



GOVERNMENT OF PUERTO RICO  
OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS

CIRCULAR LETTER NUMBER CFI CC-2022-03

**TO:** ALL FINANCIAL INSTITUTIONS  
**FROM:** NATALIA I. ZEQUEIRA DÍAZ, COMMISSIONER  
**DATE:** OCTOBER 17, 2022  
**RE:** RECOGNIZED SECURITIES MANUALS

**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" ("Act No. 4"), Article 402(b)(2) of Act No. 60 of June 18, 1963, as amended, known as the "Puerto Rico Uniform Securities Act" (Act No. 60) and Section 37.2 of Regulation Number 6078, approved on January 19, 2000, as amended, known as "Regulation under the Uniform Securities Act" (Regulation No. 6078).

**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. The Office administers Act No. 60 which provides the following in Article 402(b)(2):

(b) The following transactions are exempted from Sections 301 and 403 of this Act:

....

(2) Any non-issuer distribution of outstanding securities if:

(A) A recognized securities manual contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date within the preceding eighteen (18) months, and a profit and loss statement for either the fiscal year preceding that date or the most recent year of operations, or

(B) the securities have a fixed maturity or a fixed interest or dividend

NB

provision and there has been no default during the current fiscal year or within the three (3) preceding fiscal years, or during the existence of the issuer and any predecessors if less than three (3) years, in the payment of principal, interest, or dividends on the securities.

Article 37 of Regulation No. 6078 provides a list of recognized securities manuals for purposes of Article 402(b)(2). It also provides that "the Commissioner may, by means of an order to those effects, amend the list when, in his opinion, it does not adequately reflect the situation of the investment industry."

On February 5, 2004, the Commissioner issued Circular Letter CIF CC-04-1 to update the names of the Recognized Securities Manual listed in Section 37.1 of Regulation No. 6078 in order to include the Mergent Manuals and News Report as recognized securities manuals in substitution of the Moody's Manuals mentioned therein. Standard and Poor's Standard Corporation Descriptions was kept as a recognized manual.

In 2016, Standard & Poor's discontinued the publication of its manual. Issuers whose securities trade through the OTCQX and OTCQB markets must, however, provide specific disclosure through the OTC Markets website. The disclosure that is required to participate in these markets includes the information that must be published under the manual exemption and more.

The purpose of this letter is to update the list of securities manuals the Office recognizes for purposes of the exemption provided by Article 402(b)(2) by eliminating the outdated Standard & Poor's Corporation Records manual and by including the OTC website with respect to securities that are included in the OTCQX and OTCQB markets.

### **III. UPDATED TEXT OF SECTION 37.1 OF REGULATION NO. 6078**

In view of the foregoing, the text of Section 37.1 of the Regulation is hereby updated to read as follows:

Section 37.1. The Commissioner recognizes the following manuals, or its electronic equivalent as Recognized Securities Manuals for purposes of article 402(b) (2) of the Act:

1. Mergent's Industrial Manual
2. Mergent's Transportation Manual
3. Mergent's Public Utility Manual
4. Mergent's Bank and Finance Manual
5. Mergent's Municipal and Government Manual
6. Mergent's International Manual
7. Mergent's OTC Industrial Manual
8. OTC website with respect to securities that are included in the OTCQX and OTCQB markets.

13

All the above-mentioned manuals must contain, at least, the information specified on Article 402(b)(2) of Act No. 60.

**IV. Effect of this Letter on Circular Letter CIF CC-04-1**

This Circular Letter supersedes Circular Letter CIF CC-04-1.

**VI. Effectiveness**

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