

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 10230]
March 4, 1988]

**AUTHORITY TO RECEIVE AND TRANSFER PROPERTY
OF THE REPUBLIC OF PANAMA**

To All Insured Banks in the Second Federal Reserve District:

Printed on the following pages is a statement of the Board of Governors of the Federal Reserve System that the United States Department of State has issued a Certification with respect to the authority to receive, control, or dispose of property held in any Federal Reserve Bank or insured bank from or for the account of the Republic of Panama or any central bank thereof, including Banco Nacional de Panama and Caja de Ahorros, and noting that a disposition of such property in accordance with the Certification is conclusively presumed to be lawful.

Also printed on the following pages is the text of that Certification, a copy of a letter dated March 2, 1988, from the Ambassador of the Republic of Panama to the State Department, and a copy of the pertinent portion of Section 25(b) of the Federal Reserve Act that is referred to in the Board's statement. We direct your attention to the limitations of Ambassador Sosa's authority.

Inquiries regarding this matter may be directed to the Department of State, to the Legal Division of the Board of Governors, as specified in the Board's statement, or to our Legal Department (Tel. No. 212-720-5026).

E. GERALD CORRIGAN,
President.

Acting in accordance with section 25(b) of the Federal Reserve Act, Acting Secretary of State John C. Whitehead has accepted and recognized Ambassador Juan B. Sosa, the accredited representative of the Republic of Panama to the United States, as having the sole authority to receive and transfer property of the Republic of Panama and certain related entities held at any Federal Reserve bank or insured bank. Attached is a copy of a certification issued by the Acting Secretary of State pursuant to section 25(b) of the Federal Reserve Act. In this case, Ambassador Sosa has recognized that his authority does not extend to withdrawals or transfers from accounts of the Republic of Panama, except for transfers to other accounts of the Republic of Panama in the United States.

The certification issued under section 25(b) is applicable to any Federal Reserve bank or insured bank. Section 25(b) of the Federal Reserve Act (12 U.S.C. 632) provides that any transfer or other disposition by a Federal Reserve bank or insured bank of property held in accounts of a foreign government to or upon the order of the person recognized by a State Department certification issued pursuant to section 25(b), is conclusively presumed lawful and constitutes a discharge and release of any liability of the Federal Reserve bank or insured bank with respect to such property. The pertinent portion of section 25(b) is attached.

For further information, please contact Michael G. Kozak, Deputy Legal Adviser (202/647-5036), or Ted A. Borek, Assistant Legal Adviser (202/647-5242), Department of State; Kathleen M. O'Day, Senior Counsel (202/452-3786), or Peter E. Heyward, Senior Attorney (202/452-3779), Legal Division, Board of Governors of the Federal Reserve System.

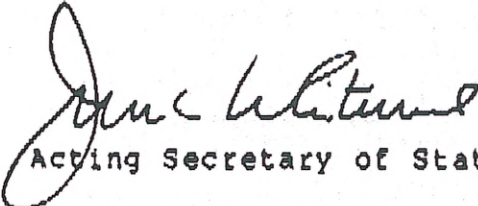
Attachment

DEPARTMENT OF STATE
WASHINGTON

CERTIFICATION

I hereby certify, in accordance with 12 U.S.C. §632, to any Federal Reserve bank or any insured bank that His Excellency Juan B. Sosa, Ambassador of the Republic of Panama to the United States of America, is recognized by me as being the accredited representative of the Republic of Panama to the Government of the United States, that he has duly certified to me by note dated March 2, 1988, a copy of which is attached, that he is the sole person having authority to receive, control, or dispose of any property held in any such Federal Reserve bank or insured bank from or for the account of the Republic of Panama or any central bank thereof, including Banco Nacional de Panama and Caja de Ahorros, and that his authority with respect to such property is accepted and recognized by me.

This certification shall be notified to the Board of Governors of the Federal Reserve System, and shall be given such other dissemination as is appropriate to its purpose.


Acting Secretary of State
March 2, 1988



EMBAJADA DE PANAMA
WASHINGTON, D. C. 20008

The Embassy of the Republic of Panama presents its compliments to the United States Department of State and hereby certifies to the Department of State that, pursuant to 12 U.S.C. § 632, the Republic has designated His Excellency Juan B. Sosa, the Ambassador of the Republic of Panama to the United States of America and the Legal Representative in the United States of America of the Republic of Panama, as the person with the requisite authority to receive, control, dispose of or otherwise act with respect to any property received by any Federal Reserve bank from or for the account of the Republic of Panama or any central bank thereof, including, but not limited to, the Banco Nacional de Panama and Caja de Ahorros, and any property received by any insured bank from or for the account of the Republic of Panama or any central bank thereof, including, but not limited to, the Banco Nacional de Panama and Caja de Ahorros. The authority of His Excellency Juan B. Sosa does not extend to withdrawals or transfers from such accounts, except for transfers to other accounts of the Republic of Panama in the United States.

Accordingly, in accordance with 12 U.S.C. § 632, the Embassy of the Republic of Panama hereby has the honor of requesting that the Secretary of State accept and recognize the authority of His Excellency Juan B. Sosa to receive, control, dispose of or otherwise act with respect to any such property received by any Federal Reserve bank from or for the account of the Republic of Panama or any central bank thereof, including, but not limited to, the Banco Nacional de Panama and Caja de Ahorros, and any such property received by any insured bank from or for the account of the Republic of Panama or any central bank thereof, including, but not limited to, the Banco Nacional de Panama and Caja de Ahorros, and that the Secretary of State certify the foregoing to all Federal Reserve banks and all insured banks. Thereupon, any payment, transfer, delivery or other disposal of such property received by any Federal Reserve bank or any insured bank to or upon the order of His Excellency Juan B. Sosa shall be conclusively presumed to be lawful and shall constitute a complete discharge of any liability of any Federal Reserve bank or any insured bank for or with respect to such property.

The Embassy of the Republic of Panama avails itself of this opportunity to renew to the United States

Department of State the assurances of its highest
consideration.

Juan B. Sosa

His Excellency Juan B. Sosa
Legal Representative in the
United States of America
of the Republic of Panama
Ambassador of the Republic
of Panama to the United
States of America

Washington, D.C.
March 2, 1988.

Section 25(b) of the Federal Reserve Act (12 U.S.C.

§ 632) provides in pertinent part as follows:

Whenever (1) any Federal Reserve bank has received any property from or for the account of a foreign state which is recognized by the Government of the United States, or from or for the account of a central bank of any such foreign state, and holds such property in the name of such foreign state or such central bank; (2) a representative of such foreign state who is recognized by the Secretary of State as being the accredited representative of such foreign state to the Government of the United States has certified to the Secretary of State the name of a person as having authority to receive, control, or dispose of such property; and (3) the authority of such person to act with respect to such property is accepted and recognized by the Secretary of State, and so certified by the Secretary of State to the Federal Reserve bank, the payment, transfer, delivery, or other disposal of such property by such Federal Reserve bank to or upon the order of such person shall be conclusively presumed to be lawful and shall constitute a complete discharge and release of any liability of the Federal Reserve bank for or with respect to such property.

Whenever (1) any insured bank has received any property from or for the account of a foreign state which is recognized by the Government of the United States, or from or for the account of a central bank of any such foreign state, and holds such property in the name of such foreign state or such central bank; (2) a representative of such foreign state who is recognized by the Secretary of State as being the accredited representative of such foreign state to the Government of the United States has certified to the Secretary of State the name of a person as having authority to receive, control, or dispose of such property; and (3) the authority of such person to act with respect to such property is accepted and recognized by the Secretary of State, and so certified by the Secretary of State to such insured bank, the payment, transfer, delivery, or other disposal of such property by such bank to or upon the order of such person shall be conclusively presumed to be lawful and shall constitute a complete discharge and release of any liability of such bank for or with respect to such property.