



# Supervision of Money Transmitters

# WHAT IS TAX ADMINISTRATION SERVICE (SAT)?



The Tax Administration Service is a desconcentrated agency of the Ministry of Finance and Public Credit, authorized to supervise, and impose sanctions to the Money Transmitters



# OBJECTIVE

The supervision and inspection of the Money Transmitters has the purpose to **PREVENT:**



**MONEY  
LAUNDERING**



**TERRORISM  
FINANCING**





# LEGAL FRAMEWORK

- On January 28th, 2004, Article 95-Bis was incorporated to the General Law of Organisations and Auxiliary Activities of Credit which empowers the Tax Administration Service to supervise and inspect the fulfillment of the law and furthermore the compliance of the general provisions
- On May 14th, 2004, the Ministry of Finance and Public Credit (SHCP) implemented general provisions to regulate the Money Transmitters

## DEFINITION

General: The person that in exchange of a commission, profit or benefit receives in his offices, by cable, fax or electronic transfers, resources in national or foreign currency, to be sent to another point of the national territory or abroad, to be delivered to the designated beneficiary



## DEFINITION

Spreader: The person that having received by any means resources in national or foreign currency gives the money to another person who with he has a contract relationship for her to deliver the money to the designated beneficiary



# DEFINITION



Payer: The person that having a contract relationship with the spreader receives from him, by any means, the resources to deliver them to the designated beneficiary

# PROCEDURES SUBMITTED TO THE TAX ADMINISTRATION SERVICE (SAT)

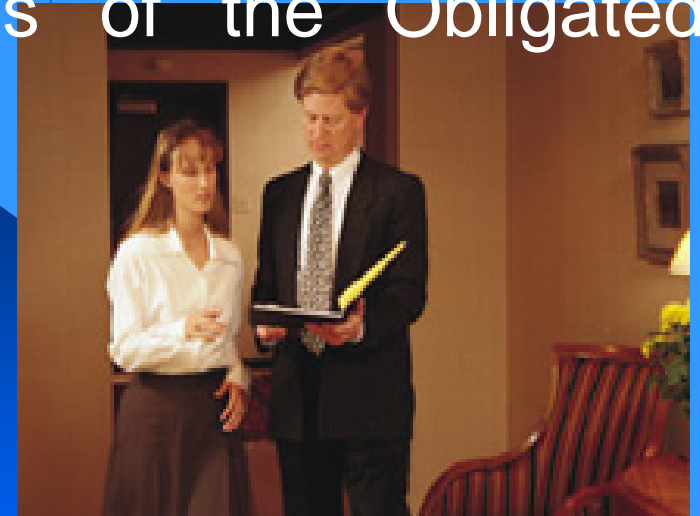
The obligated subjects have the responsibility to:

Notice of activities that the Money Transmitters perform within the next fifteen working days after they begin transactions



# INFORMATION DOES THE ACTIVITIES NOTICE MUST CONTAIN

1. Name of the Corporation of the Obligated Subject
2. Owner's name or of the main shareholders
3. Residence of the branches of the Obligated Subject
4. Manager's or agent's name
5. Federal Taxpayer Record
6. The list of activities that the Obligated Subject performs



# PROCEDURES SUBMITTED TO THE TAX ADMINISTRATION SERVICE

- Present a document that contains the criteria, rules and procedures of the identification policies and knowledge of the client and its modifications
- Submit the reports of relevant, unusual and worrying transactions



# RELEVANT TRANSACTIONS REPORT

DEFINITION	DUE DATE
<p data-bbox="78 678 965 1120">Transaction which is agreed in Monetary Instruments, for an equal or higher sum to the equivalent in national currency of three thousand U.S. dollars</p>	<p data-bbox="965 678 1860 1120">Must be reported in no longer than ten business days after the close of transactions of the last month of the corresponding trimester</p>

# UNUSUAL TRANSACTIONS REPORT

DEFINITION	DUE DATE
<p>The activity, conduct or behavior does not agree with the client record or the activity informed by the client, or all usual transactional pattern behavior, in terms of the total sum, frequency, type or nature of the mentioned transaction, without existing reasonable justification for such behavior</p>	<p>Must be reported in no longer than thirty calendar days counted from the moment the transaction has been detected by the system, process or the obligated subject's employee</p>

# WORRYING TRANSACTIONS REPORT

DEFINITION	DUE DATE
<p>The activity or behavior of the respective executives, functionaries and agents of the Obligated Subjects that for its features could violate or damage the compliance of the established measures in Law and in the applicable general legal provisions of the law</p>	<p>Must be reported in no longer than thirty calendar days counted from the moment the transaction has been detected by the system, process or the obligated subject employee</p>

# PROCEDURES SUBMITTED TO THE TAX ADMINISTRATION SERVICE (SAT)

- Notice when relevant transactions are not performed



- Notice the designation or substitution of the person that will have the power and obligations included in the applicable general provisions

# OTHER OBLIGATIONS

- 1.- Notice of the impossibility of applying abroad of Mexico the applicable general provisions
- 2.- To develop a system that complies with the general provisions
- 3.- Employee training



# WHAT TO DO IN THE EVENT THAT A PERFORMED TRANSACTION SHOWS SIGNS OF HAVING COME FROM MONEY LAUNDERING OR TERRORIST FINANCING?



When a transaction is accepted the obligated subjects must warn the designated people as responsible, who in the next twenty four hours should send the Report of Unusual transactions to the Ministry of Finance and Public Credit through the Tax Administration Service

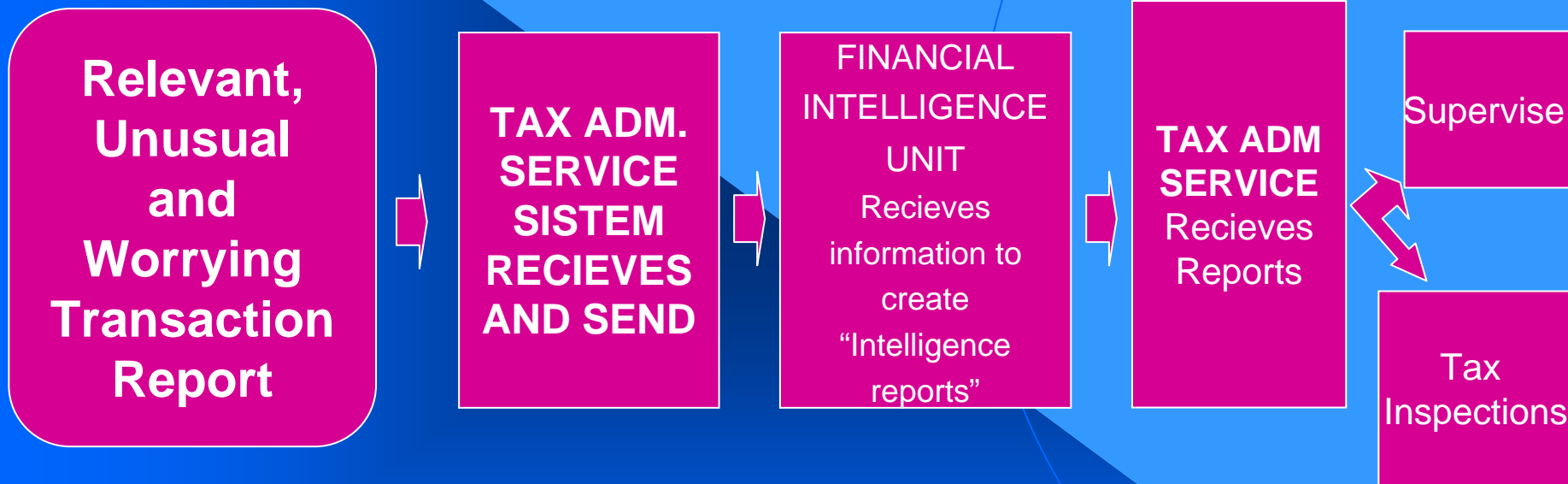
# HOW TO REPORT A RELEVANT, UNUSUAL AND WORRYING TRANSACTION?

It shall be sent by electronic system to the Ministry of Finance and Public Credit through the Tax Administration Service (SAT), in the



official format published in the Federation Official Newspaper of December 14th, 2004, which was amended by the Resolution published on May 18th, 2005

# TRANSACTIONS REPORT





# STATISTICAL DATA



# STATISTICAL DATA

OBLIGATION	TOTAL
Notice of activities that the Money Transmitters perform	225

OBLIGATED SUBJECT	TOTAL
Pure Money Transmitters	36
Money Transmitters and other activities	189



# STATISTICAL DATA

OBLIGATION	TOTAL
Present a document that contains the criteria, rules and procedures of the identification policies and knowledge of the client	16

OBLIGATED SUBJECT	TOTALES
Money Transmitters	4
Money Transmitters and other activities	12



# STATISTICAL DATA

## OBLIGATION

## TOTAL

Notice of the designation or substitution of the person that will have the power and obligations included in the applicable General Provisions

225

## OBLIGATED SUBJECT

## TOTAL

Money Transmitters

36

Money Transmitters and  
other activities

189



## STATISTICAL DATA

The Tax Administration Service (SAT) has a record of approximately **2,052 Obligated Subjects**. This information was gathered from:

- ◆ Information of the Tax Administration Service
- ◆ Service
- ◆ The registry of the RC official format
- ◆ Site visits

## Supervision of Money Transmitters and Unlicensed Money Exchange Offices

A subprogram named “**Supervision of Money Transmitters**” was elaborated; this program plans to perform 125 nation-wide visits on 2005.

Additionally was elaborated another subprogram wich includes the **notification of 1,439 official letters** to the Money Transmitters and Money Exchange Offices that did not fulfill with the applicable laws. To the date the Tax Administration Service has notificated all of them

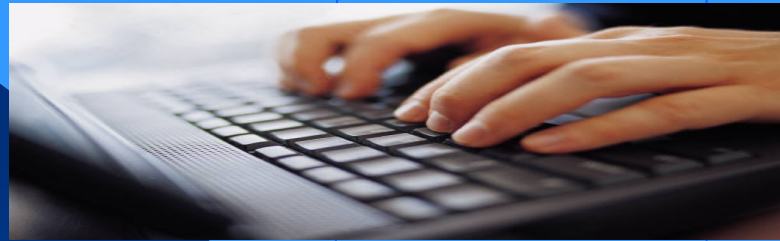
The image features a solid blue background. A dark blue diagonal shape cuts across the lower-left portion. In the upper-right, there are faint, thin white lines forming a quarter-circle and a vertical line, suggesting a corner or a design element. The word "IMPROVEMENTS" is centered in a bold, white, sans-serif font.

**IMPROVEMENTS**

# IMPROVEMENTS

## 1. RECEIVING AND SENDING FINANCIAL INFORMATION THROUGH SAT WEB SITE

This service was released on the SAT web site on april 15TH of this year for the convenience of the obligated subjects



## 2. REGISTRATION OF OBLIGATED SUBJECTS

With the supervision program the registration will be completed



# IMPROVEMENTS

## 3. TRAINING

- **Directed to public officials**

The **SAT** has given 13 courses addressed to **735** officials of the Tax Administration Service

- **Directed to obligated subjects**

The SAT has carried out several meetings with the obligated subjects and their associations with the purpose of dissipating their doubts and it also has developed a training program in order to allow these entities to have the proper knowledge about their obligations fulfillment



# IMPROVEMENTS

## 4. BROADCAST

Submission of **15,000 triptychs and 30,000 flyers** directed to the Money Transmitters

Availability on the Tax Administration Service web site [www.sat.gob.mx](http://www.sat.gob.mx) of a section for Money Transmitters

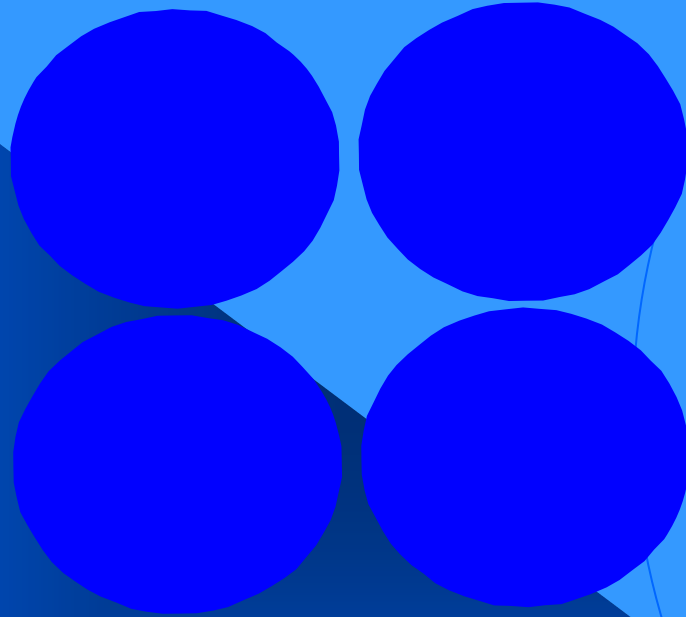
The Tax Administration Service has published an article in the **newspapers** of main circulation at national level to inform to the subjects their obligations





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**SAT**