Section 8.—Section 3 of Act No. 26 of April 12, 1941, known as the Land Law, as amended is hereby repealed.

Section 9.—This Act, being of an urgent and necessary character, shall take effect July 1, 1950.

Approved, May 15, 1950.

[No. 430]
[Approved, May 15, 1950]

AN ACT

TO AMEND SECTIONS 3, 8, 9, 14, 17, 24, 27, 28, 29 AND 37, TO REPEAL SECTIONS 12 AND 13, TO ADD A NEW PARAGRAPH TO SECTIONS 33 AND 34 AND ADD THREE NEW SECTIONS WHICH SHALL BE NUMBERED 36(a), 36(b) AND 37(a) TO ACT No. 55, APPROVED MAY 12, 1933, KNOWN AS THE “BANKING LAW”, AS AMENDED.

Be it enacted by the Legislature of Puerto Rico:

Section 1.—Section 3 of Act No. 55, approved May 12, 1933, known as the “Banking Law”, as said Section was last amended by Act No. 199 approved May 15, 1938, is hereby amended to read as follows:

“The following shall be the definitions that for the purposes of this Act shall be given to the terms stated below:

The term “bank”, for the purposes of this Act, means a domestic corporation with sufficient capital, authorized by law to receive deposits of money or securities, to open credits and accounts current and savings accounts, to make loans, to discount drafts, notes or other negotiable paper, to purchase and sell drafts, to trade in gold and silver, and, in general to engage in all kinds of banking transactions.

The term “foreign bank” means a corporation organized for the purpose of engaging in the banking business under the laws of another Territory or State, or of the United States, or of a foreign country, operating a bank and doing business at the place of its incorporation, and which has been authorized to operate in Puerto Rico under the provisions of this Act.

LEYES DE PUERTO RICO

Sección 8.—Por la presente se deroga el Artículo 3 de la Ley Núm. 26 del 12 de abril de 1941, según enmendada y conocida como la “Ley de Tierras.”

Sección 9.—Esta Ley, por ser de carácter urgente y necesario, comenzará a regir el día 1 de julio de 1950.

Aprobada en 15 de mayo de 1950.

[Número 430]
[Aprobado en 15 de mayo de 1950]

LEY

PARA ENMENAR LAS SECCIONES 3, 8, 9, 14, 17, 24, 27, 28, 29 Y 37, DEBERÁN LAS SECCIONES 12 Y 13, AGREGAR UN NUEVO PÁRRAFO A LAS SECCIONES 33 Y 34 Y AGREGAR TRES NUEVAS SECCIONES DESIGNADAS 36(a), 36(b) Y 37(a), A LA LEY NúM. 55, APROBADA EN 12 DE MAYO DE 1933, CONOCIDA COMO “LEY DE BANCOS”, SEGÚN HA SIDO ENMENDADA.

Decrétase por la Asamblea Legislativa de Puerto Rico:

Artículo 1.—La Sección 3 de la Ley Núm. 55, aprobada en 12 de mayo de 1933, conocida como “Ley de Bancos”, según dicha sección fuera últimamente enmendada por la Ley Núm. 199, aprobada en 15 de mayo de 1938, queda por la presente enmendada de manera que lea como sigue:

“Sección 3.—Las siguientes serán las definiciones que, a los efectos de esta Ley, se darán a los términos que a continuación se expresan:

Se entiende por “Banco”, a los efectos de esta Ley, una corporación doméstica con suficiente capital, autorizada por la ley para recibir depósitos en efectivo o valores, abrir créditos y cuentas corrientes y de ahorros, hacer préstamos, descontar giros, pagarés u otra clase de valores negociables, comprar y vender giros, traficar en oro y plata, y en general en toda clase de negocios bancarios.

Se entiende por “Banco Extranjero” una corporación organizada con el propósito de dedicarse a negocios bancarios, bajo las leyes de otro territorio o estado, o de los Estados Unidos, o de un país extranjero, que mantenga un banco y haga negocios en el lugar de su incorporación, y que haya sido autorizado para operar en Puerto Rico de acuerdo con las disposiciones de esta Ley.
The term "reserve fund" means a fund formed or increased either by assessment on the stockholders or by transfer of net profits or of the undivided profits of the bank, and such fund may not be used for the purpose of paying the expenses of the bank while there is any available balance in the undivided profits account, nor for the payment of dividends if such payment reduces the reserve fund to less than the amount of capital stock, or if such payment reduces the capital stock and reserve fund to less than ten (10) per cent of the total deposits.

The term "legal reserve" means the sum which all banks shall at all times have available for the payment of their demand liabilities.

The term "demand liabilities" means all such obligations as a bank is obliged to pay within a term of not more than three days.

The term "savings accounts" means all accounts where in accordance with the rules printed in the pass book delivered to the depositor at the time of opening such account, and which the depositor accepts de facto, it is indispensable to present the pass book every time funds are deposited or withdrawn, and where the bank may at any time require the depositor to give more than thirty days previous notice of any withdrawal of funds that such depositor may intend to make."

Section 2.—Section 8 of said Banking Law, as said Section was last amended by Act No. 74, approved May 12, 1936, is hereby amended to read as follows:

"Section 8.—No bank shall be organized and established in Puerto Rico with a capital stock under $200,000 and a reserve fund of $40,000 in towns having a population of 50,000 or more; $100,000 and a reserve fund of $20,000 in towns having a population of from 6,000 to 50,000; and $50,000 and a reserve fund of $10,000 in towns having a population less than 6,000; It being understood, That this provision shall not be applicable to banks already existing in Puerto Rico. The capital stock as well as the reserve fund shall be paid in cash, and both payments shall be certified to the Treasurer of Puerto Rico before authorizing the bank to begin operations."
Section 3.—Section 9 of the aforementioned Banking Law, as said Section was last amended by Act No. 6, approved June 3, 1948, is hereby amended to read as follows:

"Section 9.—The capital stock of each bank shall be divided into shares of one hundred (100) dollars each, or into such shares of lesser amount as may be provided in the articles of incorporation, and shall be transferable on the books of the bank in such manner as may be prescribed in its by-laws or articles of incorporation. Every person becoming a shareholder by such transfer shall, in proportion to his shares, succeed to all rights and liabilities of the prior holder of such shares; and no change shall be made in the articles of incorporation by which the rights or security of the existing creditors of the bank shall be impaired."

Section 4.—Sections 12 and 13 of the aforementioned Banking Law, as the latter Section was last amended by Act No. 74, approved May 12, 1936, are hereby repealed.

Section 5.—Section 14 of the aforementioned Banking Law, as said Section was last amended by Act No. 10, approved September 3, 1938, is hereby amended to read as follows:

"Section 14.—In addition to the express general powers, the incidental powers, and the powers conferred upon domestic corporations under the laws of Puerto Rico, which are necessary to carry out the banking business, every bank and foreign bank, through its board of directors, officers or authorized agents, shall have power to:

(a) Purchase, sell, discount, and negotiate bills of exchange, drafts, promissory notes, and other negotiable paper; to make loans for a specified term to natural or artificial persons, on personal, collateral or mortgage security, or secured by goods in warehouse or standing crops; to contract loans and advances with the Insular Government, municipal corporations or other dependencies of the Insular Government; Provided, that when the loan is secured by a mortgage on real property the aggregate total of such loans may not exceed the aggregate total paid in capital stock and the reserve fund of the bank, nor exceed the aggregate total of its deposits in savings accounts and term accounts, whichever is greater; And provided further, that this..."
limitation is not applicable when a mortgage is given by a borrower as additional and secondary collateral and merely to secure the loan in last instance, nor is it applicable to loans secured under the “National Housing Act”, provided there exists a binding obligation on the part of the federal government, or any of its agencies, to buy such loans. When the loan is a personal loan, it shall be within the powers of the bank to determine, in each case, whether the note shall bear one or more signatures.

(b) Receive deposits; keep accounts current without interest.

(c) Buy and sell drafts and deal in gold and silver; receive securities on deposit, and make collections and payments for account of others.

(d) To borrow, with a temporary character, an amount not exceeding one hundred (100) per cent of its paid-in capital stock and reserve fund. Any bank making this kind of loan may pledge assets in an amount which shall not exceed one hundred twenty (120) per cent of the loan; Provided, that this limitation shall not be applicable to loans secured by bonds of the United States of America or of The People of Puerto Rico, of the authorities, instrumentalities, or dependencies of the Insular Government, or of municipalities in Puerto Rico; Provided, further, that the Treasurer of Puerto Rico may authorize loans in excess of this amount and may also exclude the bonds of the authorities of the Insular Government or the municipalities of Puerto Rico, with the approval of the Governor, when, in his judgment, the same do not fulfill the necessary security requisites and may also authorize, when special circumstances so justify, the pledging of assets up to amounts exceeding one hundred twenty (120) per cent of the sum borrowed. Any pledge in excess of this sum shall be void. No bank shall borrow money for the purpose of lending it in turn, but none of these provisions shall be construed in the sense of preventing a bank from borrowing money secured by government bonds or rediscourting or from endorsing in good faith its negotiable securities, without any limitation. No bank may issue deposit certificates for the purpose of borrowing money.

(e) Buy and sell bonds, securities and other evidences of indebtedness of the Government of the United States, or which
are wholly secured, directly or indirectly, by said Government, and bonds, securities and other evidences of indebtedness of the Insular Government, and current debt bonds not in default of the authorities, instrumentalties or dependencies of the Insular Government or the municipalities of Puerto Rico or of any state of the United States or municipalities and quasi-municipalities of any state of the United States, the interest of which is not in arrears; and to buy and sell, without further liability, obligations which represent debts of any person, society, partnership or corporation in form of bonds, promissory notes, or "debentures", known as "investment securities", subject to the additional definition of the term "investment securities" that the Treasurer of Puerto Rico may prescribe, and to such limitation of the aggregate total of said investment securities, debtor or mutuaria, as the Treasurer may determine.

(f) To become a member of the Federal Deposit Insurance Corporation meeting all the requirements contained in the Act creating said Corporation, and of the Federal Reserve Bank System.

(g) Any bank may accept drafts or bills of exchange drawn against itself and having a maturity date not exceeding six months and which are a result of transactions involving the importing or exporting of articles of commerce, or which result from transactions involving the shipping of articles of commerce within the territory of Puerto Rico or to Continental United States and its territories or from Continental United States and its territories, but no bank shall accept such drafts or bills of exchange in favor of any person, company, firm or corporation in a sum that in the aggregate exceeds ten (10) per cent of its unimpaired paid in capital stock and reserve fund, unless the bank is secured by the shipping documents transferring or securing the right over the merchandise, and these documents are annexed to said drafts or bills of exchange when the acceptance is issued, or unless they are secured, on acceptance, by the warehouse receipts or any other document evidencing title and right to current staples easily salable, in which case the banks may accept such drafts or bills of exchange up to a sum equivalent to one-half of their unimpaired paid-in capital stock and its reserve fund; Provided, however, that the Treasurer of Puerto Rico may, by regulations applicable to all banks equally, without completamente garantizados, directa o indirectamente, por dicho Gobierno, y bonos, valores y otros comprobantes de deuda del Gobierno Insular y bonos corrientes de deuda, que no estén en descubierto, de las autoridades, instrumentalidades o dependencias del Gobierno Insular o de los municipios de Puerto Rico o de cualquier estado de los Estados Unidos o de municipios y cuasi-municipios de cualquier estado de los Estados Unidos cuyo interés no esté atrasado, y comprar y vender sin ulterior responsabilidad obligaciones que representen deuda de cualquiera persona, sociedad, asociación o corporación en forma de bonos, pagarés o 'debentures', conocidas como 'valores de inversiones' sujetos a la definición adicional del término 'valores de inversiones' que dicte el Tesorero de Puerto Rico y bajo la limitación del montante total de tales valores de inversiones, deudor o mutuario, que dicte el Tesorero.

(f) Hacerse miembro de la Corporación Federal de Seguro de Depósitos (Federal Deposit Insurance Corporation) cumpliendo con todos los requisitos que contiene la Ley de dicha Corporación, y del Sistema de Bancos de la Reserva Federal.

(g) Cualquier banco puede aceptar giros o letras de cambio a su cargo que tengan un vencimiento de no más de seis meses y que resulten de transacciones en las que estén envueltas la importación o exportación de artículos de comercio; o que resulten de transacciones en que esté envuelto el embarque de artículos de comercio dentro del territorio de Puerto Rico o a los Estados Unidos continentales y a sus territorios, o de los Estados Unidos continentales y de sus territorios, pero ningún banco aceptará tales giros o letras de cambio a favor de persona, compañía, firma o corporación alguna por una suma que en su totalidad exceda de 10 por ciento de su capital pagado y su fondo de reserva inquebrantados a menos que el banco esté garantizado con los documentos de embarque traspasando o garantizando el derecho sobre la mercancía y éstos estén adheridos a dichos giros o letras de cambio cuando se expida la aceptación, o estén garantizados, al ser aceptados con recibo de almacén o cualquier otro documento que evidencie el título y derecho a artículos corrientes de consumo vendibles con facilidad, en cuyo caso los bancos podrán aceptar tales giros o letras de cambio hasta una suma igual a la mitad de su capital pagado e inquebrantado y su fondo de reserva; Disponiéndose, sin embargo, que el Tesorero de Puerto Rico podrá mediante reglamentación aplicable a todos los bancos por igual, sin tener en cuenta el montante de
taking into account the amount of their capital stock and reserve fund, authorize the banks to accept such documents up to a sum of not to exceed one hundred (100) per cent of their unimpaired paid-in capital stock and their reserve fund.

(h) Purchase, hold, and receive by conveyance any real property for the following purposes, but for no others:

First.—Such as may be necessary for its accommodation in the transaction of its business, and for offices for hire in the same building;

Second.—Such as may be necessary for residence of its employees;

Third.—Such as shall be conveyed to it in satisfaction of personal or mortgage debts previously contracted in the course of its dealings;

Fourth.—Such as may be purchased or acquired at sales under judgments, decrees, or mortgages held by the bank, or as may be purchased or acquired to secure debts due to it;

But no bank or foreign bank shall hold for a period longer than five years any real property acquired by virtue of the provisions of subdivisions third and fourth of this clause; Provided, That in the case of property already acquired by the bank or foreign bank, such term shall count from August 10, 1933; and provided further, That after the lapse of said five years, if the bank or foreign bank has not disposed of said property, the Treasurer of Puerto Rico may sell the same at public auction and turn over to it the next proceeds of the sale, fixing as the minimum price thereof the official assessed value of the property to be so sold; Provided, further, That no bank may without the approval of the Treasurer of Puerto Rico, (1) invest in real property for the bank and for residence of its employees, or in shares, bonds, “debentures” or other obligations of any corporation owning the premises of the bank; or (2) make loans to, or with the security of shares in such corporation, if the aggregate total of such investments and loans exceeds the amount of fifty (50) per cent of the paid-in capital stock of the bank.

(i) Establish branches in Puerto Rico, in the Continental United States and its possessions or in foreign countries, as may be deemed convenient to the interests of the bank; Provided,
That no bank may establish branches in Puerto Rico, in the Continental United States and its possessions, or in foreign countries, without having first obtained the written approval of the Treasurer of Puerto Rico. As soon as the Treasurer of Puerto Rico receives a written application from any bank to establish a branch, he shall make such investigations as he may deem necessary to ascertain whether the opening of such branch will be of public benefit, and whether such bank has capital sufficient for the establishment of said branch.

(j) Establish and conduct a savings department.

(j-a) To take, accept and comply with or execute all kinds of trusts that may lawfully be committed to it, acting as trustees in all cases prescribed by law, receiving deposits of money in trust for any special and specific purpose whatever, and, in general, to carry out all kinds of trust transactions with ample power and authority; It being understood, That in order to carry out these acts, the bank shall previously deposit with the Treasurer of Puerto Rico a $10,000 bond, in bonds of the Insular, Municipal or Federal Government, and the Treasurer shall, upon receipt of said bond, issue a license to said bank in order that it may act as trustee in all such trusts as are granted or committed to it; Provided, That all banks shall obtain the prior approval of the Treasurer of Puerto Rico in each case in which they are going to act as trustees, and shall also comply with all such orders, rules and regulations as may be prescribed by the Treasurer of Puerto Rico in connection with this class of transactions; And provided, further, That this Act in no way changes or alters the provisions and responsibilities established by Act No. 40, entitled "An Act to provide for the incorporation and regulation of trust companies, and for other purposes", approved April 23, 1928.

(k) And transact any other business proper of this class of institutions.

But no bank shall transact any business except such as is incidental, necessary and preliminary to its organization, until it has been duly authorized by the Treasurer of Puerto Rico to commence the business of banking."

Section 6.—Section 17 of the aforementioned Banking Law, as said Section was last amended by Act No. 4, approved August 19, 1948 is hereby amended to read as follows:

banko podrá abrir sucursales en Puerto Rico, en los Estados Unidos continentales y sus posesiones, o en el extranjero, sin antes obtener la aprobación por escrito del Tesorero de Puerto Rico. Tan pronto como el Tesorero de Puerto Rico reciba solicitud por escrito de cualquier banco para abrir una sucursal, hará las investigaciones que él crea necesarias para averiguar si la apertura de tal sucursal será de beneficio público, y si el banco tiene capital suficiente para el establecimiento de tal sucursal.

(j) Abrir y llevar un departamento de ahorros.

(j-a) Tomar, aceptar y cumplir o ejecutar toda clase de fideicomisos que legalmente se le confíen, actuando como fiduciario (trustee) en todos los casos prescritos por la ley, recibiendo depósitos de dinero en fideicomiso, con cualquier fin o propósito especial y determinado y en general realizar toda clase de negocios de fideicomiso con amplios poderes y facultades; Entendiendoase, que para poder realizar estos actos el banco deberá previamente consignar una fianza de $10,000 en bonos del Gobierno Insular, Municipios o del Gobierno Federal, en poder del Tesorero de Puerto Rico, quien le expedirá una vez consignada esa fianza una licencia para poder actuar como fiduciario (trustee) en todos aquellos fideicomisos que se le otorguen o confíen; Disponiéndose, que los bancos deberán obtener la previa aprobación del Tesorero de Puerto Rico en cada caso en que vayan a actuar como fiduciarios y deberán además, cumplir con todas las órdenes, reglas y reglamentos que prescribe el Tesorero de Puerto Rico en relación con esta clase de transacciones; Y, disponiéndose, además, que esta Ley en nada varía ni altera las disposiciones y responsabilidades establecidas en la Ley No. 40, titulada 'Para disponer la incorporación y reglamentación de compañías de fideicomiso, y para otros fines', aprobada en 23 de abril de 1928.

(k) Y realizar cualquier otra operación propia de la índole de estas instituciones.

Pero ningún banco podrá hacer operaciones hasta que haya sido debidamente autorizado para comenzar sus negocios por el Tesorero de Puerto Rico, excepto aquéllos que sean necesarios e incidentales y preliminares a su organización."

Artículo 6.—La Sección 17 de la referida Ley de Bancos, según dicha sección fuera últimamente enmendada por la Ley Núm. 4, aprobada en 19 de agosto de 1948, queda por la presente enmendada de manera que lea como sigue:
"Section 17.—No bank or foreign bank may make to any one person, firm, partnership or corporation, one or more loans or discounts totalling more than fifteen (15) per cent of the paid-in capital and reserve fund of such bank, nor shall it accept the security of any one person, firm, partnership, or corporation in an amount exceeding fifteen (15) per cent of its paid-in capital stock and reserve fund; Provided, That this restriction shall not apply to loans or discounts secured by collateral worth at least twenty-five (25) per cent more than the amount of the loan nor to the discount of bills of exchange, provided such loans so secured by said collateral and such discounts of bills of exchange issued under such conditions do not exceed thirty-three and one third (33 1/3) per cent of the paid-in capital of the bank, plus its reserve fund, including the loans or discounts referred to in the first part of this section; Provided, That in the application of these limitations the total amount of the loans and discounts made to any one person, firm or corporation, plus the loans on which the same person, firm or corporation, is security, shall not exceed, in all, the thirty-three and one third (33 1/3) per cent hereinbefore mentioned; Provided, further, That when the loan is secured by a mortgage on real property the total sum of such loans may not exceed the total of the paid-in capital and reserve fund of the bank, nor the total of its deposits on savings accounts and term accounts, whichever is the larger. These limitations are not applicable to the purchase by the bank of drafts or notes accepted by other banks under the provisions of paragraph (g) of Section 14, nor to loans secured by a collateral of sugar in warehouse or to the discount of bills of exchange, with their shipping documents, covering sugar, provided the total amount of such loans made to the same natural or artificial person does not exceed fifty (50) per cent of the paid-in capital stock plus its reserve fund; Provided, That the Treasurer of Puerto Rico shall, in cases of emergency, reduce or increase said fifty (50) per cent.

In the cases in which capital notes or capital debentures have been issued for the purpose of strengthening the capital of any institution organized in accordance with the Banking Law, such funds shall be considered capital stock, as said term is used

"Sección 17.—Ningún banco o banco extranjero podrá hacer a una misma persona, firma, sociedad, o corporación uno o más préstamos o descuentos que totalicen una cantidad mayor del quince (15) por ciento del capital realizado y fondo de reserva de dicho banco, ni admitirá la garantía de una persona, firma, sociedad o corporación por una cantidad que exceda del quince por ciento de su capital realizado y fondo de reserva; Disponiéndose, que esta restricción no será aplicable a préstamos o descuentos garantizados con colaterales que valgan por lo menos veinticinco (25) por ciento más que el importe del préstamo, ni al descuento de letras de cambio siempre que tales préstamos así asegurados con dichas colaterales y tales descuentos de letras de cambio libradas en esas condiciones no excedan del treinta y tres y un tercio (33 1/3) por ciento del capital realizado del banco más su fondo de reserva, incluyendo los préstamos o descuentos a que se hace referencia en la primera parte de esta sección; Disponiéndose, que en la aplicación de estas restricciones, el total de préstamos y descuentos hechos a una persona, firma o corporación, más los préstamos en los cuales la misma persona, firma o corporación sea un garantizador, no excederá en junio al treinta y tres y un tercio (33 1/3) por ciento mencionado anteriormente; Disponiéndose, además, que cuando el préstamo esté garantizado con hipotecas sobre bienes inmuebles la suma total de tales préstamos no podrá exceder la totalidad del capital realizado y fondo de reserva del banco, ni podrá exceder la totalidad de sus depósitos en ahorro y a plazo, cualesquiera sea la mayor. Estas restricciones no son aplicables a la compra por el banco de giros o letras aceptadas por otros bancos bajo las disposiciones del párrafo (g) de la Sección 14, ni a préstamos garantizados con colateral de azúcar en almacén, ni al descuento de letras de cambio con sus documentos de embarque cubriendo azúcar, siempre que el total de tales préstamos a una misma persona, natural o jurídica, no exceda del cincuenta (50) por ciento del capital realizado del banco más el fondo de reserva; Disponiéndose, que el Tesorero de Puerto Rico podrá en casos de emergencia, reducir o aumentar dicho cincuenta (50) por ciento.

En aquellos casos en que se hayan emitido 'Capital Notes' o 'Capital Debentures' con el fin de reforzar el capital de cualquiera institución organizada de acuerdo con la Ley de Bancos, tales fondos serán considerados capital, según se usa dicho voca-
in Sections 8 and 9 of the Banking Law; Provided, however, That such capital notes or capital debentures shall be shown and designated separately in all the statements of conditions which are published; Provided, That such capital notes and capital debentures shall not be subject to the payment of taxes; And provided, further, That any violation of these provisions shall be sufficient reason for the cancellation of the license of the bank or foreign bank guilty of such violation.

Any person, partnership, or corporation, and the affiliates of any of them, shall be deemed 'a single person, partnership or corporation' for the purposes of this paragraph, only when the corporations and partnerships own between them, or any one of them owns, over fifty (50) per cent either of the total capital stock of the other, or of the voting stock of such corporation or partnership, or over fifty (50) per cent of the capital of the other partnership; and when the same natural person owns over fifty (50) per cent of the partnership capital of a firm or partnership, or over fifty (50) per cent of the voting stock of a corporation, and in no other case.

No domestic bank hereinafter organized or established or which commences the business of banking in Puerto Rico shall, during the first three (3) years of its operation, invest on loans and discounts, a sum exceeding its available capital plus fifty (50) per cent of the money of the depositors, with the exception of the deposits of public funds secured by collateral. For the purposes of this paragraph, the term 'available capital' shall mean the total paid-in capital plus the reserve fund minus the book value of the bank building and its accessories and any other property belonging to the institution; Provided, that for the application of this provision, account shall be taken of unexpected withdrawals of funds by depositors; And provided, further, that in the course of said first three years and as circumstances may warrant, the Treasurer may authorize an increased proportion of loans in relation to deposits; And provided, finally, that the remaining fifty (50) per cent of the money of the depositors, or the balance remaining in case the Treasurer authorizes an increased proportion of loans in relation to deposits, shall be invested in a secondary reserve, in cash, or other liquid securities, as the Treasurer may approve.
in short-term obligations; the latter being obligations of the Federal Government, the Government of Puerto Rico, the instrumentalities thereof, or of any municipality of Puerto Rico. The directors or the manager of any domestic bank who violate any of the provisions of this paragraph, shall be guilty of a misdemeanor and shall be punished by a fine of not less than one thousand (1,000) dollars or by imprisonment in jail for a term of not less than one (1) year.

No bank or foreign bank shall make loans or discounts secured by its own stock, nor shall it purchase and hold its own stock, unless such security or purchase is necessary to prevent losses because of a debt previously contracted in good faith; and the stock so purchased or acquired shall be sold at public or private sale within a term of one year from the date of purchase. The directors or the manager of any bank or foreign bank who violate any of the provisions of this paragraph, shall be guilty of a misdemeanor, and shall be fined in an amount equal, at least, to the par value of the stock purchased or acquired in violation of such provisions.

No bank or foreign bank, or any director, officer, agent or employee thereof shall purchase, or be in any way directly or indirectly interested in the purchase of any promissory note or other negotiable paper issued by said bank (shares and bonds issued by said bank excepted) for a lesser sum than that for which it is drawn, or for less than the market value. Any bank or foreign bank or person violating this provision shall be deemed guilty of a misdemeanor, and punished by a fine in a sum amounting at least to three times the face value of the document so purchased.

Except as hereinafter provided in this paragraph, no officer of a bank or foreign bank, and no firm, partnership, or corporation of which said officer may be a partner, who directly or indirectly owns or controls twenty (20) per cent or more of the partnership capital of said firm or partnership, or shareholder who directly or indirectly owns or controls twenty (20) per cent or more of the voting stock of said corporation, may obtain a loan or make any discounts with said bank or foreign bank, as debtor, drawer, acceptant, endorser, maker, or security.
in short-term obligations; the latter being obligations of the Federal Government, the Government of Puerto Rico, the instrumentalities thereof, or of any municipality of Puerto Rico. The directors or the manager of any domestic bank who violate any of the provisions of this paragraph, shall be guilty of a misdemeanor and shall be punished by a fine of not less than one thousand (1,000) dollars or by imprisonment in jail for a term of not less than one (1) year.

No bank or foreign bank shall make loans or discounts secured by its own stock, nor shall it purchase and hold its own stock, unless such security or purchase is necessary to prevent losses because of a debt previously contracted in good faith; and the stock so purchased or acquired shall be sold at public or private sale within a term of one year from the date of purchase. The directors or the manager of any bank or foreign bank who violate any of the provisions of this paragraph, shall be guilty of a misdemeanor, and shall be fined in an amount equal, at least, to the par value of the stock purchased or acquired in violation of such provisions.

No bank or foreign bank, or any director, officer, agent or employee thereof shall purchase, or be in any way directly or indirectly interested in the purchase of any promissory note or other negotiable paper issued by said bank (shares and bonds issued by said bank excepted) for a lesser sum than that for which it is drawn, or for less than the market value. Any bank or foreign bank or person violating this provision shall be deemed guilty of a misdemeanor, and punished by a fine in a sum amounting at least to three times the face value of the document so purchased.

Except as hereinafter provided in this paragraph, no officer of a bank or foreign bank, and no firm, partnership, or corporation of which said officer may be a partner, who directly or indirectly owns or controls twenty (20) per cent or more of the partnership capital of said firm or partnership, or shareholder who directly or indirectly owns or controls twenty (20) per cent or more of the voting stock of said corporation, may obtain a loan or make any discounts with said bank or foreign bank, as debtor, drawer, acceptant, endorser, maker, or security,
and said bank or foreign bank may not grant such loan or authorize such discount. Notwithstanding the provisions contained herein, any officer of a bank or foreign bank may obtain loans in said bank or foreign bank not exceeding a total of one thousand five hundred (1,500) dollars, but such loans shall be made by the previous unanimous approval of the directors present at the respective meeting of the board of directors of the bank or foreign bank, a quorum of at least seventy-five (75) per cent of the total number of directors being required at the meeting at which such loans are considered. For the purposes of this paragraph any executive officer of a bank or foreign bank who receives compensation as such officer and is empowered to grant loans or authorize discounts, shall be deemed ‘an officer’ of a bank or foreign bank.

Except as hereinafter provided in this paragraph, no executive officer of a bank or foreign bank, not included within the term ‘officer’ as defined in the preceding paragraph, and no director or employee of a bank or foreign bank, and no shareholder who directly or indirectly owns or controls twenty (20) per cent or more of the paid-in capital stock of said bank or foreign bank, and no firm, partnership or corporation of which said executive officer, director, shareholder, or employee may be a partner, who directly or indirectly owns, or controls twenty (20) per cent or more of the partnership capital of said firm or partnership; or shareholder who directly or indirectly owns or controls twenty (20) per cent or more of the voting stock of said corporation, may obtain a loan or make any discounts with said bank or foreign bank, as debtor, drawer, acceptant, endorser, maker, or security, and such bank or foreign bank may not grant such loan or authorize such discount, without the unanimous approval of the directors present, a quorum of at least seventy-five (75) per cent of the total number of directors being required at the meetings of the board of directors at which such loans or discounts are considered. Notwithstanding the provisions herein contained, any employee of a bank or foreign bank may obtain a loan in said bank or foreign bank without requirement of the said approval of the directors of a said bank or foreign bank, when such loan does not exceed five hundred (500) dollars. Notice of any loan or discount which
may be approved by the Board of Directors of any bank or foreign bank, according to the provisions of this paragraph and of the preceding paragraph shall be given by said bank or foreign bank to the Treasurer of Puerto Rico with all the details of the transactions, immediately after said transaction is executed. Any director, officer, or agent of a bank or foreign bank who authorizes or grants a loan or discount in violation of the provisions of any of the two preceding paragraphs, shall be guilty of a misdemeanor, and shall, upon conviction, be punished by a fine equal to double the amount of the loan or discount, or by imprisonment in jail for a term of not to exceed two (2) years, or by both penalties, in the discretion of the court."

Section 7.—Section 24 of the aforementioned Banking Law, as said section was last amended by Act No. 74, approved May 12, 1936, is hereby amended to read as follows:

"Section 24.—The management of banks shall be under the control of a board of directors elected at a general meeting of the stockholders. The board of directors shall consist of at least five members who shall hold office for a term of not less than one year and until their successors have been elected and have qualified. Any member of the board of directors may be reelected.

One of the directors shall be elected president, either by the other directors or at a general meeting of the stockholders, as may be determined by the by-laws, and shall hold office until his term as director shall expire or until his successor has been elected. One or more vice-presidents shall be elected in the same manner, and subject to the same conditions as to term of office.

The board of directors may, for the purposes of attending, under its authority to the management of the bank, appoint in addition to such officers and employees as are authorized by this Act, executive or administrative officers whom it may designate by the title of vice-presidents, concerning whom it shall not be necessary that the condition of director concur and who shall hold their offices as may be provided by the by-laws or by resolution of the board of directors.

All meetings of the board of directors shall be held at the main office of the bank, and no meeting shall be lawfully or-

Todo préstamo o descuento que fuere aprobado por la Junta Directiva de un banco o banco extranjero conforme a las disposiciones de este párrafo y del párrafo que precede, será notificado por dicho banco o banco extranjero al Tesorero de Puerto Rico con todos los pormenores de la operación, inmediatamente después de formalizada la misma. Cualquier director, oficial o agente de un banco o banco extranjero que autorizare o concediere un préstamo o descuento en contravención a las disposiciones de cualquiera de los dos párrafos precedentes, será culpable de delito menos grave (misdemeanor) y convicto que fuere, será castigado con multa igual a dos veces el importe del préstamo o descuento, cárcel por un término no mayor de dos (2) años, o ambas penas a discreción del tribunal."

Artículo 7.—La Sección 24 de la referida Ley de Bancos, según dicha sección fuera últimamente enmendada por la Ley Núm. 74, aprobada en 12 de mayo de 1936, queda por la presente enmendada de manera que lea como sigue:

"Sección 24.—La administración de los bancos estará bajo la autoridad de una junta de directores, elegidos por la Junta General de Accionistas. La junta de directores consistirá de por lo menos cinco miembros y desempeñarán sus cargos por un plazo no menor de un año, o hasta que sean elegidos y hayan tomado posesión sus sucesores. Cualquier miembro de la junta directiva podrá ser reelegido.

Uno de los directores será elegido presidente, bien por los demás directores o por la junta general de accionistas, según determine el reglamento, y conservará dicho cargo hasta que venza su término de director o se hubiese elegido su sucesor. En igual forma serán elegidos uno o más vicepresidentes, y con sujeción a las mismas condiciones respecto a la duración del cargo.

La junta de directores podrá nombrar, a los fines de atender, bajo su autoridad, a la administración del banco, además de aquellos oficiales y empleados que autoriza esta Ley, oficiales ejecutivos o administrativos que podrá designar con el título de vicepresidente, en quienes no será necesario que concurra la condición de directores y quienes desempeñarán sus cargos según se provea por reglamento o por resolución de la junta de directores.

La junta de directores celebrará sus sesiones en la oficina principal del banco y no estará legalmente constituída ninguna
ganized unless there are present the president or person legally performing his duties in accordance with the articles of incorporation, and one-half plus one of the total number of directors; *Provided*, that at the regular meeting of the stockholders at which the board of directors is elected, alternates shall also be elected in a number equal to one-half the number of regular directors; and if their total number is uneven, then the number of alternates shall be four (4) if the number of regular directors is seven (7), five (5) if the number of regular directors is nine (9), and so on and so forth in the same proportional increase if the number of directors is larger. Said alternates shall serve in the order of their election in and during the absence of the regular directors and in all cases shall have the same qualifications and be subject to the same liabilities as the regular directors.

The directors shall reside in the Island of Puerto Rico, shall be of age, and shall hold shares of the bank, subscribed in their name, of a par value of not less than one thousand (1,000) dollars, unless the paid-in capital stock and the reserve fund of the bank do not exceed the aggregate total of three hundred thousand (300,000) dollars, in which case they shall hold, in their own right, shares of paid-in capital for an aggregate amount of not less than five hundred (500) dollars, the certificates remaining on deposit in the custody of the bank, while said directors discharge their offices. Each director shall, prior to qualifications for his office, take an oath that he will faithfully discharge the duties thereof, and shall comply and enforce compliance with all the provisions of this and other laws applicable in the case; that he is the owner in good faith and in his own right of the bank’s stock required for his qualification for office, which stock shall remain on deposit in the custody of the bank until all his acts as such director have been approved by the stockholders at a general meeting. Such oath shall be immediately transmitted to, and be filed in, the office of the Treasurer of Puerto Rico.

The board of directors shall pass upon all matters relative to the management of the bank; upon such matters as may be referred to them by a general meeting of the stockholders; and upon such business propositions as may be made to them; and they may entrust the executive officers of the bank with the decision of its current affairs.

Resolutions shall be adopted by a majority vote of the full sesión si no concurre el presidente o quien legalmente haga sus veces, de acuerdo con las cláusulas de incorporación, y la mitad más uno del número total de directores; *Disponténdose*, que en la junta ordinaria de accionistas en la cual se elegieren los directores, se elegirán también los directores suplentes igual en número a la mitad de los directores propietarios; y si el número total de éstos fuere impar entonces el número de directores suplentes será de cuatro (4) en caso de que el número de directores propietarios sea siete (7), cinco (5) en caso de que sean nueve (9), y así sucesivamente, en esa misma proporción de aumento, cuando el número de directores sea mayor. Dichos directores suplentes prestarán servicios en el orden de su elección, en y durante la ausencia de los directores propietarios y, en todo caso deberán reunir las mismas condiciones y estarán sujetos a las mismas responsabilidades que los directores propietarios.

Los directores deberán residir en la Isla de Puerto Rico, ser mayores de edad y tenedores de acciones del banco suscritas a su nombre por un valor a la par que no será menor de mil dólares ($1,000), a menos que el capital realizado y el fondo de reserva del banco no excedan en total de trescientos mil dólares ($300,000), en cuyo caso deberán poseer, por derecho propio, acciones del capital realizado por un total de no menos de quinientos dólares ($500), cuyos títulos quedarán en depósito bajo la custodia del banco, mientras desempeñen sus cargos. Cada director, antes de tomar posesión de su cargo, prestará juramento de desempeñarlo fielmente, cumpliendo y haciendo cumplir todas las prescripciones de esta Ley y demás leyes que fueren aplicables al caso, y de que es debido de buena fe, y por su propio derecho, de las acciones requeridas para el desempeño de su cargo, las cuales quedarán depositadas bajo la custodia del banco hasta que sean aprobados todos sus actos como tal director por los accionistas en junta general. Dicho juramento se transmitirá inmediatamente a, y se archivará en la oficina del Tesorero de Puerto Rico.

La junta de directores resolverá todos los asuntos concernientes al gobierno del banco, los que le sean referidos por la junta general de accionistas, y las proposiciones de negocios que se le hagan, pudiendo encomendar a los oficiales ejecutivos del banco la resolución de los asuntos corrientes. Los acuerdos se tomarán por mayoría de votos de toda la junta de directo-
board of directors. In case of a tie vote, a second vote shall be taken immediately, and should the vote be tied again, the motion shall be deemed lost, without prejudice to its renewal at a subsequent meeting.

Meeting of the board of directors shall be held not less than once each month, and minutes shall be kept of each meeting, which minutes shall be open to the inspection of the Treasurer of Puerto Rico and of the bank examiners.

The directors of a bank, as long as they observe the rules of the mandate vested in them by law, shall be exempt from personal liability, either separately or jointly, for their acts as directors of the corporation; Provided, that if losses are incurred through wilful violation of the laws or statutes of the bank, or through wilful infraction of any lawful resolution adopted at its general meetings, the directors responsible for such violation or infraction shall be jointly liable for such losses to the amount of the shares in deposit plus a sum in cash equal to said amount; Provided, however, that this section shall not apply to banks not organized under the laws of Puerto Rico."

Section 8.—Section 27 of the aforementioned Banking Law, as said section was last amended by Act No. 74, approved May 12, 1936, is hereby amended to read as follows:

Section 27.—Each year, on the date fixed by the by-laws, each bank shall strike a general balance of its operations, which shall be submitted for approval to a regular general meeting of the stockholders, together with an explanatory report thereon. The director shall make all such explanations as may be asked for by the stockholders regarding the aforesaid balance and operations of the bank for the year to which the same refers.

Such net profits as may be shown by the balance shall be apportioned as provided in the by-laws; but at least ten (10) per cent of such profits shall be devoted annually to the creation of a reserve fund.

Interest unpaid, owing to the bank, shall not be included in the computation of profits where the main obligation is more than three months overdue, except interest on mortgage loans due and accrued for a period not exceeding one year, and for which adequate security is held. Such interest may be computed as

res. En caso de empate, se efectuará inmediatamente una nueva votación, y si se repitiese el empate, se entenderá desestimada la moción, sin perjuicio de que pueda volverse a presentar en sesiones posteriores.

La junta de directores celebrará sesión por lo menos una vez al mes, y llevará un acta de cada sesión, la cual estará a disposición del Tesorero de Puerto Rico y de los examinadores de bancos.

Los directores de un banco, mientras observen las reglas del mandato que se les confiere por la ley, no estarán sujetos a responsabilidad personal ni solidaria por sus actos como directores de la corporación; Disponiéndose, que si se irrogaren perjuicios por la voluntaria infracción de las leyes o estatutos del banco, o por la voluntaria contravención de algún acuerdo legal de sus juntas generales, los directores responsables de dicha infracción o contravención responderán mancomunadamente por dichos perjuicios con el importe de sus acciones en depósito más otra cantidad en efectivo igual a dicho importe; Disponiéndose, sin embargo, que esta sección no será aplicable a los bancos no organizados bajo las leyes de Puerto Rico.”

Artículo 8.—La Sección 27 de la referida Ley de Bancos, según dicha sección fue últimamente enmendada por la Ley Núm. 74, aprobada en 12 de mayo de 1936, queda por la presente enmendada de manera que lea como sigue:

“Sección 27.—Los bancos practicarán todos los años, en la época que determinen sus reglamentos, un balance general de sus operaciones, que someterán a la aprobación de la junta general ordinaria de accionistas, con una memoria del mismo. Los directores darán respecto a dicho balance y operaciones realizadas por el banco durante el año que aquí comprenda, las explicaciones que les fueren pedidas por los accionistas.

Los beneficios netos que arroje el balance serán distribuidos en la forma que determinen los reglamentos, pero un diez (10) por ciento, por lo menos, de dichos beneficios se destinará anualmente a la formación de un fondo de reserva.

Al calcularse los beneficios no se considerarán como tales los intereses pendientes de cobro, debidos al banco, cuando la obligación principal tenga más de tres meses de vencida, excepto los intereses sobre préstamos hipotecarios devengados y adeudados por un período que no exceda de un año y para los cuales se tiene adecuada garantía, que podrán calcularse
profits; *Provided, however,* that on all statements of the bank it shall be set forth that such interest has not been actually paid; losses shall include all expenses made or incurred, whether ordinary or extraordinary, in the management of the affairs of the bank; interest paid and interest due by it, though unpaid, and all losses sustained in the business. For the purpose of the computation of profits, all debts owing to the bank and one year overdue, and upon which no interest has been paid during that time, shall be included in losses, unless well secured and in process of collection in court; *Provided, however,* that mortgage loans which are not over three years overdue may be excepted, whether or not interest has been paid thereon during that time; *Provided, further,* that this restriction shall not be applicable to loans made prior to August 10, 1933, or in liquidation.

Prior to submitting the general balance to the stockholders there shall also be charged against the undistributed profits, reserve fund, or capital account in paid-in stock, any loan or part of loan, assets or part of assets; there shall be reflected the segregation of any portion of future benefits; and there shall be created the asset valuation reserves, as may have been directed by the Treasurer of Puerto Rico, in accordance with Section 28 of this Act.

Where the losses of a bank are greater than its profits, the excess of the former over the latter shall be charged against the undistributed or undivided profits of the bank, and should such losses exceed the amount of such undistributed or undivided profits, then the balance shall be charged against the reserve fund, as a reduction thereof. If there is no reserve fund, or if such fund is less than the excess of losses over profits, then the difference shall be charged against the capital account and no dividend shall be declared until the said capital has been restored to the original amount thereof, and the reserve fund to twenty (20) per cent of the original capital.

“A copy of the annual balance referred to in this section, as approved by the general meeting of the stockholders, duly authorized by the president, or other officer of the bank, and attested by not less than three members of the board of directors, como beneficios; *Disponiéndose, sin embargo,* que en todos los estados del banco se hará constar que realmente no se han pagado tales intereses; en las pérdidas se incluirán todos los gastos hechos o incurridos, tanto ordinarios como extraordinarios, que procedan del manejo de los negocios del banco; los intereses pagados y los adeudados por el banco, aunque no pagados, y las pérdidas sufridas en sus negocios. Se sumarán también a las pérdidas, a los efectos del cálculo de beneficios, todas las deudas a favor del banco que tuvieren un año de vencidas y sobre las cuales no se hubiesen pagado intereses durante ese tiempo, a menos que estuviere bien garantizadas y en vías de cobro por la vía legal; *Disponiéndose, sin embargo,* que podrán exceptuarse los préstamos hipotecarios que no tuvieren más de tres años de vencidos, hubiéranse o no pagado los intereses sobre ellos durante ese tiempo; *Disponiéndose, además,* que esta restricción no será aplicable a préstamos hechos con anterioridad al 10 de agosto de 1933, ni a préstamos en vías de liquidación.

Se cargarán además antes de someterse el balance general a los accionistas a los beneficios no distribuidos, fondo de reserva o cuenta de capital en acciones realizadas, cualquier préstamo o parte de préstamo, activo o parte de activo, se reflejará la segregación de cualquier porción de los beneficios futuros, y se crearán las reservas de valoración de activos (*asset valuation reserves*) según lo hayan ordenado el Tesorero de Puerto Rico de acuerdo con el Artículo 28 de esta Ley.

Cuando las pérdidas de un banco fuesen mayores que los beneficios, el exceso de aquéllas sobre éstos, se cargará a las utilidades por distribuir o por repartir del banco y si dichas pérdidas excedieren del montante de tales utilidades por distribuir o repartir, entonces el balance se cargará al fondo de reserva, como una reducción del mismo.

Si no hubiere fondo de reserva o fuere éste menor que el exceso de las pérdidas sobre los beneficios, se cargará la diferencia a la cuenta de capital y no se declararán dividendos activos mientras no alcance aquél nuevamente a su cuantía original y el fondo de reserva al veinte (20) por ciento del capital original.

Una copia del balance anual a que se hace referencia en esta sección, aprobado por la junta general de accionistas, debidamente autorizado por el presidente o por cualquier otro oficial del banco y certificado por no menos de tres miembros de la junta de directores, declarando bajo juramento que dicho balance es
According to oath that the said balance is true and correct in all its parts, shall be transmitted, together with a report, to the Treasurer of Puerto Rico within the ten days succeeding the day of the stockholder’s meeting at which the same was approved; Provided, That banks organized under laws other than those of Puerto Rico, shall file such copies of their annual balance and report as hereinafter prescribed.

Section 9.—Section 28 of the aforementioned Banking Law, as such section was last amended by Act No. 100, approved May 12, 1943, is hereby amended to read as follows:

"Section 28.—It is hereby declared to be the policy of The People of Puerto Rico that the business of all banking institutions organized under the laws of Puerto Rico, and of foreign banks operating in this Island, shall be supervised and regulated by the Treasurer of Puerto Rico in such manner as to insure the safe and sound conduct of such business, to prevent unsound practices and thus to maintain the public confidence in such business and protect the public interest and the interests of depositors, creditors, and stockholders.

For the purpose of effectuating the policy declared in this section, the Treasurer of Puerto Rico shall have power, with the approval of the Governor of Puerto Rico, to make, alter and amend rules and regulations in a manner consistent with law and sound banking practice. Such rules and regulations shall be brought to the attention of those affected thereby in the manner that the Treasurer may prescribe.

For any violation of the rules and regulations so prescribed by the Treasurer of Puerto Rico, the delinquent domestic or foreign bank shall be subject to an administrative fine of not to exceed one thousand (1,000) dollars for the first offense, and for the second offense, to an administrative fine of not to exceed five thousand (5,000) dollars, to be imposed by the Treasurer of Puerto Rico, and the cancellation of its license by a district court of competent jurisdiction.

Any bank or foreign bank, and every bank branch, or branch of foreign bank, doing business in Puerto Rico, shall be subject to inspection and supervision by the Treasurer of Puerto Rico, who shall, either personally or through some competent person or persons appointed by him, to be known as examiners,
examine said bank, foreign bank or branches at least once a year. Travelling expenses and such incidental expenses as may be necessary in order to make said examinations shall be paid from such item as, for that purpose, may be appropriated in the regular budget.

On such examinations, inquiry shall be made as to the conditions and resources of the bank, the mode of conducting and managing its affairs, the action of its directors, the investment of its funds, the safety and prudence of its management, and the security offered for compliance with its contracted obligations; and whether the requirements of its charter and of the law have been complied with in the administration of its affairs, and also as to such other matters as the Treasurer may prescribe. Reports rendered by the examiners to the Treasurer of Puerto Rico, in connection with an examination made of any bank or foreign bank, shall be deemed to be of a confidential nature, except for the Legislature of Puerto Rico or a commission appointed thereby.

The Treasurer of Puerto Rico shall have the power to direct any bank under his supervision to charge against its undistributed profits, reserve fund or capital account in paid-in stock, any loan or part of loan, assets or part of assets, that in his judgment constitute a possible loss for the bank under examination, and he may direct, also, the segregation of any portion of future profits that he may deem advisable, until said capital account in paid-in stock and reserve fund have been restored to the original total amount thereof, and/or direct the creation of any asset valuation reserves that he may deem advisable. The Treasurer of Puerto Rico may impose an administrative fine up to one thousand (1,000) dollars for each five (5) days that the bank fails to comply with the orders issued under the provisions of this paragraph; Provided, however, that the bank shall have fifteen (15) days after each order has been issued to comply therewith. If any bank or foreign bank on which an administrative fine is imposed under this paragraph fails to pay the same within the term of fifteen (15) days following the date of notice thereof, the Treasurer of Puerto Rico may file civil action in the District Court of the Judicial District where the main offices of such bank or foreign bank are established in Puerto Rico, to collect said administrative fine.

examinadores, examinará dicho banco o banco extranjero o sucursales por lo menos una vez al año. Los gastos de viaje e imprevistos que fueren necesarios para llevar a cabo dichos exámenes, se pagarán de la partida que con tal fin se asigne en el presupuesto regular.

En dichos exámenes se investigarán las condiciones y recursos del banco, el modo de conducir y manejar sus asuntos, la acción de sus directores, la inversión de sus fondos, la seguridad y prudencia de su administración, las garantías que haya dado para asegurar el cumplimiento de las obligaciones contraídas y si las prescripciones de su concesión y de la ley han sido cumplidas en la administración de sus asuntos, así como cualquier otro asunto que el Tesoro de Puerto Rico disponga. Los informes que rendan los examinadores al Tesorero de Puerto Rico en relación con el examen practicado de cualquier banco o banco extranjero, serán de carácter confidencial, excepto para la Legislatura de Puerto Rico o una comisión nombrada por ésta.

El Tesorero de Puerto Rico tendrá la facultad de ordenar a cualquier banco bajo su supervisión a que cargue en contra de sus beneficios no distribuidos, fondo de reserva o cuenta de capital en acciones realizadas, cualquier préstamo o parte de préstamo, activo o parte de activo, que a su juicio constituyan una posible pérdida para el banco bajo examen, y podrá ordenar, además, la segregación de cualquier porción de los beneficios futuros que cree conveniente hasta que queden restituidas en su totalidad dichas cuentas de capital en acciones y fondos de reserva, y/o ordenar que se creen las reservas de valoración de activos (asset valuation reserves) que cree conveniente. El Tesorero de Puerto Rico podrá imponer una multa administrativa hasta mil (1,000) dólares por cada cinco (5) días que el banco deje de cumplir con las órdenes dictadas bajo las disposiciones de este párrafo, Disponente, sin embargo, que el banco tendrá quince (15) días después de dictada cada orden para cumplirla. Si el banco o banco extranjero al que se le impuse una multa administrativa por virtud de este párrafo, no satisficiere la misma dentro del término de quince (15) días a contar de la fecha de notificación de la imposición de la multa administrativa, el Tesorero de Puerto Rico podrá iniciar una acción civil en la Corte de Distrito del Distrito Judicial donde el tal banco o banco extranjero tenga establecida su oficina principal en Puerto Rico, para el cobro de dicha multa administra-
for which purpose exclusive jurisdiction is hereby vested in the district courts of Puerto Rico, including the district tribunal of San Juan.

The bank examiner shall take an oath not to divulge the results of his investigations, and in case of failure to keep such oath, he shall be guilty of a misdemeanor and shall be punished by a fine of not to exceed five hundred (500) dollars, or by imprisonment in jail for a term of not to exceed one year, or by both penalties, in the discretion of the court.

The Treasurer of Puerto Rico and every such examiner shall have power to administer oaths to any person whose testimony may be required on any such examination, and to compel the attendance of any such person at any such examination.

The Treasurer of Puerto Rico shall issue to every bank, foreign bank or branch thereof, examined by him personally or through his employees or examiners, a certificate setting forth the result of such examinations, which certificate shall be presented to the board of directors at the first regular or special meeting of the said board held subsequent to the date of its receipt by the bank.

For the purposes of such examination, the Treasurer of Puerto Rico shall have power to appoint the bank examiners at such salaries as the Appropriations Act may provide. Said examiners shall be considered as employees of the Department of Finance and shall perform such duties as may be assigned to them by the Treasurer of Puerto Rico.

The Treasurer of Puerto Rico, his delegates, the bank examiners, and the employees of the Bank Examiners Division may not, during the discharge of their offices,

(a) Be an officer, director or employee in any bank or foreign bank;
(b) Own or deal directly or indirectly in the shares or obligations of such bank or foreign bank;
(c) Be interested in or to receive directly or indirectly from such bank or foreign bank, or from any of its officers, directors, or employees, any salary, gratuity, compensation or other thing of value by way of gift, credit, compensation for services, or for any other reason;
(d) Be interested in or under obligation to negotiate any loan, obligation or settlement for another person with such bank or foreign bank;

tiva, para lo cual por la presente se confiere jurisdicción exclusiva a las Cortes de Distrito de Puerto Rico, incluyendo el Tribunal de Distrito de San Juan.

El examinador de bancos deberá prestar juramento de que no divulgará el resultado de sus investigaciones, y en caso de que faltara a su juramento incurrirá en un delito menos grave (misdemeanor) y se le castigará con una multa no mayor de quinientos (500) dólares o con prisión por un término no mayor de un año, o con ambas penas, a discreción del tribunal.

El Tesorero de Puerto Rico y cualquiera de los examinadores tendrá derecho a tomar juramento a cualquier persona cuyo testimonio se requiera en cualquiera de dichos exámenes, y a obligarla a comparecer a los efectos de dichos exámenes.

El Tesorero de Puerto Rico dará a cada banco o banco extranjero o sucursal que examine por sí o por medio de sus empleados o examinadores, un certificado expresivo del resultado de tales exámenes el cual certificado será presentado a los directores en la primera junta ordinaria o extraordinaria que celebren subsiguientemente a la fecha en que el banco lo reciba.

Para fines de los exámenes mencionados, el Tesorero de Puerto Rico estará facultado para nombrar los examinadores de banco con el sueldo que les fijare la Ley de Presupuesto. Dichos examinadores serán considerados como empleados del Departamento de Hacienda y desempeñarán los deberes que les fueren asignados por el Tesorero de Puerto Rico.

El Tesorero de Puerto Rico, sus delegados, los examinadores de bancos y los empleados de la División de Examinadores de Bancos no podrán durante el desempeño de sus cargos:

(a) Ser oficial, director o empleado en ningún banco o banco extranjero;
(b) Poseer o negociar, directa o indirectamente, en las acciones u obligaciones de tal banco o banco extranjero;
(c) Estar interesado en, o recibir directa o indirectamente de tal banco o banco extranjero o de cualquiera de sus oficiales, directores o empleados, cualquier sueldo, gratificación, compensación u otra cosa de valor por concepto de regalo, crédito, compensación por servicios, o por cualquier otro concepto;
(d) Estar interesado en, o comprometido a, negociar cualquiera préstamo, obligación o acomodo para otra persona en tal banco o banco extranjero; a pesar de las disposiciones prece-
In spite of the foregoing provisions, the bank examiners and any employee of the Bank Examiners Division may own and keep one or more banking accounts, either commercial or savings, in any bank or foreign bank doing business in Puerto Rico, and he may obtain a mortgage loan, secured by his own house, from any bank or foreign bank.

Any violation to these provisions by the bank examiners or the employees of the Bank Examiners Division, shall be sufficient cause for his removal by the Treasurer of Puerto Rico.

Each bank, foreign bank, or branch thereof, so examined, shall pay as an examination fee the sum of two (2) dollars for every ten thousand (10,000) dollars or fraction thereof of the resources or assets of such bank, foreign bank or branch thereof, excluding from such resources or assets all compensated or control accounts, and the sum so paid shall be covered into the Insular Treasury; Provided, that the fees paid for such examination shall in no case be less than fifty (50) dollars for each office or branch of bank or foreign bank."

Section 10.—Section 29 of the aforementioned Banking Law is hereby amended to read as follows:

"Section 29.—That no bank or foreign bank shall begin business until the president or vice-president and manager have made and subscribed an affidavit stating that the full amount of its capital and reserve fund has been duly paid in cash. Such affidavit may be made before any notary public or other official authorized to administer oaths in the municipality in which the bank has its main office, and shall be filed in the office of the Treasurer of Puerto Rico."

Section 11.—A new paragraph is hereby added after the end of and to Section 33 of the aforesaid Banking Law, which paragraph shall read as follows:

"Any person who, knowingly, in his own name or in representation of a natural or artificial person, furnishes a bank or foreign bank any false information or financial statements, with the purpose of inducing the bank to grant credit, to give banking facilities, or make any business deal with the natural or artificial person in relation to whom the false financial statements were rendered or the false information given, shall be guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine of not to exceed one thousand (1,000) dollars or by im-

dentes, los examinadores de bancos y cualquier empleado de la División de Examinadores de Bancos podrán tener y conservar una o más cuentas bancarias, tanto comerciales como de ahorro, en cualquier banco o banco extranjero que haga negocios en Puerto Rico, y podrá obtener un préstamo hipotecario, con la garantía de su propia casa de cualquier banco o banco extranjero.

La infracción de estas disposiciones por los examinadores de bancos o los empleados de la División de Examinadores de Bancos, será motivo suficiente para su expulsión por el Tesorero de Puerto Rico.

A cada banco, banco extranjero, o sucursal de banco o banco extranjero, le será cobrado como derecho de examen la suma de dos (2) dólares por cada diez mil (10,000) dólares o fracción de los recursos o activos de dicho banco, banco extranjero, o sucursal de banco o banco extranjero, excluyendo de tales recursos o activos toda cuenta compensada o cuenta de control, y las sumas así cobradas ingresarán en el Tesoro Insular; Disponiéndose, que los derechos cobrados por inspección no serán en ningún caso menores de cincuenta (50) dólares por cada oficina o sucursal de banco o banco extranjero."

Artículo 10.—La Sección 29 de la referida Ley de Bancos, queda por la presente enmendada de manera que lea como sigue:

"Sección 29.—Ningún banco o banco extranjero dará principio a sus negocios hasta que su presidente o vicepresidente y gerente hayan hecho y suscrito una declaración jurada declarando que se ha pagado debidamente, en dinero efectivo, el montante de su capital y fondo de reserva. Dicha declaración jurada podrá prestarse ante cualquier notario público u otro funcionario autorizado para recibir juramentos en el municipio en que el banco tenga su oficina principal, y será archivada en la oficina del Tesorero de Puerto Rico."

Artículo 11.—Por la presente se adiciona * la sección 33 de la referida Ley de Bancos, y al final de la misma, un nuevo párrafo, el cual leerá como sigue:

"Cualquier persona que a sabiendas, en su propio nombre o en representación de una persona natural o jurídica, suministre a un banco o banco extranjero información o estados financieros falsos, con el propósito de inducir al banco o banco extranjero a conceder crédito, a dar facilidades bancarias o a efectuar cual-

* Así aparece en el original.
prisonment in jail for a term of not less than one (1) year, or by both penalties, in the discretion of the court."

Section 12.—A new paragraph is hereby added after the end of and to Section 34 of the aforesaid Banking Law, which paragraph shall read as follows:

"It shall be the duty of every bank or foreign bank to keep an accounting system which will reflect the financial condition of the bank or foreign bank, and its relations, operations and transactions with third persons whether natural or artificial, and with government organizations, and to keep and maintain such books, records and documents which show such relations, operations and transactions; Provided, however, that every bank or foreign bank may destroy such books, records and documents, with the authorization and under the supervision of the Treasurer of Puerto Rico, after the lapse of ten (10) years from the date of the last entry made in such books or records, or from the date on which any obligation may have ceased to be demandable under the documents in its possession."

Section 13.—A new section, to be numbered Section 36(a), is hereby added to the aforesaid Banking Law, which section shall read as follows:

"PROTECTION THROUGH BONDS"

"Section 36(a).—All the banks and foreign banks doing business in the Island of Puerto Rico shall provide themselves with protection and indemnity against burglary, embezzlement and other similar insurable loss. In case that a bank or foreign bank refuses to comply with this requirement, the Treasurer of Puerto Rico shall make arrangements to furnish such protection and indemnity, charging the cost thereof to said bank or foreign bank."

Section 14.—A new section, to be numbered Section 36(b), is hereby added to the aforesaid Banking Law, which section shall read as follows:

"COMMISSIONS AND FEES FOR OBTAINING LOANS"

"Section 36(b).—Any officer, director, or employee or agent of a bank or foreign bank who stipulates, receives, or acquiesces in or agrees to receiving any fee, commission, gift or thing of

la cual se rindieron los estados financieros falsos o se dió la información falsa, será culpable de un delito menos grave (misdemeanor) y convierta que fuere será castigada con una multa no menor de mil dólares ($1,000) o prisión por un término no menor de un año, o ambas penas, a discreción del tribunal."

Artículo 12.—Por la presente se adiciona a la sección 34 de la referida Ley de Bancos, y al final de la misma, un nuevo párrafo, el cual leerá como sigue:

"Será deber de todo banco o banco extranjero llevar un sistema de contabilidad que refleje la situación financiera del banco o banco extranjero y sus relaciones, operaciones y transacciones con terceras personas, naturales o jurídicas y entidades gubernamentales, y llevar y conservar aquellos libros, records y documentos que reflejen tales relaciones, operaciones y transacciones; Disponiéndose, sin embargo, que todo banco o banco extranjero podrá destruir, una vez transcurridos diez (10) años de la fecha de la última entrada en dichos libros o records, o de la fecha en que cualquier obligación hubiere dejado de ser exigible bajo los documentos en su poder, dichos libros, records y documentos, con la autorización y bajo la supervisión del Tesorero de Puerto Rico."

Artículo 13.—Por la presente se adiciona una nueva sección, designada con el número 36(a), a la referida Ley de Bancos, la cual se leerá de la manera siguiente:

"PROTECCIÓN MEDIANTE PIAZAS"

Sección 36(a).—Todos los bancos y bancos extranjeros que hagan negocios en la Isla de Puerto Rico se proveerán protección e indemnización contra escalamiento, desfalcos y otras pérdidas similares asegurables. En caso que un banco o banco extranjero rehuse cumplir con este requisito, el Tesorero de Puerto Rico hará arreglos para tal protección e indemnización, cargando su costo al banco o banco extranjero."

Artículo 14.—Por la presente se adiciona una nueva sección, designada con el número 36(b), a la referida Ley de Bancos, la cual se leerá de la manera siguiente:

"COMISIONES Y HONORARIOS POR CONSEGUIR PRÉSTAMOS"

Sección 36(b).—Cualquier oficial, director o empleado o agente de un banco o banco extranjero que estipule, reciba, o consienta o convenga en recibir cualquier honorario, comisión,
value, from any person, firm or corporation, for obtaining, or trying to obtain, for said person, firm or corporation, or for any other person, firm or corporation, any loan, or the purchase or discount of any document, promissory note, draft, check or bill of exchange, by such bank or foreign bank, shall be guilty of a misdemeanor and shall be punished by imprisonment for not more than one (1) year, or by a fine of not to exceed five thousand (5,000) dollars, or by both penalties."

Section 15.—Section 37 of the aforementioned Banking Law, as said section was last amended by Act No. 199, approved May 15, 1938, is hereby amended to read as follows:

"Section 37.—Banks shall be dissolved because of the expiration of the fixed term for their duration, or because one-third or more of the capital of the corporation has been lost, or by resolution of the holders of two-thirds of the capital stock, adopted at a meeting specially called for that purpose as herein provided.

"Whenever it is decided to place a bank in liquidation it shall be the duty of the board of directors to cause the fact to be certified by its president, manager, agent or cashier to the Treasurer of Puerto Rico, and to cause the daily publication of a notice, for a period of two months, in a newspaper of general circulation in Puerto Rico, and in a newspaper published in the municipality in which the bank is located, if there is any such newspaper, said notice to be to the effect that the bank is in liquidation and notifying its creditors to present to the bank their claims for payment.

"During the period of liquidation of a bank, the management thereof shall make no new contracts or obligations unless authorized to do so by the Treasurer of Puerto Rico, its powers being limited, as liquidator, to the collection of debts, extinguishment of obligations as they mature, and performance of such operations as may then be pending.

"Within thirty days after the beginning of the period of liquidation of a bank, the management thereof shall take an inventory of the assets and liabilities, and shall strike a balance, a copy of which shall be sent by mail to the Treasurer of Puerto Rico and to each stockholder, and shall submit the same to a general meeting of stockholders for their examination.

regalo o cosa de valor, de cualquiera persona, firma o corporación, por conseguir, o tratar de conseguir, para tal persona, firma o corporación, o para cualquier otra persona, firma o corporación, cualquier préstamo, o la compra o descuento de cualquier documento, pagaré, giro, cheque o letra de cambio, por tal banco o banco extranjero, será considerado culpable de delito menos grave (misdemeanor) y castigado con prisión por no más de un año, o con multa de no más de cinco mil (5,000) dólares, o con ambas penas."

Artículo 15.—La Sección 37 de la referida Ley de Bancos, según dicha sección fuera últimamente enmendada por la Ley Núm. 199, aprobada en 15 de mayo de 1938, queda por la presente enmendada de manera que lea como sigue:

"Sección 37.—Los bancos se disolverán, por haber cumplido el término fijado para su duración, por haber perdido una tercera parte o más de su capital social, o por resolución de los tenedores de las dos terceras partes de las acciones adoptada en junta especialmente convocada para ese fin, según se dispone en la presente.

Cuando se haya acordado poner a un banco en liquidación, será deber de la junta de directores ordenar que se certifique el hecho, por su presidente, gerente, agente o cajero, al Tesorero de Puerto Rico, y que se publique un aviso diario durante un periodo de dos meses en un periódico de general circulación en Puerto Rico, así como también en un periódico que se publique en el municipio en que estuviera establecido el banco, si hubiere tal periódico, al efecto de que el banco está en liquidación de sus negocios, y notificando a los acreedores para que presenten al banco sus reclamaciones, para su pago.

Durante el periodo de liquidación de un banco, su administración dejará de hacer nuevos contratos y obligaciones, a menos que sea autorizado para ello por el Tesorero de Puerto Rico, quedando limitadas sus facultades, en calidad de liquidadora, a percibir los créditos, a extinguir las obligaciones que vayan venciendo y a realizar las operaciones que estuvieren pendientes.

La administración formará dentro de los treinta días después de empezado el periodo de liquidación de un banco, el inventario del activo y pasivo, hará un balance del cual enviará una copia por correo al Tesorero de Puerto Rico y a cada accionista, y lo pondrá a la disposición de la junta general de accionistas para su examen.
Before entering into the discharge of their duties as such, the liquidators shall furnish such bond as may be fixed by the Treasurer of Puerto Rico, and the stockholders shall fix the compensation to be paid to the said liquidators for their services.

The liquidators shall make a monthly balance of the condition of the liquidation, and the last of said balances shall be published every six months in a newspaper having a large circulation in the Island of Puerto Rico.

Said liquidators shall be answerable to the stockholders for any loss that the bank may suffer through fraud or negligence in the discharge of their duties.

As soon as the condition of the liquidation shall permit of the declaration of one or more partial dividends of ten (10) per cent of the capital of the bank, the liquidators shall make the apportionment and payment thereof to the stockholders; Provided, That the final dividend may be less than ten (10) per cent.

Stockholders shall have the right to demand from the liquidators any information of interest to them as to the liquidation and pending operations of the bank; but they may not demand a distribution of the capital of the bank until all the obligations thereof have been satisfied, or the amount of said obligations has been provided for in a manner satisfactory to the Treasurer of Puerto Rico, if the same cannot be paid in cash.

During the term of liquidation of a bank, the provisions of its by-laws shall be observed as regards calling regular and special general meetings of stockholders for the purpose of reporting the progress of the liquidation and taking such action as may be deemed best for the interest of all concerned.

The books and papers of a bank in liquidation shall remain under the custody of the liquidators until the full liquidation and settlement with each and every person interested in any way in the assets thereof has been made, after which they shall be filed as the Treasurer of Puerto Rico may direct; Provided, That such books and papers may be destroyed, under the supervision of the Treasurer of Puerto Rico, in the manner he may prescribe, after the lapse of ten (10) years counted from date on which the liquidation and final distribution of the assets of the bank was completed; And provided, further, That this section shall not apply to foreign banks.”
Section 16.—A new section, to be numbered Section 37(a), is hereby added to the aforesaid Banking Law, which section shall read as follows:

"Any bank or foreign bank, as such terms are defined in Act No. 55, approved May 12, 1933, as subsequently amended, shall be under obligation to submit annually to the Treasurer of Puerto Rico, and not later than August 10th, a report as of June 30th last, setting forth the amounts in the custody of said institutions, not claimed by the depositor or the person entitled thereto during the fifteen years immediately preceding, except:

(a) Amounts owed a depositor, which may have been reduced by withdrawal of funds or increased by deposits, except the interest credit, within said fifteen-year period; or

(b) Amounts represented by the pass books in possession of depositors, which are presented for credit entry on account of interests within said fifteen year period; or

(c) Amounts in relation to which the bank or foreign bank may have written evidence, received within the previous fifteen years, to the effect that the person entitled to such amounts has cognizance thereof.

"Said report shall state the name and the amount owing to each depositor or creditor, as they appear from the records of the bank or foreign bank, the last known address of said depositor or creditor and the date of the last transaction made in regard to the respective amounts. All the names appearing in said report shall be in alphabetical order.

"In case that a bank or foreign bank, does not have on the date mentioned in the first paragraph of this Section, any unclaimed amounts in its custody, as previously established, said bank or foreign bank shall, within the prescribed term, submit a report to the Treasurer of Puerto Rico so setting forth.

(d) Any bank or foreign bank under the obligation to submit the report required by Section 1 of this Act, shall publish annually, once during each of the months of August, September and October, in a newspaper of general circulation, a notice under the title "Notice Concerning Unclaimed Amounts in the custody of (insert here name of bank or foreign bank)."

Artículo 16.—Por la presente se adiciona una nueva sección, designada con el número 37(a), a la referida Ley de Bancos, la cual sección leerá de la manera siguiente:

"Todo banco o banco extranjero, según dichos términos se definen en la Ley Núm. 55, aprobada en 12 de mayo de 1933, según ha sido subsiguientemente enmendada, vendrá obligado a rendir al Tesorero de Puerto Rico, anualmente y no más tarde del día 10 de agosto, un informe al 30 de junio anterior donde se hagan constar las cantidades en poder de dichas instituciones, no reclamadas por el depositante o por la persona con derecho a las mismas durante los 15 años precedentes, excluyéndose:

(e) Cantidades debidas a un depositante, que hayan sido reducidas por retiro de fondos o aumentadas por depósitos, con exclusión del crédito por intereses, dentro de dicho período de 15 años; o

(b) Cantidades representadas por libretas de imposticiones en poder de depositantes, presentadas para entrada de crédito por intereses dentro de dicho periodo de 15 años; o

(c) Cantidades en relación con las cuales el banco o banco extranjero tenga evidencia escrita, recibida dentro de los 15 años anteriores, de que la persona con derecho a tales cantidades tiene conocimiento de las mismas.

Dicho informe expondrá el nombre de y la cantidad adeudada a cada depositante o acreedor, según aparezca de los registros del banco o banco extranjero, la última dirección conocida de dicho depositante o acreedor y la fecha de la última transacción en relación con las cantidades respectivas. Todos los nombres que figuren en dicho informe se ordenarán alfabéticamente.

En el caso de que un banco o banco extranjero, a la fecha mencionada en el párrafo primero de este Artículo no tuviera en su poder cantidades no reclamadas, según anteriormente se establece, dicho banco o banco extranjero deberá, dentro del término referido, rendir un informe al Tesorero de Puerto Rico haciéndolo así constar.

(d) Todo banco o banco extranjero obligado a rendir el informe exigido por el Artículo 1 de esta Ley, publicará anualmente, una vez durante cada uno de los meses de agosto, septiembre y octubre, en un periódico de circulación general, un aviso bajo el título "Aviso sobre Cantidades No Reclamadas en poder de............"
Such notice shall state in alphabetical order, the names of the persons appearing in the last report submitted, as hereinabove provided, the last known address of each said person and the unclaimed amounts.

During the next succeeding month of November, and not later than the 10th day thereof, the bank or foreign bank shall file with the Treasurer of Puerto Rico a certificate of the publication of such notice.

The expenses incurred in connection with the publication required by this section shall be paid by the bank or foreign bank and charged against the account contained therein, after deducting the amount of said expenses from the total of the said account.

(e) During the month of December of each year, and not later than the 10th day thereof, each bank or foreign bank which, after publishing the notice above required and settling according to the right of each, the claims made, still has in its custody unclaimed amounts as established by this Act, shall deliver the same to the Treasurer of Puerto Rico, and the same shall be covered into the general funds of the Insular Treasury.

No action whatsoever shall lie against a bank or foreign bank to recover amounts delivered to the Treasurer of Puerto Rico, in accordance with the provisions of this Act, or for alleged damages suffered by such delivery.

(f) Any bank or foreign bank violating any of the provisions of this Act, shall incur the penalties prescribed by paragraph seven of Section 28 of this Act.”

Section 17.—This Act, being of an urgent and necessary character, shall take effect immediately after its approval.

Approved, May 15, 1950.

[No. 431]
[Approved, May 15, 1950]

AN ACT

TO REGULATE THE PRACTICE OF THE PROFESSION OF COSMETOLOGY (BEAUTY SPECIALIST); TO ESTABLISH A SYSTEM OF LICENSES FOR THE ESTABLISHMENT AND OPERATION OF BEAUTY PARLORS; TO APPROPRIATE THE SUM OF FIVE THOUSAND (5,000) DOLLARS, OR SO MUCH THEREOF AS MAY BE NECESSARY; TO ESTABLISH A BOARD OF EXAMINERS OF THE SAID SPECIALISTS IN THE OFFICE OF THE EXECUTIVE SECRETARY; TO ESTABLISH A SYSTEM FOR THE RECOGNITION OF BEAUTY ACADEMIES, AND FOR OTHER PURPOSES.

[No. 431]
[Approved in 15 of mayo de 1950]

LEY

PARA REGLAMENTAR EL EJERCICIO DE LA PROFESION DE ESPECIALISTA EN BELLEZA, ESTABLECER UN SISTEMA DE LICENCIAS PARA EL ESTABLECIMIENTO Y FUNCIONAMIENTO DE SALONES DE BELLEZA, ASIGNAR LA SUMA DE CINCO MIL (5,000) DOLARES O LA PARTE DE LA MISMA QUE FUERE NECESARIA, ESTABLECER UNA JUNTA EXAMINADORA DE DICHHOS ESPECIALISTAS ADSCRITA A SECRETARIA EXECUTIVA, ESTABLECER UN SISTEMA DE ACREDITACION DE ESCUELAS DE BELLEZA, Y PARA OTROS FINES.