

**MINISTRY OF ECONOMY AND FINANCE**  
**EXECUTIVE DECREE No. 273**  
**(December 27, 2000)**

**“Regulating the Use of Computer Programs in State entities”**

The President of the Republic,  
by virtue of her constitutional and legal powers,

**WHEREAS:**

Computer programs are protected by Law No. 15 of August 8, 1994 and Executive Decree No. 261 of October 3, 1995, and have become a key component of the management and functioning of government institutions, the National Government being one of the largest users of information technology;

Proper use of computer programs is a tool for institutional work and contributes to the development of the programs implemented by the National Government;

The Government shall properly maintain the computer equipment in the service of the State, ensure information security, prevent viruses and guarantee the effective safekeeping of the computerized archives of public institutions;

The unauthorized reproduction, distribution and use of computer programs constitute unlawful activity that is extremely detrimental to employment opportunities and the tax revenue generated by the computer programming industry, including manufacturers, producers and distributors;

Article 752 of the Administrative Code provides that the authorities of the Republic have been established to protect the lives, honor and property of all persons with their domicile in Panama and to guarantee mutual respect for natural rights, by preventing and punishing offenses;

Article 846 of the Administrative Code provides that all civil servants are directly and personally accountable for any punishable acts they commit, even if these are on the pretext of exercising their functions, unless they can prove that they were acting on orders from a superior with which compliance was unavoidable under the Constitution;

Article 137(4) of Law 9 of June 20, 1994 provides that civil servants in general shall have the duty and the obligation of performing with civic awareness, honesty and common sense the social mission which is incumbent upon them;

Article 137(10) of the same Law provides that public servants in general shall have the obligation to notify the appropriate authorities of any proven act that could discredit, damage or cause harm to the administration;

The National Government shall set an example for private-sector firms with regard to the proper use of computer programs, ensuring that it does not infringe copyrights;

**DECREES:**

Article 1: It is hereby decreed that all entities of the Central Government as well as autonomous and semi-autonomous entities must diligently endeavor to prevent and combat illegal use of computer programs, with a view to complying with the provisions on copyright laid down in Law No. 15 of August 8, 1994, obeying the relevant provisions of international agreements, including the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and also the other provisions contained in current regulations.

Article 2. Ministers of State and Administrators of autonomous and semi-autonomous entities shall take measures to ensure that draft budgets for computer programs and data processing requirements include adequate resources for acquiring the corresponding requisite computer program licenses and upgrading existing equipment.

Article 3. Every entity of the Central Government, autonomous and semi-autonomous entities shall set up systems and controls within a time period of 36 months to guarantee that only computer programs that meet relevant copyright requirements are used in its computers. The said systems and controls shall include the designation of competent IT Heads in every Ministry and State entity, who shall report annually to the National Copyright Department on how the respective Ministry or entity has complied with the computer program policies.

Article 4: Every Ministry and autonomous State entity shall make an initial inventory of existing computer hardware and software and the number of authorized copies of each program, specifying the date of installation and the version of each program. The deadline for compliance with this initial audit shall be no later than 18 months following the entry into force of this Decree.

The said audits shall be conducted by appropriate private bodies and by specialized government entities.

Once this initial inventory has been completed, any software in excess of the authorized number and lacking the corresponding license shall be removed.

It shall be necessary to develop and maintain an archiving system for recording the results of the initial inventory of computer hardware and software for the purposes of future comparisons with acquisitions of additional authorizations and installations or the use of additional copies allowed in conjunction with such installations. An effort shall be made to ensure that this archiving system reflects at all times sufficient authorizations to cover all of the hardware and software in use, guaranteeing that the corresponding documentation is kept securely in a single place.

Article 5. Once this Decree enters into force, no illicit computer software or programs may be installed in any public office.

All requests for the purchase of computer programs shall be submitted to the IT Head of the Ministry or corresponding State body for evaluation during the tendering process.

Article 6. Every Ministry or government entity shall conduct periodic inventories of computers, at least annually, to determine the accuracy of the system and evaluate compliance with copyright rules.

Article 7. Government entities shall draw up manuals for the use and installation of computer programs and shall provide training for all civil servants, in accordance with needs and the legal use of computer programs, including the issuing of warnings and the introduction and application of disciplinary measures to sanction non-compliance with the provisions of this Decree.

Article 8. For the purposes of the acquisition and use of computer programs, the IT Head for each government entity shall comply with the following rules.

- a. Introduce and maintain a comprehensive computer program policy and an effective system for guaranteeing adequate acquisition and use of all computer programs;
- b. Ensure that the respective entity complies with the copyright protection of computer software and the provisions of this Decree, by introducing structures and processes to guarantee that only legal programs are acquired and used in the computers of the said public entity;

c. Take steps to assess the compliance of the respective entity with relevant copyright provisions governing the acquisition of the computer programs used by the said entity in accordance with the provisions of this Decree;

d. Coordinate and provide appropriate institutional training support for civil servants with regard to copyright in connection with computer programs and the policies and procedures adopted to ensure compliance in this respect.

Article 9. Urge all government contractors and suppliers to comply with copyright rules; to acquire and use lawful computer programs; to avoid using funds from the State budget directly or indirectly to acquire unlawful computer programs; and to introduce internal control systems in their respective units with a view to ensuring that the programs installed on their computers are lawful.

Article 10. Each government entity shall extend broad cooperation to ensure that this Decree is applied, sharing any information that could be of use in combating the unlawful use of computer programs.

Article 11. This Decree shall enter into force on January 1, 2001.

***FOR COMMUNICATION, PUBLICATION AND APPLICATION.***

**President of the Republic,**

**(signed)**

**MIREYA MOSCOSO**

**Minister of Economy and Finance**

**(signed)**

**NORBERTO DELGADO DURAN**

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