

March 9, 2015

## Corporate Update

### *Governor Signs the Financial Access for All Act*

On February 26, 2015, the Governor of Puerto Rico signed Act No. 21-2015, known as the “Financial Access for All Act” (“Act No. 21”), which seeks to facilitate the creation of personal assets, promote savings and break with the cycle of poverty by establishing as the public policy of the Commonwealth of Puerto Rico that the general population should have access to financial products and services, regardless of their immigration status.

Pursuant to Act No. 21, all depository institutions authorized to operate in Puerto Rico may open savings and checking accounts to every resident of Puerto Rico as long as they verify the customer’s identity, in compliance with the requirements of the Bank Secrecy Act of 1970 (“BSA”), and the Customer Identification Program of the depository institution. Such verification shall include, as a minimum, the following:

- Client’s Name – the verification should be done through one or more of the following:
  - unexpired passport;
  - birth certificate;
  - consular identification or registration;
  - state-issued driver's license;
  - unexpired foreign passport;
  - identification card for foreigners or consular certification issued by a consular body;
  - any other document issued by a foreign government that identifies the issuing country, has numbers, evidences citizenship from the issuing country and that includes photo or physical address, date of issuance and expiration date, among others.
- Client’s Birth Date – the verification should be done through one or more of the following:
  - unexpired passport;
  - birth certificate;
  - consular identification or registration;
  - state-issued driver's license, among others.
- Client’s Physical Address – the verification should be done through:
  - receipt of official payment of basic services such as the Puerto Rico Aqueduct and Sewer Authority or the Puerto Rico Electric Power Authority;
  - mailbox number given by the Army Post Office (AFO) or the Fleet Box Office,
  - any other reliable document.



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- Client's Identification Number – the verification should be done through:
  - individual Taxpayer Identification Number;
  - Employee Identification Number;
  - unexpired passport issued by a foreign government, or
  - any other numbered document issued by a government abroad and evidencing nationality or residence.
  
- A depository institution may refuse to open an account if it has, among other reasons, and without limitation:
  - reasons to believe that the account may be used to conduct illegal or fraudulent activities or represents a risk of violation of federal financial supervisory laws or regulations such as the BSA, the US PATRIOT Act 2001 or the Trading with the Enemy Act of 1917, among others;
  - if the individual has a prior history of illegal or fraudulent activity in relation to financial services providers, both in the local jurisdiction and abroad;
  - reasons to believe that the individual, knowingly provided false or misleading information to the member bank in order to open the deposit account in question; or if there is lack of documentation to reasonably prove the identity of the client, lack of documentation proving the purpose of the account and the source of funds;
  - reasons to believe that it is necessary to refuse to open a deposit account in order to protect customers or employees of the institution of physical harm, harassment or abuse of others;
  - if opening the account goes against the institution's policies and business procedures, and/or the Customer Identification Program, among others.

The depository institution shall not be required to disclose the reasons which lead it to refuse the opening of an account.

According to Act No. 21, not having a definitive formal immigration status with the United States Citizenship and Immigration Service is not, by itself, an illegal or fraudulent action that prevents opening a checking or savings account. The institution, however, has to comply with the requirements established by the BSA, and the Customer Identification Program established under such regulation.

Finally, Act No. 21 prohibits the collection and use of account information for deportation proceedings or other migratory actions. The information may be shared by the depository institution if:

- it receives a formal request from a government agency in the course of exercising its supervisory function;
- it receives a formal request from a domestic or US government agency of law and order; or
- when required to share information in compliance with the Trading with the Enemy Act of 1917, the BSA, the US PATRIOT Act of 2001, or any other applicable state or federal law or regulation.

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