

August 9, 2012 [www.mcvpr.com](http://www.mcvpr.com)**TAX ALERT*****Repeal of the Merchants and Businesses  
Mandatory Registry of the Puerto Rico Trade and Export Company***

Act 128-2012, enacted on June 29, 2012, repealed Act 171-2000, which had established the Merchants and Businesses Mandatory Registry ("Mandatory Registry") of the Puerto Rico Trade and Export Company ("Company"). As a result, the Mandatory Registry no longer exists.

Prior to the enactment of Act 128-2012, the Mandatory Registry co-existed with the Puerto Rico Department of the Treasury's ("Treasury") Merchants' Registry ("Merchants' Registry"). Both of these registries gathered similar, and sometimes identical, information. Consequently, and in order to reduce governmental costs, Act 128-2012 delegates to Treasury the responsibility of maintaining certain information from merchants engaged in the conduct of a business in Puerto Rico, and of transferring such information to the Company.

Act 128-2012 also provides that Treasury, with the collaboration of the Company, will prepare the necessary regulation with respect to: (1) the information that will be required to entities or persons undertaking or interested in undertaking business activities in Puerto Rico; and (2) the manner in which Treasury will transfer the information to the Company, without undermining any taxpayer right.

Within 180 days of the enactment of Act 128-2012, Treasury will transfer updated information from the Merchants' Registry to the Company. Upon an agreed-upon date between Treasury and the Company, Treasury is to transfer the information required through regulation to the Company, at least every 30 days.

For further information on this matter, you may contact any of the attorneys listed below, all members of our Tax Practice Group:

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