

April 15, 2020

Corporate Update

Deadline for Filing Annual Reports and Payment of Annual Fees Extended / Governor Signs Measure Requiring Forbearances

I. 2019 Annual Report Filing and Annual Fees Payment Deadline: May 15, 2020

On March 21, 2020, the Puerto Rico Department of State announced an extension of the 2019 annual report filing and annual fees payment deadline. This extension applies to Puerto Rico corporations and limited liability companies and foreign corporations and limited liability companies duly authorized to engage in business in Puerto Rico.

1. Domestic (Puerto Rico) and Foreign Corporations

The 2019 annual report filing deadline provided for under the Puerto Rico General Corporations Act of 2009, as amended (the "Act") has been extended from April 15, 2020 to May 15, 2020.

A corporation may apply for a filing extension to June 15, 2020, provided that the corporation prepays the applicable fees by the May 15, 2020 deadline. Likewise, corporations that need additional time to file beyond the June 15, 2020 deadline now have from May 16, 2020 to June 15, 2020 to request an additional extension to July 15, 2020. This additional extension is subject to a \$30.00 filing fee.

2. Domestic (Puerto Rico) and Foreign Limited Liability Companies

The 2019 annual fee payment deadline provided for under the Act has been extended from April 15, 2020 to May 15, 2020.

3. Penalties

Failure to comply with the annual filing (corporations) and payment requirements may result in administrative fines.

II. Puerto Rico Governor Signs Into Law Measure Requiring That Financial Institutions Offer And Grant Loan And Credit Card Forbearances To Clients

On April 14, 2020, Puerto Rico Governor Wanda Vázquez signed Act No. 26 of 2020 ("Act 26-2020") directing financial creditors, including all banking and financial institutions authorized to engage in business in Puerto Rico, to provide customers/debtors (individuals) a forbearance on, or suspension of, certain personal, auto and mortgage loans and credit cards payments due on March, April,



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May and June 2020. In addition, no additional fees, penalties or interest shall be charged to a customer/debtor in connection with the financial relief established by Act 26-2020.

Forbearances under Act 26-2020 will be granted exclusively to those customers/debtors to whom their financial situation has been directly affected by the mandatory business closing as directed by Governor Vázquez under Executive Order OE-2020-023 issued on March 15, 2020 amid the COVID-19 emergency. Likewise, all loan and credit card account payments must have been current as of March 12, 2020.

Forbearance under Act 26-2020 is voluntary. As such, a customer/debtor is deemed to have voluntarily availed himself to the forbearance during the month payment was not made to the financial creditor by due date, provided that the customer/debtor has previously notified the financial creditor.

The provisions of Act 26-2020 will be enforced by the Office of the Commissioner of Financial Institutions (the “OCFI”). Accordingly, administrative guidance from the OCFI as to the implementation of Act 26-2020 is expected.

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