

## Latin American Stock Exchange (Latinex)

### Company Profile

<b>Name of Stock Exchange</b>	Bolsa Latinoamericana de Valores (Spanish) or Latin American Stock Exchange (English), also known as (Latinex)
<b>Country/Region</b>	Panama, Republic of Panama
<b>Name of CEO</b>	Olga Cantillo
<b>Capital (US\$)</b>	\$804,034
<b>Number of Officers and Employees</b>	21
<b>Ownership and Governance (Main Shareholders)</b>	Latinex, Holdings Inc. (100%)

### Brief History

In 1989, when Panama was passing through the worst political and economic crisis in its republican history, a group of businessmen conceived one of the most needed projects in the local financial market: the founding of a stock exchange. This private-sector initiative sought a centralized trading mechanism whereby the forces of supply and demand for securities could operate transparently and freely. In line with this objective, the Panama Stock Exchange, Inc. (Bolsa de Valores de Panamá, S.A. or BVP) was created. On the 26th of June of 1990, held its first trading session, marking a new stage in the development of the securities market in Panama. During the decade of the '90s, the BVP consolidated its position in the local competitive financial brokerage market, as more participants joined the BVP as seat holders or as Issuers and Investors. New institutions evolved to support the growth of the securities market. This led to an increase in trading volume, year after year, growing from US\$ 3.3 million in the year 1990 to US\$ 8,530 million in the year 2019. This growth was the result of a positive business environment, characterized by the return to political stability, together with far-reaching economic reforms, as well as the adoption of equal tax treatment for the different financial instruments, which eliminated the tax bias that existed until 1991 and which held back the development of the securities market.

Parallel with these developments, the BVP sought to modernize the local securities market by creating a securities liquidation and custody entity. This effort led to the creation of the Central Latinoamericana de Valores, S.A. (Latinclear), which started operations in

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1997 to provide clearing and liquidation services for stock exchange operations through its electronic systems (instead of by manually means), thus making it possible to reduce operational risks and to efficiently liquidate and clear securities transactions.

In 2021 and after 31 years, the Panama Stock Exchange presented its new corporate image to the national and international markets, now becoming Latin American Stock Exchange, also known as Latinex.

This corporate image change responds to the strategy of expanding horizons and becoming an international capital markets hub, with the same commitment to be an investment ally; now in Latin America and the world, maintaining characteristics such as: agility, profitable solutions, clear, accurate, timely information, as well as a personal treatment, supported by world-class technology and with a high commitment with sustainable development.

### Practices and Procedures

#### Trading

Days	Monday - Friday
Hours	8am – 9am Session for international issuances (Dual register & iLink issuances) 10am – 3pm
Market segmentation	Primary market – Secondary market - Repurchases
System	NASDAQ Matching Engine
Mechanisms	Multiple price continuous auctions – AutoFit
Market-maker/Specialists	Yes
Instruments	Equity: Common stocks, preferred, investments funds. Fixed Income: VCN's (short term), Corporate bonds, corporate notes, Social, Green, and Sustainable (SGS) Bonds Government: treasury bonds, treasury notes, treasury bills.
Currency	US \$
Real-time information	Basic Data

## Latin American Stock Exchange (Latinex)

### Clearing & Settlement

Central Depository	Yes
Period	T+2
Registered	Yes
Settlement	Yes
Clearing	Yes
DVP	Yes
Clearing Institution	Central Latinoamericana de Valores, S.A. (Latinclear)
Risk Sharing	No
Margin/Lending	No
Custodians	Latinclear

### Taxes

Cash Dividends	10%
	The standard is the withholding by the Issuer of a 10% tax if the dividends are originated by a Panamanian source and taxable; and 5% when the dividends are originated by a foreign source.
	Additionally, the Tax Code establishes that this tax will not be applied if certain conditions are met. The entity will determine whether the dividend tax applies, as well as the corresponding rate.
Interest Income	No
Capital Gains	No

### Structure & Regulations

Legal	Authorized to operate a stock exchange in the Republic of Panama under Resolution No. CNV-349-90 granted by the Superintendency of the Securities Market.
Regulation	Self-regulated entity under the supervision of the Superintendency of the Securities Market.
Securities market regulations	Exchange, Superintendency of the Securities Market
Trading rules	Exchange, Superintendency of the Securities Market
Surveillance	Yes
Corporate actions	Yes
Trading halts regulations	Yes
Investor protection	Yes

## Latin American Stock Exchange (Latinex)

### Foreign Participation

Foreign investors	Allowed
Investment limitations	No
Repatriation	No

### Minimum Listing Requirements

No

### Contact Information

Markets Development

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### Remarks

In an Extraordinary Shareholders Assembly held on Thursday, October 22, 2009, the shareholders of Bolsa de Valores de Panamá, S.A. (BVP) (now Bolsa Latinoamericana de Valores, S.A. or Latinex) approved a corporate reorganization, by which Latinex and Latinclear, would constitute a holding company, consolidating in this, all the shareholders of both companies.

Both Latinex and Latinclear would remain as companies with separate operations and management but with common shareholders. This corporate reorganization holds all assets, liabilities, licenses, permits, rights, and obligations of the old company.

In May 2017, Latinex and El Salvador Stock Exchange had their first transaction in an integrated market between both countries.

The integration between the exchanges of El Salvador and Panama has shown wide benefits. From the first transaction in 2017 until the end of 2Q of 2021, more than US\$245 million were negotiated through the successful execution of over 1,300 operations.

In January 2019 Latinex officially replaced the previous transactional platform, SITREL, and launched the more modern platform NASDAQ Matching Engine.

On August 7, 2019, Agreement 1-2019 was published, by which the figure of "Recurring Issuer" was created, shortening the registration time of securities.

### **Latin American Stock Exchange (Latinex)**

In August 2019, the first Green Bond was issued in Latinex by the Inter-American Corporation for Financing Infrastructure (CIFI). Likewise, in October 2019 we reaffirmed our goal towards better corporate practices after the publication of the Guidelines for the Issuance of Social, Green, and Sustainable Securities. Moreover, in April 2021, the Guide for the Voluntary Reporting and Disclosure of ESG Factors was published and made available to the public.