

January 15, 2015

Legal Update

Control of Fiscal Information and Permits Act

On December 16, 2014, the Governor of Puerto Rico signed into law the “Control of Fiscal Information and Permits Act” (“CFIPA”) with the purpose of establishing a digital code known as the Control of Fiscal Information and Permits (“CFIP”). The CFIP will replace the different certifications that are exhibited in businesses and includes all relevant and necessary information concerning permits, certifications or licenses, among other things, that apply to business, trades and industries in the Commonwealth of Puerto Rico. The CFIP will be managed by the Permits Management Office (“PMO”).

Within 180 days after the effective date of the CFIPA, all certifications, permits, licenses and any other documents which are required to be displayed in businesses, must be replaced by the CFIP. The CFIP and must be displayed on the main entrance and inside the premises of any business, trade or industry operating in Puerto Rico.

The CFIPA can be summarized as follows:

Public Policy

The CFIPA declares as public policy of the Commonwealth of Puerto Rico the establishment of a digital code that, making use of modern technology, gathers all the relevant and necessary information concerning permits, patents, certifications or licenses, among other things, that apply to businesses in the Commonwealth of Puerto Rico, in order to improve publicity for citizens and improve government oversight.

Information Contained in the CFIP

The CFIP will contain the following information:

- 1.name of business, commerce or industry;
- 2.physical and geospatial address, including coordinates;
- 3.telephone and contact person;
- 4.basic information about purpose and/or commercial activity;
- 5.any license, certification, permit, patent or document required to operate or conduct the commercial activity, including dates of effectivity, issuance and expiration;
- 6.all personal property located within the business, commerce or industry that requires a stamp, tag or other distinction that identifies it;
- 7.name(s) of owner(s);
- 8.any other information considered necessary by the PMO in order to comply with the purposes of the CFIPA.



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Permits Management Office

The PMO is responsible for implementing all aspects related to the provisions of the CFIPA, and is empowered to approve regulations, issue circular letters or administrative orders and to coordinate with any agency, dependency or instrumentality of the Commonwealth of Puerto Rico, municipality and/or public corporation any aspect necessary to attain the objectives of the CFIPA.

Responsibility of Agencies, Public Corporations and Municipalities

Every agency, dependency and instrumentality of the Commonwealth of Puerto Rico, municipality and public corporation that is subject to the provisions of Act No. 161-2009, known as the "Puerto Rico Permits Process Reform Act", or that issues a license, certification, permit, patent or document required to operate or perform any commercial activity, business, trade or industry, must comply with and facilitate compliance with the provisions of CFIPA, as well as with any regulation, circular letter or administrative order issued by the Permits Management Office.

Fines

The Executive Director of the PMO may impose administrative fines in a sum not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) for each violation of the provisions of CFIPA.

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