

June 20, 2005

INFORMATIVE BULLETIN FROM INTERNAL REVENUE NO. 05-05

ATTENTION: CARGO IMPORTERS TO PUERTO RICO

RE: INFORMATION REQUIRED TO CARRIERS WITH LICENSE TO OPERATE IN PUERTO RICO AND CUSTOMS BROKERS AS PART OF A NEW ELECTRONIC PROCEDURE FOR THE TRANSMISSION OF MANIFESTS AND PAYMENT OF EXCISE TAXES

Informative Bulletin No. 05-02 establishes that effective July 1, 2005, all air, sea and land carriers with a license to operate in Puerto Rico ("Carriers") and customs brokers ("Brokers") must use the new electronic procedure for the transmission of the manifest to the Excise Taxes Bureau ("Bureau"). Also, effective from such date all Carriers and Brokers who make payments on behalf of their clients should make those payments electronically by accessing Payments Online ("Colecturía Virtual") through our web page in the Internet, www.hacienda.gobierno.pr.

The new electronic procedure will speed the verification of information included in the manifest, allowing the authorization to release the shipments. Also, it will allow the Bureau to inspect and have a better control of the articles introduced to Puerto Rico from the exterior and to maintain in our systems available statistics.

As per Informative Bulletin No. 04-06, the Treasury Department notified that as part of the new electronic procedure, Carriers will be required to indicate on the manifest the social security number or employer identification number of the consignee of articles to be imported in Puerto Rico. Equally, Carriers will be required to include the cost or value of the articles to be introduced in Puerto Rico. After July 1, 2005, no shipment will be released prior to the excise tax payment if this information has not been transmitted with the manifest.

Notwithstanding the above, in case that the consignee is an individual, it will be optional for the carrier to include said information at the time of submitting the transmission.

Likewise, if the Carrier does not have the information of the value of the articles introduced by an importer in Puerto Rico, when said importer has an Identification Number from the Bureau, the importer itself may, effective August 1, 2005, opt to identify their shipments and declare same, as indicated below.

As indicated, if in the article's description, the importer with an identification number issued by the Bureau uses the terms "FAK", " Freight All Kinds", "General Store Merchandise", "Goods", or similar, the shipping documents will be marked as taxable. Nevertheless, when the importer with an identification number, files his excise tax declaration through Internet, he may submit the merchandise detail with the codes most commonly used (Harmonized Tariff Schedule or Schedule B).

We remind you, that effective August 1, 2005, to obtain an authorization for the release through the Bureau's electronic system, the importer must provide said information to the Department as part of the transmission of the manifest, through their Carriers or Brokers. In case the consignee does not want to provide this information to the Carrier or Broker, he may do so directly, by Internet accessing the following address: <https://www.hacienda.gobierno.pr>. and following the instructions therein stated or he must submit it directly to the Bureau following the regular transmittal of the Excise Tax Declaration.

Finally, it is hereby informed that the electronic system that will be used by the Carriers and Brokers to submit the manifests to the Bureau, through the Internet, has been designed using the industrial security standards of the Web Site. This system uses "Secure Sockets Layer" (SSL) encryption to guarantee that the information transmitted to the Bureau through the Internet travels safely and without changes. Also, our network is protected by firewalls.

The provisions of this Informative Bulletin will be effective from August 1, 2005, therefore the Carriers will be required to request this information from their clients. Should you have any questions, please contact Mr. Jorge L. Rivera or Rafael Malavé at (787) 774-1494, (787) 774-1297 or (787) 774-1201.

Cordially,

Juan C. Méndez Torres