



GOVERNMENT OF PUERTO RICO  
OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS

**CIRCULAR LETTER NUMBER CFI CC-2022-02**

**TO: ALL BROKER DEALER ENTITIES**

**FROM: NATALIA I. ZEQUEIRA DÍAZ, COMMISSIONER**

**DATE: MARCH 29, 2022**

**RE: BROKER DEALERS QUARTERLY REPORT**

**I. Authority**

This Circular Letter is issued pursuant to the authority conferred by Act No. 4 of October 11, 1985, as amended, known as the "Office of the Commissioner of Financial Institutions Act" (hereinafter, "Act No. 4").

**II. Legal Base and Purpose**

Act No. 4 empowers the Office of the Commissioner of Financial Institutions, (hereinafter, the "Office" or the "OCFI"), with the main responsibility of overseeing and supervising the financial institutions that operate or do business in Puerto Rico. Also, Act No. 60 of June 18, 1963, as amended, known as "Uniform Securities Act" (hereinafter, "Act No. 60"), in its Section 412, Subsection (a), provides that:

The Commissioner may issue, amend and rescind, from time to time, such regulations, forms, and orders as may be necessary to enforce the provisions of this Act, including regulations and forms governing applications and reports, and defining any terms, whether or not used in this Act, insofar as said definitions are not inconsistent with the provisions of this Act...

Pursuant to Act No. 4 and Act No. 60, when it is deemed in the best public interest, the OCFI may require and inspect all kinds of records, documents or information on any of the activities performed by a person or entity licensed by this Office and doing business in Puerto Rico.

The purpose of this Circular Letter is to remind broker dealers of their obligation to file quarterly reports to the OCFI in compliance with Circular Letter CIF CC-09-2.

**III. Quarterly reports to be submitted by broker dealers in compliance with Circular Letter CIF CC-09-2**

According to Circular Letter CIF CC-09-2, all financial institutions licensed by OCFI, thus, within the purview of this Office, and doing business pursuant to any law or act managed by the OCFI has the obligation to submit certain financial information in the electronic format within the time period prescribed by the Commissioner.

Based on Circular Letter CIF CC-09-2, the OCFI has required brokers dealers to submit the following reports:

- i. Every broker dealer organized in Puerto Rico must file, as stated below, a quarterly report of:
  - 1. **Red Flags Report**
  - 2. **Report of Condition**
  - 3. **Income Statement**
  - 4. **Puerto Rico Securities Bureau Quarterly Report as explained in item (ii) below**
  
- ii. Every broker dealer organized in Puerto Rico or with branch offices in Puerto Rico (including broker dealers with principal offices located outside Puerto Rico but with branch offices in Puerto Rico), with retail business in Puerto Rico, must file:
  - 1. **Puerto Rico Securities Bureau Quarterly Report**-Contains information regarding:
    - a. Consolidated gross revenues of all Puerto Rico branches and all Puerto Rico subsidiaries of the broker-dealer.
    - b. Assets under control or services by the Puerto Rico offices. Refers to assets of broker dealers organized in Puerto Rico or with branch offices in Puerto Rico (including broker dealers with principal offices located outside Puerto Rico but with branch offices in Puerto Rico). Includes proprietary assets and customer accounts.

13

**IV. Filing**

These reports may be submitted electronically, as required in the instructions attached to this document.

Broker-dealers could either: 1) use existing software that has been designed by external suppliers and are compatible with our internal system called System of Financial Information ("SIF"); or 2) develop their own program compatible with SIF, using the format required by the OCFI, and with prior approval of the OCFI.



The reports must be filed to the Financial Analysis Division on or before the last day of the month following the reporting quarter, as follows:

<b>Quarters</b>	<b>Reporting due date</b>
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

The quarterly reports mentioned above must be filed even if the entity has nothing to report; thus, a negative report. In this case, a report indicating "Nothing to report" with an explanation of the reason why they have "nothing to report", must be filed to the Financial Analysis Division at [analisisfinanciero@ocif.pr.gov](mailto:analisisfinanciero@ocif.pr.gov).

If you have any questions regarding the quarterly reports mentioned above, please write to the Financial Analysis Division at [analisisfinanciero@ocif.pr.gov](mailto:analisisfinanciero@ocif.pr.gov).

**V. Penalties**

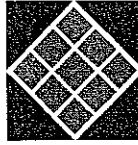
Broker dealers that fail to file the required quarterly reports or fail to request an extension of time to file post due date with reasonable reason, could be subject to an administrative fine, up to a maximum of \$5,000 per violation. Failure to comply with reporting requirements may result in the revocation or suspension of the license, pursuant to the provisions of Act No. 4, and following the corresponding administrative due process.

**VI. Effectiveness**

This Circular Letter will become effective on the date of its issuance.



09 AUG 26 AM 10:35



ESTADO LIBRE ASOCIADO DE PUERTO RICO  
COMISIONADO DE INSTITUCIONES FINANCIERAS

25 de agosto de 2009

**CARTA CIRCULAR NÚMERO CIF CC-09-2**

**A: TODAS LAS INSTITUCIONES FINANCIERAS**

**Re: REQUERIMIENTOS DE INFORMES TRIMESTRALES**

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**SECCIÓN I - AUTORIDAD**

Esta Carta Circular se emite al amparo de las disposiciones de la Ley Número 4 de 11 de octubre de 1985, según enmendada, conocida como “Ley de la Oficina del Comisionado de Instituciones Financieras”<sup>1</sup> (en adelante “Ley Núm. 4”); y las leyes especiales que rigen a cada institución financiera que es regulada y supervisada por la Oficina del Comisionado de Instituciones Financieras (en adelante, la “OCIF”).

**SECCIÓN II - BASE LEGAL Y PROPÓSITO**

La Ley Núm. 4, dispone que el Comisionado de Instituciones Financieras tiene la responsabilidad primaria de supervisar a las instituciones financieras que operen o hagan negocios en Puerto Rico.

El “Sistema de Información Financiera”, conocido por sus siglas como “SIF” fue desarrollado por la OCIF con miras a crear un centro de información del sistema financiero de Puerto Rico que estuviese disponible para el sector público y el privado. Además, la implantación de SIF tiene el propósito de procesar los informes financieros de una forma más rápida y eficiente.

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<sup>1</sup> 7 LPRA sec. 2001 et seq -



Carta Circular Número CIF CC-09-2  
25 de agosto de 2009  
Página 2

### SECCIÓN III - NORMA

A tenor con las disposiciones antes expuestas, la OCIF emite, como cuestión de política pública las siguientes directrices:

1. Todas las Instituciones Financieras que hagan negocios bajo las disposiciones de las leyes supervisadas por la OCIF y que tengan licencia emitida por el Comisionado, vendrán obligadas a someter la información financiera requerida en el formato electrónico prescrito por el Comisionado.
2. Las Instituciones Financieras podrán desarrollar su propia programación de radicación, pero ésta debe prepararse en el formato provisto por la OCIF para que los informes puedan ser aceptados por nuestro sistema. Para obtener más información deben comunicarse con la Unidad de Análisis Financiero de la OCIF.
3. Las Instituciones Financieras podrán utilizar un aplicativo de radicación diseñado para este propósito por un consultor independiente. Para obtener información sobre los requerimientos pueden comunicarse con la Unidad de Análisis Financiero de la OCIF.
4. Aquellas Instituciones Financieras con licencias al amparo de la Ley Número 76 de 19 de junio de 1989, según enmendada, mejor conocida como "Ley de Ventas a Plazos y Compañías de Financiamiento" y/o de la Ley Número 20 de 8 de mayo de 1973, según enmendada, mejor conocida como "Ley de Instituciones de Arrendamiento de Propiedad Mueble", cuyas cuentas por cobrar por concepto de financiamientos o arrendamientos sean menores de un millón de dólares, podrán someter el informe trimestral en papel utilizando el formulario provisto por la OCIF.
5. Toda institución financiera someterá los informes para los trimestres que terminen en marzo 31, junio 30, septiembre 30 y diciembre 31, antes del día primero de los meses de mayo, agosto, noviembre y febrero, respectivamente.



Carta Circular Número CIF CC-09-2  
25 de agosto de 2009  
Página 3

#### SECCIÓN IV - PENALIDADES

Aquellas Instituciones Financieras que radiquen los informes después de las fechas antes indicadas, estarán expuestas a que la OCIF le imponga una multa administrativa de hasta un máximo de \$5,000.00 de acuerdo a lo dispuesto en la Ley Núm. 4, supra. El dejar de radicar los informes podrá ser causa para la revocación de la licencia previa la debida notificación y celebración de vista, de acuerdo a lo dispuesto en la Ley Núm. 4 y la Ley Número 170 de 12 de agosto de 1988, según enmendada, conocida como "Ley de Procedimiento Administrativo Uniforme".

#### SECCIÓN V - DEROGACIÓN

Esta Carta Circular deroga la Carta Circular Número CIF CC-04-2, emitida por el Comisionado de Instituciones Financieras el 21 de junio de 1994.

#### SECCIÓN VI - VIGENCIA

Las disposiciones de esta Carta Circular comenzarán a regir a partir de la fecha de su aprobación.

Alfredo Padilla Cintron  
Comisionado

Report Date: / /

Institution:

Address:

**Commonwealth of Puerto Rico - Commissioner of Financial Institutions  
Securities Brokers**

**Red Flags** You must review the Red Flags below, enter OK to the right, and press Enter-->



A change of more than 10% from the prior quarter, in any line item shown below, requires an explanation.

**Report of Condition**

**8. Total Assets:**

Current: 0
Prior: 0
\$ Change: 0
% Change: 0.00%

The change is less than 10%. No explanation is required.

**18. Total Capital:**

Current: 0
Prior: 0
\$ Change: 0
% Change: 0.00%

The change is less than 10%. No explanation is required.

**Income Statement**

**5. Net Income**

Current: 0
Prior: 0
\$ Change: 0
% Change: 0.00%

The change is less than 10%. No explanation is required.

## REPORT OF CONDITION

### ASSETS

<u>Item No.</u>	<u>Captions and Instructions</u>	<u>Account</u>
1	<u>Cash.</u> Report coin and currency on hand or in transit, clearings, and cash items.	<u>SBPR0010</u>
2	<u>Securities Purchased Under Resell Agreements</u> Report the amount of securities purchased under agreement to resell. These are securities under a repurchase agreement. A repurchase agreement is a contract between seller and buyer of federal government or other securities, whereby the seller agrees to buy the securities at an agreed upon price after a stated period of time.	<u>SBPR0020</u>
3	<u>Receivables from Brokers and Non Customers:</u> Reports receivables from security brokers and non-customers.	<u>SBPR0030</u>
4	<u>Receivables from Customers:</u> Report the amount of accounts receivables from customers. E.g. the receivable arising out the three day waiting period after the settlement date.	<u>SBPR0040</u>
5	<u>Securities Owned:</u> Report the securities held as investments by the entity.	<u>SBPR0050</u>
6	<u>Investments in Affiliates</u> Report the investments in affiliates regardless were they are located.	<u>SBPR0060</u>
7	<u>Other Assets:</u> Report any other assets which does not fall in the previous line item.	<u>SBPR0070</u>
8	<u>Total Assets:</u> Report the sum of line items from line 1 through 7.	<u>SBPR0080</u>



**REPORT OF CONDITION  
(CONTINUED)**

**LIABILITIES**

<u>Item No.</u>	<u>Caption and instructions</u>	<u>Account</u>
9	<u>Bank Loans:</u> Report the amount of loans due by the entity.	<u>SBPR0090</u>
10	<u>Securities Sold Under Repurchase Agreements</u> Report the amount of securities sold under agreement to repurchase. These are securities under a resold agreement. A resold agreement is a contract between seller and buyer of federal government or other securities, whereby the seller agrees to buy the securities at an agreed upon price after a stated period of time.	<u>SBPR0100</u>
11	<u>Payables to Brokers, Customers, and Others</u> Report trade payables to brokers, customers and others.	<u>SBPR0110</u>
12	<u>Accounts Payable:</u> Report the accounts trade payables and accrued expenses.	<u>SBPR0120</u>
13	<u>Notes and Mortgages Payable:</u> Report current and long term portion on notes and mortgage loans payable.	<u>SBPR0130</u>
14	<u>Subordinated Liabilities:</u> Report liabilities subordinated liabilities to another debt.	<u>SBPR0140</u>
15	<u>Total liabilities:</u> Report the sum of line item 9 through 14.	<u>SBPR0150</u>

**REPORT OF CONDITION  
(CONTINUED)**

**CAPITAL**

<b><u>Item No.</u></b>	<b><u>Captions and Instructions</u></b>	<b><u>Account</u></b>
16	<u>Contributed Capital:</u> Report the amount of contributed capital since the beginning of the business of the reporting Organization	<b><u>SBPR0160</u></b>
17	<u>Retained Earnings:</u> Report the Organization' accumulated earnings and losses from business, since the first year of operations. The amount is net of distributed dividends and taxes.	<b><u>SBPR0170</u></b>
18	<u>Total Capital:</u> Report the sum of line items 16 through 17.d.	<b><u>SBPR0180</u></b>
19	<u>Total Liabilities and Capital:</u> Report the sum of line item 15 and line item 18.	<b><u>SBPR0190</u></b>

**OTHER**

<b><u>Item No.</u></b>	<b><u>Captions and Instructions</u></b>	<b><u>Account</u></b>
20	<u>Net Regulatory Capital:</u> Report the resulting amount of the computation of total assets and total liabilities as required by the FDIC.	<b><u>SBPR0200</u></b>
21	<u>Net Regulatory Capital Requirement</u> Report the <u>minimum</u> required under Regulation "Regla de Capital Federal 15C 3-1"	<b><u>SBPR0210</u></b>
22	<u>Excess Net Capital</u> Report the difference among the line item 20 and the line item 21.	<b><u>SBPR0220</u></b>

**Important Notice:** Please be advised that the information hereby requested is for statistical purposes only and does not purport to substitute or replace any other data, report of information requested or required to be submitted to the Office of the Commissioner of Financial Institutions.

## INCOME STATEMENT – YEAR – TO DATE

### INCOME

<u>Item No.</u>	<u>Captions and Instructions</u>	<u>Account</u>
1	a. <u>Commission Income.</u> Report the fee paid to a broker for consummating a transaction involving sale or purchase of assets or services.	<u>SBPR0310</u>
	b. <u>Gains on Securities</u> Report the gains resulting from the sale or exchange of securities.	<u>SBPR0320</u>
	c. <u>Underwriting and Selling</u> Report the assumption of a risk, particularly an investment or insurance risk. This assumption arise at the inception of initial offering.	<u>SBPR0330</u>
	d. <u>Margin Interest</u> Report the interest obtained from loans to customers.	<u>SBPR0340</u>
	e. <u>Interest and Other Income</u> Report any consideration in the form of money aid for the use of money.	<u>SBPR0350</u>
	f. <u>Total Income</u> Report the sum of line items from 1.a through 1.e	<u>SBPR0360</u>

**INCOME STATEMENT – YEAR – TO - DATE  
(CONTINUED)**

**EXPENSE**

<b><u>Item No.</u></b>	<b><u>Caption and instructions</u></b>	<b><u>Account</u></b>
2		
a	<u>Employee Compensation</u> : Report compensation and benefits of all officers and employees of the institution.  <u>include as compensation</u> :  1) Gross salaries, wages, overtime, bonuses, incentive compensation, and extra compensation.  2) Social security taxes and state and federal unemployment taxes paid by the bank.  3) Contributions to the bank's retirement plan, pension fund, profit-sharing plan, employee stock ownership plan, employee stock purchase plan, and employee savings plan.  4) Premiums (net of dividends received) on health and accident, hospitalization, dental, disability, and life insurance policies for which the bank is not the beneficiary.  5) Cost of office temporaries whether hired directly by the bank or through an outside agency.  6) Workmen's compensation insurance premiums.  7) The net cost to the bank for employee dining rooms, restaurants, and cafeterias.	<b><u>SBPR0370</u></b>

**INCOME STATEMENT – YEAR – TO – DATE  
(CONTINUED)**

**EXPENSE**

<b><u>Item No.</u></b>	<b><u>Caption and instructions</u></b>	<b><u>Account</u></b>
2 (Cont.)		
b.	<u>Communications</u> The means by which instructions and information pass from one bank to another. These includes cable and mail communications. EFTS, the service which moves messages among subscribers, including funds transfer transactions that are subject to settlement by other means.	<b><u>SBPR0380</u></b>
c.	<u>Occupancy</u> Report the rent expense paid for premises occupied under a lease agreement.	<b><u>SBPR0390</u></b>
d.	<u>Promotional</u> Report the expenses incurred in promoting the institution, including advertising, and other promotional gifts.	<b><u>SBPR0400</u></b>
e.	<u>Commissions and Clearance</u> Report commissions expense paid to brokers or another investment institutions.	<b><u>SBPR0410</u></b>
f.	<u>Interest Expense</u> Report interest paid on all loans notes and mortgage obtained.	<b><u>SBPR0420</u></b>
g.	<u>Other</u> Report other expense which does not fall in the above line item.	<b><u>SBPR0430</u></b>



**INCOME STATEMENT – YEAR TO DATE  
(CONTINUED)**

**EXPENSE**

<b><u>Item No.</u></b>	<b><u>Caption and instructions</u></b>	<b><u>Account</u></b>
2.h	<u>Total Expense</u> Report the sum of line items from 2.a through 2.g.	<b><u>SBPR0440</u></b>
3	<u>Income Before Tax</u> Report the bank pretax operating income. The resulting amount of 1.f less 2.h.	<b><u>SBPR0450</u></b>
4	<u>Income Tax</u> Report the total estimated federal, and local and foreign income tax expense applicable to line item 3. Include both the current and deferred portion of these income taxes. If the amount of tax benefit rather than tax expenses enclosed it in parentheses.	<b><u>SBPR0460</u></b>
5	<u>Net Income</u> Report the result of total item 3 deducted by the total amount of item 4.	<b><u>SBPR0470</u></b>

**COMMISSIONER OF FINANCIAL INSTITUTIONS**  
**Puerto Rico Securities Bureau Quarterly Report**

(This Schedule must be completed by Security Brokers Institutions with current information of transactions occurred during the reporting quarter.)

**Caption and Instructions**

	<p><b><u>General Instructions:</u></b> The information must be reported in the specified categories line by line, and dollar values (\$) in the applicable columns in thousands (\$,000) dollars.</p> <p><b>I. General Information</b></p> <p style="padding-left: 40px;">Provide the requested information of the reporting entity in the line items below:</p> <ul style="list-style-type: none"><li>Name of entity</li><li>Street Address</li><li>City</li><li>State</li><li>Zip</li><li>Firm CRD</li><li>Telephone number</li><li>Form of organization</li><li>Name of branch manager or CEO</li><li>CRD No. of branch manager or CEO</li><li>Name of Financing Securities Principal</li><li>CRD No. of Financing Securities Principal</li><li>Total number of registered representatives in Branch</li><li>Total Branch Employment (including PR's)</li><li>State Employment No. of Branch</li></ul> <p><b>II. Financial Information</b></p> <p style="padding-left: 20px;"><b>1. Gross Revenues</b></p> <ul style="list-style-type: none"><li><b>a. Branch</b> Report consolidated gross revenues of all Puerto Rico Branches</li> <li><b>b. Subsidiary</b>  Report consolidated gross revenues of all Puerto Rico Subsidiaries</li></ul>
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**COMMISSIONER OF FINANCIAL INSTITUTIONS  
Puerto Rico Securities Bureau Quarterly Report**

(This Schedule must be completed by Security Brokers Institutions with current information of transactions occurred during the reporting quarter.)

**Caption and Instructions**

<b>II.</b>	<b>Financial Information</b>
<b>2</b>	<b>Assets Under Control or Services by the Puerto Rico Office:</b> Refers to assets of entities organized in Puerto Rico or other where principal offices are in the U.S. for which the servicing office is located in the Commonwealth of Puerto Rico.
<b>2.a.</b>	<b>Proprietary:</b> <b>Definition:</b> Assets on inventory owned by the Puerto Rico Office for sale to the institution's customers or to other institutions and persons.  <b>(1) Fixed income Investments:</b> <b>Definition:</b> Security that pays a fixed rate of return. This refers to government, corporate or municipal bonds and other debt instruments, which pays a fixed rate of interest until maturity.  <b>Examples:</b> <b>US Investments</b> Fed. Farm Loan Mortgage Corp. Fed. Home Loan Mortgage Corp. Freddie Mac Gold US Gov. Agency & Instrumentalities US Index Funds US Commercial Paper US Municipals General Obligations Others of similar nature  <b>Puerto Rico Investments</b> AFICA Bonds Freddie Mac Gold Fannie Mae Fed. Home Loan Mortgage Corp. Fed. Farm Loan Mortgage Corp. Puerto Rico Agencies PR GNMA's Corporate Bonds Collateralized Mortgage Obligations Puerto Rico Repurchase Agreements Medium Term Notes PR Tax Exempt Notes PR Conservation Trust PR Government Instrumentalities PR Commercial Paper Money Market PR General Obligations Others of similar nature

**COMMISSIONER OF FINANCIAL INSTITUTIONS  
Puerto Rico Securities Bureau Quarterly Report**

**(This Schedule must be completed by Security Brokers Institutions with current information of transactions occurred during the reporting quarter.)**

**Caption and Instructions**

2. a.	<p><b>(2) Equities:</b>  <b>Definition:</b> Refers to the buying and holding of shares of stock on a stock market by individuals and funds in anticipation of income from dividends and capital gains as the value of the stock rises. It also refers to the acquisition of equity ownership (participations) in a private (unlisted) company or start up (a company newly created). When investment is in infant companies, it is referred as venture capital investing.</p> <p><b>Examples:</b>  Common Stocks of Public and Private trade corporations  Common Stock and any other ownership participations in Banks and Financial Institutions  Preferred Stocks or in similar units of participations of corporations  Ownership participations in Mutual Funds, including variable life insurance, variable annuities, exchange traded funds, unit investments trusts and other similar participations.  Ownership participations in Real Estate Investment Trusts  Ownership participations in Partnerships  Ownership participations in Special Partnerships  Ownership participations in Estates and Trusts</p>
2. a.	<p>Ownership participations in Foreign Index Funds (If purchased in units)  Ownership participations in Venture Capital Companies</p>
2. b.	<p><b>(3) Total</b>  Add amounts reported in line items 2.a.(1) and (2).</p> <p><b>Customer accounts:</b>  <b>Definition:</b> Investment assets owned by clients of the reporting institution which are in custody by the institution itself or by a contracted custodian. Must include residents and nonresidents of Puerto Rico.</p> <p><b>(1) Fixed income Investments:</b>  <b>Definition: Same as in 2.a. (1) above.</b></p> <p><b>(2) Equities:</b>  <b>Definition: Same as in 2.a. (2) above.</b></p> <p><b>(3) Total</b>  <b>Add amounts reported in line items 2.b.(1) and (2).</b></p>

## TO ALL THE FINANCIAL INSTITUTIONS

The Office of the Commissioner of Financial Institutions (OCIF) developed its System of Financial Information (SIF) to centralize all data for the financial sector of Puerto Rico. Circular Letter Number CIF CC-09-02 establishes the requirements of quarterly reports that the financial Institutions must file.

To file, institutions can either develop to their own programming using the format provided by the OCIF, or use the software of one of the following suppliers:

- 1. Wilfredo A. Reyes, Esq., M.A.**  
**DBI Financial System Inc. EASYCALL**  
+1.787.339.6641  
[puertorico@e-dbi.com](mailto:puertorico@e-dbi.com)  
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Bradenton, FL 34280

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Web site: [www.guajasoft.com](http://www.guajasoft.com)

The Office of the Commissioner of Financial Institutions does not have any particular interest in any of the companies previously listed.