor body of the Constitution and the law. In this regard wrote studies on Unconstitutional Laws, political and economic situation of Colombia and Constitutional Science. On the theory of Panama's constitutionality, Eusebio A. Morales brought his ideas about a centralized constitutionality in the Supreme Court as a scavenger body of public law. In his essay on unconstitutional laws introduced reforms to that body, and was in favor of the Supreme Court declared unconstitutional a national law if it is contrary to the Constitution; therefore unenforceable by the judiciary. He became thus the Supreme Court in a body of mandatory consultation of any matter in which court should decide whether a law is contrary to the Constitution, whatever the category of the judge or court that issued the ruling. Thus, it managed to substantiate two basic reforms of constitutional law. Tried to correct the excesses of a system in which the basic principles of constitutional law in practice lack the exact exchange value they deserve. He was also jealous guardian and defender of its proper implementation. In short, he defended the principle of separation of powers, of the Law and the Constitution. He rejected the electo-

ral fraud by politicians, and was faithful believer of representative democracy as a form of government whereby equity partners was achieved, always from a point of view to put in the balance liberalism to how was interpreted in the early years of the Republic.

He saw in education the engine of development, and advocated democratization, making it accessible to all Panamanians. At that time governed Law 11 of March 23, 1904, which provided for free and compulsory primary education and also secondary, industrial and professional in charge of state education, and, as Minister of Public Instruction, Eusebio A. Morales founded the National Institute, under guidance of Jose Domingo de Obaldia.

He was president and professor of Political Economy at the National Law School founded in 1918, first university effort of the republic.

As a man of ideas, developed the essay as a genre inviting the reader to reflect on issues related to the economic order, in works like *The character of the National Bank, Our economic conditions necessary reforms to the tax system*. Debater frontline, participated in the discussion of the Charter; as a result of that experience, he wrote articles and revised terminology, adapting it to the precepts of science.

He was also a columnist and founder of the newspaper *Diario de Panama*. His greatest work was the *Essays, Papers and Speeches* compilation, August 1928.

He was Plenipotentiary Minister of Panama in the United States, and commissioned by Panama for negotiating a new treaty on the Interoceanic Canal. Was Plenipotentiary Minister of the Republic of Panama to the Southern Commercial Congress in Mobile, Alabama, United States, in 1913; to the League of National Defense, in Washington, in 1915; Society Movement in Yorktown, United States, in 1918; in the League of Nations in which he spoke about issues Panama Canal in 1922. In other circles spoke on Law and Jurisprudence, administration of

justice and its shortcomings.

Took firmly the voice of the government to international meetings. He was Minister of the Republic to the governments of the Netherlands and Belgium.

He was a member of national, regional and international scientific and artistic groups such as the American Academy of Political and Social Sciences, the Academy of History of Buenos Aires, the American Society for the Advancement of Science, the Panamanian Academy of the corresponding Language of the Royal Spanish Academy, the School of law and Political Science. Received the Medal of Merit First Class of the Republic of Ecuador and the Congressional Gold Medal of the United Mexican States.

He excelled as a scholar of national problems, to present proposals for a solution, as long as liberal. How statesman, left a valuable legacy, through his writings and profound reflection on the political, social and economic problems, including its tireless defense of the sovereign rights of Panama in the Canal Zone.

Although he didn't reach the presidency by political pettiness, his political career was successful with the completion of major projects, each of which would have been enough to enshrine: initiator and strategist vindicating struggle Panama against the US currency, accomplished legislator, scientific organization of national education outliner, smith of economic planning, as well as taxes, estate and public finance.

He died at sixty-four years old, as a result of a tragic car accident the night of February 8, 1929.

### Bibliography

Twentieth Century Panamanian Protagonists, Author Carlos Sucre Camarano.

Caribbean Encyclopedia of History and Culture in the Caribbean...L&E

## COLISEO JUAN DEMÓSTENES AROSEMENA SERA RENOVADO

Albin Rodríguez  
albin.rodriguez@rbc.com.pa

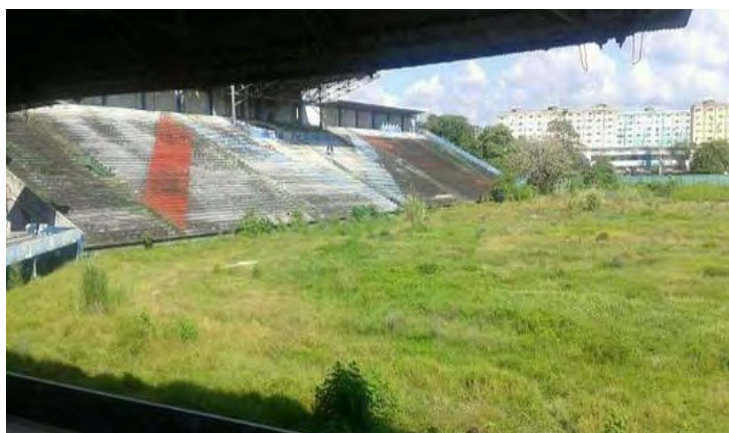
**T**he Panamanian Institute of Sports (Pandeportes) is pleased to assert that reconstruction of legendary stadium Juan Demosthenes Arosemena up apace, since last Monday opening envelopes for restoration, design and construction of new coliseum is given.

Panamanian company Constructora Cali S.A. was the only bidder who participated in the contractor selection process for a proposed 13,197,548.27 Nalboas.

The opening of envelopes was held at headquarters of Pandeportes to officials, representatives of the company Constructora Cali and general public.

In the event that company complied with all requirements and is only pending the official award of the company and the order to proceed to be given start work on the new “Colossus of Cabe Verde”.

L&E



## PANAMA FUTSAL TEAM READY FOR PREMUNDIAL

**T**wo weeks before start of the CONCACAF Futsal Championship 2016 to be held in Costa Rica, Panamanian team coach Agustin Campuzano released fourteen summoned looking to rank for second time to maximum appointment of this discipline.

Panama reach ‘tico’ ground with a balanced set and experienced, when most players who saw action in the last World Championship Thailand (2012) and which hope to demonstrate its potential.

Team is kept training at Arena Roberto Duran. This team will focus on Crown Plaza to travel on Tuesday May 3 at 9:06 a.m. to Costa Rica, where is scheduled to play six games warmup prior to debut in competition against Guatemala on May 8. L&E





## ISABELLA AMADO READY FOR BRAZIL 2016 OLYMPICS

Gymnast Isabella Amado represent Panama at the 2016 Summer Olympics, as a guest, Panama Olympic Committee (COP) reported.

For this ticket,, Amado's performance was assessed by International Olympic Committee (IOC), the Association of National Olympic Committees (ANOC), and the Association of International Sports Federations Summer Program (ASOIF).

Amado scored the only quota that this commission gives an athlete gymnastics worldwide, being the highest ranked among the 101 countries that haven't sent more than eight athletes to the last two Olympics.

Amado accompany Alonso Edward, Carolena Carstens, Ivett Lewis, Jorge Castelblanco in the Olympics in Brazil. L&E



## EDGAR CRESPO RIO DE JANEIRO AWAITS YOU

Tomorrow travels to Sweden Edgar Crespo Olympic swimmer to compete in 2016 Stockholm Open Swim, to be held in Stockholm Eriksdalsbadet Complex from March 30 to April 2.

The Panamanian athlete will jump into the pool on Thursday, March 31 in the 100 meter breaststroke, and then on Saturday April 2 in the 50 meter breaststroke.

Crespo said he was prepared for this event, "God willing, I know that good things can come in this competition and I have in Austria. I know that all the effort put during these months will bear fruit. Nothing else is to concentrate and enjoy, moreover, it's already done. "



During competition in Sweden, Panama will be facing a high-level European swimmers as reigning Olympic champion of London 2012 in 100 meter breaststroke, Cameron van der Burgh; 2015 world champion in 200m breaststroke, Marco Koch; Olympic runner-London 2012, Michael Jameson; Lithuanian Giedrius Titenis; Swedish Johannes Skagius; Irish Alex Murphy, among others.

After this event, Crespo will be traveling to Austria on Sunday April 3 to compete in the 2016 ATUS Graz Trophy from 6 to April 10, which will be representing Panama again in their specialties, 50 and 100 meter breaststroke.

In both competitions, Crespo will be looking for direct dialing (brand A) to Rio 2016 in the 100 meter breaststroke. L&E

## ADOLFO MACHADO CENTENNIAL CAPTAIN



**S**ynonymous with leadership, dedication, effort and push Panamanian defender Adolfo Machado came to Saprissa to win all the fans and to give great joy.

In the game Wednesday April 20, 2016 at the University of Costa Rica, purple captain reached his 100th game and was happy with this great achievement.

“Who would say that I would play with Saprissa 100 games?, but this is thanks to the work and effort that has been achieved,” he said to the media.

About his experience at this time, said that he has won a lot and that “we are for great things.” Machado was asked about his most special moment wearing shirt of Monster and didn’t hesitate to ensure that was in November 2014 when he scored the only goal which counts with purples, against Alajuelense in a national Classic played at National Stadium.

Although the goal is not their specialty, Adolfo highlighted day to day for delivery within the court. As an insurmountable wall, Panama is one of most valuable players of national football.L&E

## JEZREEL CORRALES 130 LB CHAMPION WAS CROWNED IN JAPAN

**Albin Rodríguez**  
[albin.rodriguez@rbc.com.pa](mailto:albin.rodriguez@rbc.com.pa)

**T**he Panamanian boxer Jezreel Corrales 130-pound champion crowned after winning the super Japanese champion Takashi Uchiyama.

Against all odds the Panamanian boxer traveled to Nipponese land and in the second assault won by knockout to Uchiyama.

Corrales was interim champion super featherweight category so far was branded 20 won 1 lost and 8 knockouts. “First of all I want to thank God first because gave me victory,” said Jezreel Corrales.

“When I was leaving the dressing room unapologetic left out with the mentality to fight as if he were in my town Panama” added “invisible” Corrales.L&E



# WORLD SOCCER RANKIN OF APRIL

Albin Rodríguez  
[albin.rodriguez@rbc.com.pa](mailto:albin.rodriguez@rbc.com.pa)

**P**anamanian team, after his victory in last date FIFA World Cup Russia qualifiers, climbed three places in FIFA ranking. Good performances of national team in recent games in the qualifiers for Russia 2018, helped him to improve his position in FIFA ranking and located the place 52 worldwide.

Argentina, runners-up in the World Cup 2014 FIFA™, resumed the top spot in the April 2016 edition of the FIFA/Coca-Cola World Ranking.

The last performances in the qualifiers of the World have enabled him to unseat Belgium, who reigned for five months sorting, after dethroning precisely Argentines in November 2015.

On the heels of the first two are Chile, which has risen to third place (+2), Colombia, fourth (+4) and Uruguay, ninth (+2), confirming the combined weight of the South Americans in the group of the top ten.

In the April 2016 edition of the FIFA/Coca-Cola World Ranking have computed a total of 171 matches: 51 qualifiers of the World Cup Russia 2018™, 60 continental qualifiers and as many friendlies.

Costa Rica (25th, up 8), Turkey (13th, up 7) and Mexico (16th, up 6) have approached giant to the top of the classification steps April. A little further back, Australia (50th, up 17), Egypt (44th, up 9) and Norway (49th, up 2) have managed to join the group of the best 50 teams at the expense of Trinidad and Tobago (53°, -4), Serbia (55, -5) and Finland (61°, -15).

However, the two teams with better performance April from Africa: Guinea-Bissau (+45) was top positions rose in the rankings, and Morocco (131 points) was the most points won. L&E



## Activities for the month of May:

**Mariela de Sanjur**  
mariela.sanjur@rbc.com.pa



### Theatre:

- Teatro El Sotano: Hypnosis Theater Vol.2 from 11 to 26 May.
- Teatro La Huaca-Atlapa: Briceno tells all, Stand up Comedy May 21.
- House Melisa (Casco Viejo): El Loco and shirt from 4 to 7 May.
- ABA Theater: For lies my wife from 18 to 29 May.
- ABA Theatre: Let's Talk About Sex, the stork doesn't exist! Until 15 May.
- Inida Theatre: The Hunchback of Notre Dame until 29 May.
- Circulo Theater: Rock of Ages 6 to 28 May.
- Bambalinas Children's Theatre: The Three Little Pigs to the rescue Little Red Riding Hood until 8 May.

- 6th Festival Verde Volcano Integra, will have a craft market on April 30 and May 1.
- Friends of SENAFRONT Festival, 6 and 7 May in the gym Roberto Duran.
- XIII International Guitar, 15 to 19 May, Balboa Theater.
- San Francisco Festival of Mountain from 13 to 15 May, Veraguas.
- Afro Festival 27 to 31 May.
- One Night Beach Party- Punta Chame May 14.

### Museums and Exhibitions:



- **MAC:** From private to the museum: a selection of contemporary art from Central America and the Caribbean, "This exhibition focuses on the art collection of architect Marcelo Narbona and will include 32 works by 8 artists from region, 4 boxes each. - March 9 and will be open until 7 May.
- MAC in the Neighborhood call to artists until May 6.

### Festivals:



- Mango Festival: 19 to 22 May in Rio Hato.
- Good Pints-Soho Mall, Sunday, May 15 from 2:00 p.m.
- IX Festival Alfredo de Saint Malo.
- Street Art Festival 2nd Edition May 21, Central Avenue.

## Concerts and performances:

- Alejandro Sanz in Concert, Tour Sirope on 3 May at Amador Convention Center.
- Pablo Alboran Tour Terral 2016, May 26, Anayansi-Atlapa Theatre.
- Diego El Cigala in concert "Intimo" on May 3, Anayansi Theatre, 8:00 p.m.
- Sleeping Beauty with Russian Classical Ballet Theatre Anayansi on May 18.
- Yordano Aguin Tour 2016, May 14 at Teatro Anayansi.
- Pablo Villegas-concert accompanied by the National Symphony, May 25, Balboa Theatre.
- Full Moon Drums, Saturday 21 May.
- World Music Panama: JP Jofre/Hard Tango-Chamber Band, Ateneo City of Knowledge May 26.

## Seminars, Conferences, Courses and Expo:

The impact of video games on children's lives, MGTR. Ana Elisa Villalaz, May 4 Hotel Riu, 7:00 p.m.

## Sports:



- FEPAFUT up match vs FVF, Rommel Fernandez Stadium on May 24 8:30 p.m.

## Ferias:



- 54th Azuero Fair until May 2nd.
- Fair City-X360Zone, from 12 to 15 May Plaza Figaly.
- Robo Cup Junior Panama goes to Germany (Senacyt), date to be announced.

## Cinema:

- Film Sunday, Casa del Soldado, every Sunday at 11:00 a.m.
- Snow White: The Hunter and the ice queen May 5.
- Alice Through the Looking Glass premiere on May 27.
- X-Men Apocalypse Release May 27.

## Activities and festivities:



- May 1 Labor Day.
- May 5 Polvorín Remembrance (1914), firefighters pay tribute with a parade that starts at Plaza 5 May to commemorate the 102 years of this fire.
- May 5th. Ascension of Our Lord Jesus Christ.
- May 10 International Day of Mother.
- May 13: Our Lady of Fatima.
- May 15 International Day of Families.
- May 15: World Art Day.
- May 15: Pentecost.
- May 17: Day of the Accountant.
- May 17: National Day of recycling.
- May 18: International Museum Day.
- May 18: Day of Braids.
- May 21: Day of the Doctor.
- May 22 Pesach Sheni.
- May 22: The Holy Trinity.
- 26 May: San Felipe Neri.
- May 26: Corpus Christi.
- May 30: Day Memorial Civic and National Black Ethnicity.

## *Alianzas alrededor del Mundo*

Mitrani, Caballero, Rosso Alba, Francia, Ojam & Ruiz Moreno- ARGENTINA

Guevara & Gutiérrez S. C. Servicios Legales- BOLIVIA

Machado Associados Advogados e Consultores- BRASIL

DSN Consultants Inc- CANADÁ

Lewin & Wills Abogados- COLOMBIA

Rivera, Bolívar y Castañedas- PANAMÁ

Espinosa & Asociados- CHILE

Lawnetworker S.A. Asesores Legales- ECUADOR

Peter Byrne & Associates- ESTADOS UNIDOS

Machado Associados Advogados e Consultores- ESTADOS UNIDOS

Ortiz, Sosa, Ysusi y Cía., S.C.- MÉXICO

Estudio Rubio Leguia Normand & Asociados- PERU

Adsuar Muñoz Goyco Seda & Pérez-Ochoa, P.S.C.- PUERTO RICO

Pellerano & Herrera- REPÚBLICA DOMINICANA

Alvarado & Asociados- NICARAGUA

Torres, Plaz & Araujo- VENEZUELA

Facio & Cañas- COSTA RICA

