

Panama Internationalizes Securities Issuance with Euroclear Bank

February 1, 2024, marks a significant moment for the Panamanian capital market with the access granted to Euroclear Bank to internationalize corporate debt issues and those of multilateral and/or supranational organizations. This initiative, made possible by the link between Euroclear Bank and Latinclear, called iLink (International Link), represents a milestone in the evolution of the country's financial market.

Since 2014, Panama has maintained a connection with Euroclear Bank to internationalize local debt issues, starting with phase 1 of iLink aimed at issues of the Republic of Panama and quasi-governments. With the implementation of phase 2 of iLink, the door is now open for corporate debt issues and those of multilateral and/or supranational organizations, as they are Euroclearable, to be available to international investors, thus strengthening Panama's position as an international hub in the securities market.

Among the outstanding benefits of this initiative are:

- Convertibility of securities to Euroclearable: this facilitates international investment by allowing securities to be recognized on the Euroclear Bank platform.
- Direct access to international investors: the connection with Euroclear Bank broadens access to a broader base of global investors.
- Broadening and diversifying the range of investors: opening up to international investors helps to diversify the investor base, thus increasing market stability.
- Increased liquidity and market growth: By opening up to a global audience, the Panamanian stock market is expected to experience an increase in liquidity and sustained growth.

In this sense, for Alcogal (Alemán, Cordero, Galindo & Lee), as a firm with an excellent track record representing issuers and structurers, advising them on equity offerings, high yield debt, convertible debt, and investment grade debt, the collaboration between Latinex, Latinclear and Euroclear Bank



represents a significant step towards strengthening the Panamanian capital market and consolidates Panama as an attractive destination for international investment.

“With the implementation of the 2nd phase of iLink, being the link between Latinclear and Euroclear, Panama reinforces its commitment to become an international securities hub, expanding access to international investors which, in turn, translates into market growth in the region.”