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YEAR XCVI PANAMA, REPUBLIC OF PANAMA TUESDAY THE 3rd OF OCTOBER, 2000
N° 24,152-A

LEGISLATIVE ASSEMBLY LAW No.. 41 (October 2nd, 2000)

Whereby Chapter VI entitled Capital Laundering is added to Title XII, and Title XIII entitled Final Dispositions is added to the Book II of the Penal Code, and other dispositions are established

THE LEGISLATIVE ASSEMBLY DECREES:

Article 1. A paragraph is added to Article 170 of the Penal Code, as follows:

Article 170....

The above mentioned sanction shall be increased twice, whenever the violator of the secret is a public official with access to information, in consideration of one of the measures to prevent capital laundering established by the law.

Article 2. Article 190 of the Penal Code shall remain as follows:

Article 190. Whoever through deceit obtains for himself or for a third party illicit gains injuring another, shall be sanctioned with prison from 1 to 4 years and 50 to 200 days –fine.

The sanction shall be 5 to 10 of prison, if the patrimonial harm exceeds one hundred thousand dollars or is committed by proxies, managers or administrators while exercising their functions, or if it is committed in detriment of the public administration or of a welfare institution.

Article 3. Chapter VI is added, entitled Capital Laundering, to Title XII, Book II of the Penal Code, which comprises articles 389, 390, 391, 392 and 393, as follows:

Chapter VI Capital Laundering

Article 389. Whoever receives, deposits, trades, converts or transfers monies, titles, securities, goods, or other financial resources knowing that the origin of the activities is related with drug trafficking, qualified embezzlement, illegal weapons traffic, human traffic, kidnapping, extortion, embezzlement; corruption of civil servants, terrorism, robbery or international vehicle contraband established in the Panamanian Law, with the purpose of hiding or covering their illicit origin, to assist evasion of juridical consequences of such punishable acts shall be sanctioned with prison from 5 to 12 years and 100 to 200 days of fine.

Article 390. The same sanction as specified in the previous article shall apply to:

1. Whoever knowingly hides, or covers the real nature, origin, location, destination, ownership, or assists to facilitate the benefit of the monies, titles, securities, goods, or other financial resources, whenever these are derived directly or indirectly from any of the illicit activities stipulated in Article 389 of this Code.

2. Whoever knowingly carries out transactions directly or through third parties, natural or juridical, in banking, financial, commercial institutions or institutions of any other nature, with monies, titles, securities, goods or other financial resources derived from any of the illicit activities stipulated in Article 389 of this Code.
3. Whoever directly or through third parties, knowingly supplies to banking, financial, commercial institutions, or institutions of any other nature, false information for the opening of accounts or to carry out monetary transactions with titles, securities, goods or other financial resources, whenever these are derived or have been obtained from any of the illicit activities stipulated in Article 389 of this Code.

Article 391. Whoever knowingly uses his position, employment, profession or occupation to authorize or to allow the crime of capital laundering, described in Article 389 of this Code, shall be sanctioned with prison from 3 to 8 years.

Article 392. Whoever knowingly receives or utilizes money or any other financial resource, resulting from crimes related to drug trafficking or capital laundering, for the financing of political campaigns or campaigns of any other nature, shall be sanctioned with prison of 5 to 10 years and shall be disqualified from holding public office for an equal term, after completing the term of prison.

Article 393. Any public official who hides, alters, retrieves or destroys evidences or proofs of crimes related to drug trafficking, or capital laundering, or seeks the evasion of the person apprehended, detained or condemned, or receives money or others benefits for the purpose of favoring or harming any of the parties in the process, shall be sanctioned with prison of 5 to 10 years of prison and shall be disqualified from holding public office up to 10 years.

Article 4. Title XIII, entitled Final Dispositions, comprising articles 394, 395, 396, is added to Book II of the Penal Code, as follows:

Title XIII

Final Dispositions

Article 394. The terms of days, months and years referred to in this Code shall be computed in accordance to the Civil Code.

Article 395. This Code revokes the Penal Code approved by Law 6 of November 17, 1922, and all the stipulations of reforms, additions or complementaries.

Article 396. This Code shall become effective one hundred and eighty (180) days after its authorization. The Executive Branch shall make an official edition, as a book, without delay, for distribution in all governmental offices and will be on sale for the general public all over the Republic.

Article 5. Article 31 of Law 23 of December 30, 1986, amended by Law 13 of 27, July 1994 (Single Text), shall read as follows:

Article 31. In the case of other assets, excluding money or securities, the bank or crediting agency may declare the debt as past due and request judicial auction of the assets, in order to compensate the obligation.

The instruction official shall be notified personally of these processes, if this is not done, the process shall be void. Any surplus shall remain under orders of the pertinent district attorney office.

Both the actions of domain, as well as the petitions for the release of provisional seizure of instruments and other goods that be temporarily seized under orders of the pertinent district attorney office shall be resolved by the pertinent court which shall decide over the tenure or temporary administration of the goods, after receiving the opinion of the instruction official.

Article 6. In reference to the indictment aspect of the investigations, monies, goods, titles, securities or other financial resources related to the crime of capital laundering, Articles 28,29,30,31,33, and 34 of Law 23, of December 30, 1986, amended by Law 13 of July 27, 1994 shall be applied wherever compatible (Single text).

In the case that the crime of capital laundering is a product of crimes related to drugs, all the indictment procedures will be applied whenever they are compatible and contained in the laws indicated in the paragraph above.

Article 7. When the confiscation of assets, instruments, monies or securities, resulting from capital laundering has been judicially ordered, the Judge upon sentencing will order that these be placed at the disposition of the Special Fund for Retired and Pensioned created by Law 6 of June 16, 1987, amended by laws 18, of August 7, 1989, 15 of July 13, 1992 and 100, of December 24, 1998.

The monies seized which are product of the crime of capital laundering shall be immediately placed under disposition of the Special Fund for Retired and Pensioned subject to a sentence that orders their definite incorporation into the Fund or its return to the processed party or the victim, whichever is the case.

The dispositions of this Article do not apply when capital laundering originates from drug related crimes.

Article 8. This Law adds one paragraph to Article 170, Chapter VI, Title XII and Title XIII, both of Book II of the Penal Code; amends Article 31 of Law 23 of December 30, 1986, amended by Law 13 of July 27, 1994 (Single Text), as well as Article 190 of the Penal Code; and revokes Articles 263 A, 263 B, 263 C, 263 CH, 263 E, and 263G of this Code, and any stipulation to the contrary.

Article 9. This Code shall be effective upon its promulgation.

COMMUNICATE AND COMPLY.

Approved in third debate, in Justo Arosemena Palace, Panamá City, on the 2nd day of the month of October of the year two thousand.

The President

The General Secretary

LAURENTINO CORTIZO COHEN

JOSE GOMEZ NUÑEZ

**THE EXECUTIVE BRANCH- PRESIDENCY OF THE REPUBLIC-
PANAMA, REPUBLIC OF PANAMA, October 2nd, 2000.**

MIREYA MOSCOSO
President of the Republic

IVONNE YOUNG
Minister of the Presidency