

(H. B. 398)

(No. 11-2022)

(Approved March 21, 2022)

AN ACT

To amend Section 8 of Act No. 4 of October 11, 1985, as amended, known as the “Financial Institutions Commissioner’s Office Act,” in order to eliminate travel expenses for members of the Financing Board.

STATEMENT OF MOTIVES

Act No. 4 of October 11, 1985, as amended, known as the “Financial Institutions Commissioner’s Office Act,” creates the Financing Board. Said Board is currently composed of nine (9) members, to wit: the Secretary of the Treasury, who shall serve as the Chairperson of the Board, the Commissioner of Financial Institutions, the Secretary of Economic Development and Commerce, the Secretary of Consumer Affairs, the President of the Economic Development Bank for Puerto Rico, the Chairperson of the Planning Board, the President of the Government Development Bank for Puerto Rico, the Chairperson of the Planning Board, the President of the Government Development Bank for Puerto Rico, the Executive President of the Public Corporation for the Supervision and Insurance of Cooperatives of Puerto Rico, and the Insurance Commissioner.

The Financing Board is empowered to fix, regulate, increase, or reduce the maximum interest rates or charges applicable to certain financial transactions within the scope of any sector, area, or activity of the island not covered by special laws, with the exception of Section 14 of Act No. 55 of May 12, 1933, as amended, including the interest payable on deposits in banking institutions and financial institutions, but subject to, and in accordance with, certain rules.

Moreover, said Act provides for the travel expenses of any of the Financing Board members acting as its representative to be paid in accordance with the regulations adopted by the Board to that effect. However, the current reality of the Commonwealth of Puerto Rico requires reducing government expenditures so that the available resources may be allocated for establishing a swift and efficient government, whose main goal is the economic and social development of Puerto Rico. For all of the foregoing, this Legislative Assembly deems it necessary to amend Section 8 of Act No. 4, *supra*, in order to eliminate travel expenses for members of the Financing Board.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- Section 8 of Act No. 4 of October 11, 1985, as amended, known as the “Financial Institutions Commissioner’s Office Act,” is hereby amended to read as follows:

“Section 8.- Financing Board

(a) The Financing Board is hereby created within the Office of the Commissioner, to be composed of nine (9) members, including the Commissioner.

(b) The other members are: the Secretary of the Treasury, who shall act as the Chairperson of the Board, the Secretary of Economic Development and Commerce, the Secretary of Consumer Affairs, the President of the Economic Development Bank for Puerto Rico, the Chairperson of the Planning Board, the Executive Director of the Puerto Rico Fiscal Agency and Financial Advisory Authority, the Executive President of the Public Corporation for the Supervision and Insurance of Cooperatives of Puerto Rico and the Insurance Commissioner.

Said Board is hereby empowered to fix, regulate, increase, or reduce, by regulations and for the time deemed necessary, the maximum interest rates or charges applicable to specific financial transactions within the scope of any sector, area, or activity of the island not covered by special laws, with the exception of

Section 14 of Act No. 55 of May 12, 1933, as amended, including the interest payable on deposits in banking institutions and financial institutions, but subject to, and in accordance with, the following rules:

(1) ...

(2) ...

(c) The Chairperson shall call Board meetings as necessary, upon notice, within not less than twenty-four (24) hours in advance. Four (4) of its members shall constitute a quorum, in which calculation the participation of the Secretary of the Treasury and the Commissioner shall always be taken into account. Board members shall be entitled to participate in any meeting by means of telephone conferencing, or other means of communication, through which all the persons participating in the meeting may listen to each other simultaneously. The participation of the Board in the manner described above shall constitute attendance to said meeting. In every determination made by the Board there must be a quorum and it shall be approved by the affirmative vote of a majority of the members of the Board present. In the event that an affirmative vote of a majority of the Board members present cannot be obtained because of a tie vote, the proposal under discussion shall be defeated. The Board may also issue determinations by means of a referendum. The approval of a determination by means of a referendum requires the affirmative vote of a majority of the members of the Board.

(d) No member of the Board shall take part in the deliberations and decisions on any matter related to any corporation, partnership, unincorporated association, or person who is an interested party or who was or has been an officer, director, partner, employee, member, or shareholder thereof, at any time during the previous three (3) years. A member may disqualify him/herself from participating in the deliberations and decisions for any other reason that he/she or the Board deems justified.

(e) Any technical, legal, or clerical assistance that may be needed by the Board shall be furnished by the Commissioner.”

Section 2.- Effectiveness

This Act shall take effect upon its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 11-2022 (H. B. 398)** of the **3rd Regular Session** of the **19th Legislative Assembly of Puerto Rico**:

AN ACT amend Section 8 of Act No. 4 of October 11, 1985, as amended, known as the “Financial Institutions Commissioner’s Office Act,” in order to eliminate travel expenses for members of the Financing Board.

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, on this 7th day of October, 2022.

Mónica Freire-Florit, Esq.
Director