



THE PERSONAL DATA PROTECTION REGIME OF BANK CUSTOMERS IN PANAMA

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Through Agreement No. 001-2022 of February 24, 2022 (hereinafter "The Banking Agreement 001"), the Superintendency of Banks of the Republic of Panama dictates special guidelines for the protection of personal data processed by Panamanian banking entities.

The 001 Banking Agreement aims to establish the protocols, processes, procedures, mechanisms, and other special rules relating to the processing, transfer, and custody of personal databases; as well as the guidelines for the exercise of the rights of protection of personal data that banks must follow, as responsible for the processing of the personal data of their customers.

Banking Agreement 001 is based mainly on the following provisions of the Panamanian legal system:

- Political Constitution: which establishes that everyone has the right to access the information contained in databases or public and private registries, and to require its rectification and protection, as well as its deletion, in accordance with the provisions of the Law.
- Law No. 81 of 2019, which establishes the general regime on the protection of personal data.
- Decree Law No. 2 of 2008, amending Decree-Law 9 of 1998, which reforms the banking regime, known as the "Banking Law".
- Executive Decree No. 285 of 2021, which regulates Law No. 81 of 2019.

The Banking Agreement 001 establishes responsibilities – without prejudice to those established in the general regime of protection of personal data – to the banks, to be developed through their boards of directors, namely:

- Establish and ensure that an adequate organizational and operational structure of delegation of powers and segregation of duties is maintained to ensure the application of the principles and rights of protection of personal data throughout the organization.
- Approve the necessary resources for the adequate development of the personal data protection measures established in Law No. 81 of 2019 and the regulations that develop it.
- Approve the policies and procedures that the entity will implement for compliance with regulatory obligations related to the protection of personal data.
- Approve training, updating and certification programs in the field of data protection.
- Foster a culture of personal data protection at all levels of the organization, extending to data custodians and banking service providers.
- Approve procedures to receive and respond to requests and complaints from data subjects.

In addition to the responsibilities previously stated, to attest to regulatory compliance, banks must annually send to the Superintendency of Banks of Panama (SBP), a certification signed by the president and secretary of its board of directors, which states the following:

- That the board of directors is aware of the standards contemplated in the personal data protection regime and the provisions established in Banking Agreement 001.
- That the bank has the policies and procedures for the management of the protection of personal data.
- That the board of directors has been informed about the effectiveness of the personal data protection measures implemented by the bank.

Finally, it establishes the obligation to appoint, within the organization of the bank, a Data Protection Officer who, according to the size and degree of complexity of its activities, operations, services and the type, volume and means of data processed, allows it to properly manage the functions assigned by the general data protection regime and Banking Agreement 001. Said Data Protection Officer will perform their functions independently, having a direct dialogue with the Senior Management, as a decision-making body. For the above, the bank must attribute to the officer sufficient authority, hierarchy and independence within the organization and provide the necessary resources to guarantee the performance of their functions.



The provisions enshrined in Panamanian regulations on the protection of personal data applicable to banking institutions seek to equate the competitiveness of the Panamanian banking system with international standards, and guarantee the protection of the personal data of consumers of financial products in Panama.

For more information and / or consultation on regulations applicable to the personal data protection regime in Panama, do not hesitate to contact us at Contact.Panama@ariaslaw.com.

Written by:



María Cistina Fábrega
Partner
maria.fabrega@ariaslaw.com



Jorge Ortega Centella
Associate
jorge.ortega@ariaslaw.com