



GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS

**APPLICATION FOR A PERMIT TO ORGANIZE AN
INTERNATIONAL FINANCIAL ENTITY (“IFE”)**

GENERAL INSTRUCTIONS

1. The application and a copy thereof must be filed with the Office of the Commissioner of Financial Institutions (“OCFI”) at the following address:

Office of the Commissioner of Financial Institutions

Att: Financial Regulation
Centro Europa, Suite 600
1492 Ponce de León Ave.
San Juan, PR 00907

Telephone (787) 723-3131
reglamentacion@ocif.pr.gov

2. Please answer every question. If a question does not apply write N/A in the space provided. If the space available is insufficient, use a separate sheet identifying the exhibit properly.
3. The application must be submitted in original, notarized, along with the required filing fee and additional documents listed in Section 3 of this application. Documents notarized outside the United States, must be accompanied by the corresponding Apostille.
4. No application shall be deemed filed until the filing fee is paid and all the required documents are submitted.
5. For the purposes of this application, “APPLICANT” means the proponent, owner or control person.



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LEGAL BASIS

Puerto Rico Act. No. 273 of September 25, 2012, as amended, known as the “International Financial Center Regulatory Act” (“Act 273”), empowers the Commissioner of Financial Institutions to prescribe the form and content of the application to be filed for a permit to organize an IFE.

1. APPLICATION DATE:

2. GENERAL INFORMATION OF THE PROPOSED IFE:

A. Proposed name of the IFE:

B. Proposed location:

C. Proposed form of organization:

D. Briefly describe the proposed business activities for the IFE, as permitted by Article 10 of Act 273:

E. Name and residency of proposed directors, independent director, principal officers and managers. State the position and the estimated amount of time that they will devote to working for the IFE.

3. INFORMATION OF THE PROPONENTS, OWNERS OR CONTROL PERSONS (“APPLICANT”)

The Applicant must provide information about the identity; personal business and credit history of proponents and any person who possess or control, or intent to possess or control, directly or indirectly, any participation in the capital of the proposed IFE.

A. Exact name, principal address, mailing address, if different, and telephone number of Applicant

B. Authorized representative designated by the Applicant to file this application and to act as its authorized agent with the Commissioner

C. Briefly describe the nature of the Applicant’s business

D. Name of directors and main executive officers of any other Applicant’s affiliates engaged in offshore international financial business

NOTICE

This application is an official document, any misrepresentation or failure to reveal information requested by the Commissioner of Financial Institutions may be deemed to be sufficient cause for the denial or revocation of a permit or license.

The application to establish an International Financial Entity (“IFE”) is divided into two stages. The first stage encompasses the organization of the IFE. Once the Office receives the application, it proceeds to verify that the application is complete and that is accompanied by the corresponding documentation. If the application is incomplete, the Office notifies the applicant and grants thirty (30) days to complete the application. After the applicant submits the complete application with the required documentation, the Office commences to review and analyze the information and proceeds to make the corresponding investigation.

If as part of the evaluation and investigation, the Office determines that it is necessary to request additional documents, the Office will proceed to require the same and will continue with the evaluation after such documentation is submitted.

Once all the documents requested have been submitted as satisfaction of the OCFI, the Office will issue a determination regarding the approval or denial of a permit to organize.

The second stage begins after the permit to organize the IFE is issued and the IFE organizes and its ready to commence operations. Once the OCFI has received, reviewed and analyzed the documents required for this second stage, the OCFI issues a determination regarding the approval or denial of the license. If a license is granted by the OCFI, it is accompanied by a permit to commence operations.

4. ADDITIONAL DOCUMENTS:

Submit herewith as part of this application the following documents:

- A. Business Plan for the proposed IFE. For instructions on the Business Plan, please refer to the Guidelines for Submitting a Business Plan to the Federal Reserve Bank of New York. For those entities with proposed activities related to Blockchain technology and virtual currencies please refer to “OCFI STATEMENT AND GUIDELINES: Availability of IFE Charter under Puerto Rico Act 273-2012 to engage in certain financial activities related to Blockchain technology and virtual currencies”. The IFE shall not operate as a virtual currency or digital asset exchange.
- B. Indicate the number and positions of proposed employees. The IFE must consider that according to Article 4(d) of Act 273, the IFE must employ a minimum of eight (8) full-time employees in its office located in Puerto Rico, two (2) of them will be part of the compliance department or division of the IFE. After the IFE is organized, the IFE must provide a list of employees that contains the names, positions, contact information, email, residency, starting dates, and if the employee is part-time or full time.
- C. Proposed articles of incorporation, articles of organization, bylaws, limited liability company agreement, partnership agreement or any other written document establishing the IFE, as may be applicable.
- D. If the proposed IFE will be organized as a unit of another entity, must include the certification herein attached as **Exhibit A**.
- E. Corporate resolution or equivalent, authorizing the designated person by the Applicant to file this application.
- F. Sworn statements of personal history, including resumes, business history, credit history, financial statement and criminal background checks, for all proposed directors, including independent director, principal executive officers,

including compliance officer, or persons who intend to act in a managerial capacity, and of those who possess or control, or intend to possess or control, directly or indirectly, any shares or interest in the capital of the proposed IFE. Provide specific information about the banking or financial experience of the officers and directors who will manage the IFE.

- G. Copy of the Applicant's audited financial statements for each of the three (3) years preceding the application. The financial statements shall state the applicant's financial condition, including assets, liabilities, capital (balance sheet), results of operations (income statement), and cashflow (statement of cashflow) in conformity with generally accepted accounting principles in the United States or those principles that may be adopted by the public accounting profession.
- H. A bank money order or check, or electronic funds transfer (as per instructions provided by the Commissioner), in the amount of **fifty thousand dollars (USD \$50,000)** payable to the Secretary of the Treasury, as a non-refundable application fee to cover the costs of the initial investigation. Expenses exceeding the fifty thousand dollars (USD \$50,000) incurred by the Commissioner in conducting the initial investigation shall be paid by the Applicant through advanced payment based on the estimate or by agreement with the entities authorized by the Commissioner to conduct the investigation. The Commissioner shall claim the investigation costs to the Applicant.
- I. Provide an Ownership Structure Chart that includes direct and indirect owners of the IFE and which shows all the ultimate beneficiary owners of the proposed IFE. The chart must include the name, the percentage of ownership and residency of each owner.
- J. Explain the organizational structure of the proposed IFE, including the number and title of the employees who will be engaging in the operations. Please include an organizational chart with your explanation.
- K. Proposed manuals for compliance with AML, BSA, USA Patriot Act and OFAC.
- L. Provide evidence of compliance with the minimum **paid in**

capital of ten million (\$10,000,000) including, as applicable, investment contracts, bank statements, confirmation of wire transfers of funds (transfer in and transfer out), confirmation of payment or money received by the IFE, certificate of stocks, among others.

- M. Provide evidence of the availability of funds to provide the unencumbered assets of **one million \$1,000,000 in favor of the OCFI** and the source of such funds.

The applicant hereby agrees that throughout the application process the proponents will:

- N. Notify the Commissioner of Financial Institutions of any change in the information contained herein or in any of the documents submitted with or as part of this application.
- O. Furnish all such additional information and documents with respect to the Applicant as may be requested by the Commissioner of Financial Institutions.

Exhibit A

**CERTIFICATION TO ESTABLISH AN INTERNATIONAL FINANCIAL ENTITY
AS AN UNIT, AS REQUIRED BY ARTICLE 4(c)
OF ACT NUMBER 273 OF SEPTEMBER 25, 2012, AS AMENDED**

The _____ (hereinafter the “_____”), a _____
_____, duly organized and existing under the
(Corporation, Partnership, or Other)

laws of _____, in connection with the application for
a permit to organize an International Financial Entity as its unit, hereby
certifies as follows:

1. The name of the unit to be organized as an international Financial
Entity shall be _____.

2. The principal place of business of the unit in Puerto Rico shall be:

_____, _____
(Street, Number) (City)

3. The name of the authorized representative to organize such unit in
Puerto Rico on behalf of:

(Applicant’s Name)

4. The amount of the authorized and paid-in capital of the applicant
shall be USD\$_____ and USD\$_____, respectively. The
amount of capital to be assigned to the IFE is USD \$_____.

5. The unit is being organized for the following purposes:
(Please describe the nature and scope of the financial activities in
which the proposed unit will be engaged. Use separate sheet if
necessary).

