

January 26, 2015

Legal Update

Further Changes to Rules Related to the Collection of the 2% Special Charge on Money Transfers

Act No. 136-2010, known as the “Act to Regulate the Money Transfer Businesses” (“MTB Act”) as amended by Act No. 136-2014 and Act No. 196-2014, imposes a Special Charge of 2% (“Special Charge”) on all money transfers processed or completed by a money transfer business (“MTB”) electronically, by check, money order, fax, air transportation or any other means.

On December 11, 2014, the Puerto Rico Treasury Department (“Treasury”) issued Administrative Determination No. 14-30 (“AD 14-30”) to: (i) modify the list of transactions subject to the Special Charge; (ii) establish the process for the deposit of the Special Charge to be collected and (iii) establish the process to obtain the Model Notice.

Our *Legal Update* on AD 14-30 can be accessed [here](#).

On January 23, 2015, the Treasury issued Administrative Determination No. 15-03 (“AD 15-03”) to postpone the effective date for the collection of the Special Charge on **money orders** until February 28, 2015.

Postponement of Effective Date for the Collection of Special Charge on Money Orders

- The effective date for the collection of the Special Charge on money orders is postponed until February 28, 2015.
- Beginning March 1st, 2015, all MTBs and their authorized agents shall collect the Special Charge on money orders, in compliance with the MTB Act.
- All MTBs and their authorized agents shall continue to collect the Special Charge on all other transactions subject to the Special Charge, as established by AD 14-30.

Procedure to follow for the Deposit of the Special Charge Collected

- All MTBs that have already collected the Special Charge on money orders, must deposit it on or before the 20th day of the month following its collection through the Treasury’s Virtual Collection Office, available at <https://colecturia.hacienda.gobierno.pr/Portal/> or at any of Treasury’s Revenue Collection Centers using Form 480.9H, Payment Voucher for the Special Charge Provided by Act 136-2014.
- From January 23, 2015 until February 28, 2015, no MTB or its authorized agents shall collect the Special Charge on money orders.



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Additional Changes in the Pipeline

In addition to the guidance issued by Treasury, legislative action may further change rules applicable to these transactions.

House Bill 2290

On January 23, 2015, HB 2290 was filed in the House of Representatives to amend the MTB Act in order to provide that the Special Charge shall apply solely and exclusively to **electronic transactions** transmitted or completed from Puerto Rico to any entity, person or business.

House Bill 2292

On January 23, 2015, HB 2292 was filed in the House of Representatives to amend the MTB Act in order to **exclude** from the applicability of the Act money transfers completed by **checks or money orders** and to **exclude** from the Special Charge all money transfers completed **within the territorial limits of Puerto Rico**.

MTBs and their authorized agents should closely monitor these bills to ensure proper compliance.

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