LEGAL UPDATE

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Clarifications on the Applicability of Executive Orders Closing Business Operations

REICHARD & ESCALERA

ATTORNEYS AND COUNSELLORS AT LAW

On April 3, 2020, the Puerto Rico Department of Economic Development and Commerce ("DDEC" for its Spanish acronym) issued Circular Letter No. 2020-05 ("CC 2020-05") interpreting and expanding on the provisions of Executive Order No. 2020-029 ("OE 2020-029") which extended curfews and closures of business operations from March 31, 2020 until midnight April 12, 2020.

Note that on April 7, 2020, the Governor issued Executive Order No. OE-2020-032 amending OE-2020-029 to require that several business operations remain closed to the public from Friday, April 10, 2020 until Sunday, April 12, 2020. Executive Order No. OE-2020-032 supersedes CC 2020-05 where applicable.

Below is a list of the businesses, services and activities considered exempt from the mandatory close of operations. Note that employees of businesses covered by an exemption will, generally, be exempted from license plate number limitations for their vehicles.

- 1. Food Including the sale of prepared food through carry out or delivery; the sale of foods either in retail or wholesale; businesses related to the food and beverage distribution chains, including farmers, agricultural workers, hydroponics and agricultural activity in general; further including animal food distribution chains, food processors and elaborators.
- Medication, Medical and Pharmaceutical Equipment Includes business dedicated to the production, sale and servicing in relation to medication, medical articles and equipment, or medical care, and other businesses engaged in their distribution chain. However, certain limitations have been imposed as follows:
 - a. On Sundays, pharmacies shall only sell medication and personal hygiene products.
 - b. During the closure period, all elective medical procedures shall be suspended.
 - c. Dental offices shall only open for emergencies.
- 3. Gas Stations Includes businesses engaged in the production, sale, and distribution of fuels, intermediate and blended fuels, refined gasoline, diesel, jet fuel, AV-Gas, natural and other types of gas, as well as those businesses which are part of the distribution chain. On Sundays, gas station operations are limited to the sale of fuel.
- 4. Financial Institutions Includes banks and cooperatives, loan businesses, and pawn shops.



For more information on this Legal Update, please contact:

Hector Reichard

reichard@reichardescalera.com 787.777.8801 787.380.5639

Rafael Escalera-Rodriguez

escalera@reichardescalera.com 787.777.8877 787.380.5638

Carlos E. Serrano

cserrano@reichardescalera.com 787.777.8815 787.406.5257

Juan C. Méndez

jcmendez@reichardescalera.com 787.777.8834 787.565.5725

- 5. Organizations Providing Basic Services– Includes homeless shelters, food banks, and victim shelters.
- Security Includes agencies and private security companies, municipal police, the Natural and Environmental Resources Department's Patrol Corps, Treasury Department's Internal Revenue agents, and roadside assistance services as solicited under a service subscription or by the police.
- National Security Includes businesses engaged in aerospace services, the furnishing of products or services to any federal agency including the Department of Defense, and the textile industry.
- 8. Critical Infrastructure Includes utilities such as the Puerto Rico Electric Power Authority, the Puerto Rico Water and Sewage Authority, telecommunications, highways, solid and biomedical disposal services, maritime ports, and airports, as well as services related to the reparation, maintenance, rehabilitation, and replacement of critical infrastructure including cell phones, tablets, tv cable units, and similar equipment for consumer use. Services in relation to the latter must be provided remotely and replacements units shall be sent via mail or authorized carrier.
- 9. Goods and Services Includes elderly care; call centers; security companies; road assistance; alarm services; delivery and mail services; services to airports and ports; recycling services; news media; travel agencies through call centers; maintenance and cleaning services; plumbing, electric technician services; landscaping, extermination and pool cleaning services; elevator maintenance and repair services; all necessary services for maintaining health, security and essential operation for individuals, residences, commerce, industry and the public; garbage collection services; funeral services; manufacture of goods for export; and the sale of car parts, hardware store articles and mechanic technician services limited as follows:
 - a. Auto parts shops, automotive technicians, tire shops, and parts distributors shall only open for emergencies, on Wednesdays and Thursdays between 9:00am and 12:00pm by appointment only.
 - b. Hardware stores shall only open Fridays and Saturdays between 9:00am and 12:00pm by appointment only.
- 10. Construction Only for critical services, maintenance or repair, in relation to hospitals, potable water, electricity and communications.
- 11. Supply Chains related to the goods and services described above.

Pursuant to Executive Order No. OE-2020-032 businesses listed above, except the ones listed below are to remain closed to the public from Friday, April 10, 2020 until Sunday, April 12, 2020:

- a. Pharmacies limited to the sale of medication and personal hygiene products.
- b. Gas stations limited to the sale of gas or medication.
- c. Elderly care centers.
- d. Organizations providing basic care, such as homeless shelters and food banks.
- e. Prepared food establishments shall remain closed to the public but may operate through carry-out of delivery.
- f. Mini-markets, kiosks and supermarkets shall remain closed but may operate solely for cleaning, disinfecting, and for merchandise management.

g. Businesses in the food distribution chain may continue operating limited to the transportation, pick-up and delivery of merchandise.

CC 2020-05 provides general clarifications on the provisions of the various executive orders that have been issued, however judgement must be exercised when availing from their provisions.

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MCS Plaza, 10th Floor | 255 Ponce de León Avenue | San Juan 00917 | Phone: 787-777-8888 | Fax: 787-765-4225 | www.reichardescalera.com