



COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER INSURANCE

Fermín M. Contreras Gómez
Commissioner of Insurance

March 24, 2003

CIRCULAR LETTER NO.: C-L-3-1675-2003

TO ALL DOMESTIC INSURERS, AGENTS, GENERAL AGENTS, AND BROKERS
AUTHORIZED TO TRANSACT INSURANCE IN PUERTO RICO

**RE: INFORMATIVE BULLETIN ON COMPLIANCE WITH THE "TRANSFERS OF
FUNDS ABROAD ACT" AND ITS REGULATIONS**

Dear Sirs and Madams:

Public Law No. 131, known as the "Transfers of Funds Abroad Act," was approved on July 23, 1974. On July 9, 1975, the Regulation on Transfers of Funds Abroad was approved for the purpose of establishing the procedure to be followed for keeping financial records and reporting on transfers of funds abroad.

In an effort to prevent money laundering activities in the insurance industry, this Circular Letter is directed at reiterating the applicability of that law and its regulations to all insurers and their representatives.

As provided in this law and its regulations, insurers and their representatives have the obligation to file with the Office of the Commissioner of Financial Institutions (formerly the Banking and Financial Institutions Bureau of the Department of the Treasury of the Commonwealth of Puerto Rico) reports on any payment, receipt or transfer of funds, as this term is defined in the law, that they may carry out with a foreign financial institution or agency in excess of \$5,000.00.¹ These reports must

¹ The provisions of Public Law No. 131, supra, and its Regulations are applicable to the following \$5,000 transactions:

- a. Deposits
- b. Withdrawals
- c. Currency exchange
- d. Checks may out to the bearer
- e. Purchases of Drafts or other negotiable instruments
- f. Purchase of manager's checks
- g. Purchase of traveler's checks
- h. Purchase of securities
- i. Any kind of transfer of funds, received or sent

be filed using the form adopted by the Office of the Commissioner of Financial institutions for that purpose, no later than on the 15th day of the following month, and should include all of the transactions carried out during the previous month. A copy of this form is enclosed with this Circular Letter.

We want to make it clear that compliance with the above does not exempt you from the provisions of Circular Letter No. E-1-1334-94, dated February 16, 1994, requirements for filing IRS Form 8300, and the provisions of Circular Letter No. C-L-06-1657-2002, dated June 28, 2002 and C-L-10-1664-2002, regarding the provisions of the USA Patriot Act of 2001.

We are advising you that Office of the Commissioner of Insurance will be ensuring compliance with the provisions of this law by domestic insurers, agents, general agents, and brokers that are authorized to transact insurance in Puerto Rico. Verification of compliance will be carried out through regular audits of such entities or through any other mechanism as provided by law.

All domestic insurers, agents, general agents and brokers that are authorized to contract insurance in Puerto Rico shall take note of the content of this Circular Letter.

Very truly yours,

SIGNED

Fermín M. Contreras-Gómez
Commissioner of Insurance