

March 17, 2020

### **Additional Executive Branch Guidance in Light of OE-2020-023**

As indicated in previous Legal Updates, below we provide highlights of additional guidance issued by the Puerto Rico Treasury Department, the Department of Economic Development and Commerce and the Office of the Commissioner of Financial institutions.

#### ***Treasury Department Extends Filing Periods and Waives Penalties***

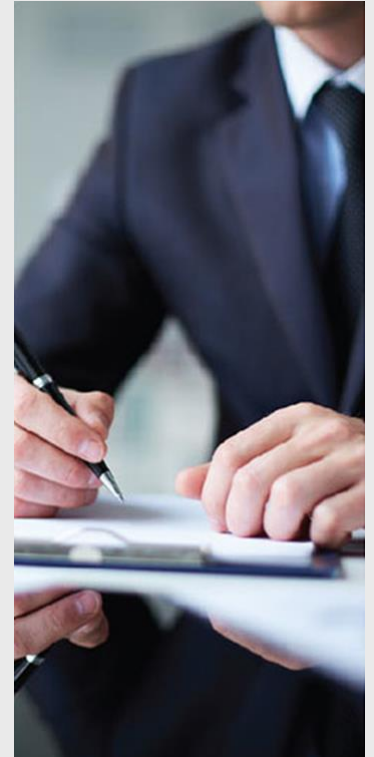
On March 15, 2020 the Puerto Rico Treasury Department (“Treasury”) issued Administrative Determination No. 20-03 (“DA 20-03”) postponing the filing of income tax returns and corresponding payments. See our Legal Update on the matter.

On March 16, 2020, Treasury issued [Administrative Determination No. 20-05](#) (“DA 20-05”) amending DA 20-03 as follows:

1. The due dates for filings and payments in relation to sales and use tax (“SUT”) during the period between March 15, 2020 and March 31, 2020, shall be extended for one month. Specifically:
  - a. Monthly SUT return – one-month extension for filing the monthly SUT return and any associated payment corresponding to the month of February 2020 until April 20, 2020.
  - b. Biweekly SUT payments – no penalties will be imposed for non-compliance with biweekly SUT payments of March 2020, provided that the total SUT due for said months is paid at the time of filing the corresponding SUT return.
2. All returns, declarations and forms, as well as all payments and deposits of taxes administered by Treasury, which have due dates within the period of March 15, 2020 and April 15, 2020 to the extension of DA 20-03 will be covered.
3. Automatically extend all bonds and internal revenue licenses expiring between the period of March 15, 2020 and March 31, 2020, until April 30, 2020.

Treasury also issued [Informative Bulletin No. 20-08](#) waiving penalties related to the filing of informative returns for the 2019 tax year. No penalties shall be assessed for informative returns filed no later than April 15, 2020.

Finally, Treasury also issued Informative Bulletin No. 20-09 informing that services related to the transport of merchandise exempted from OE 2020-023 from ports to warehouses or retail points will also be considered exempt from OE 2020-023.



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## ***Department of Economic Development and Commerce***

The Department of Economic Development and Commerce issued Circular Letter No. 2020-02 and a letter to the textile industry.

In CL 2020-02, the Department of Economic Development and Commerce provided guidance as to the following exemptions related to health, food, fuels, essential utilities infrastructure, security/national security, financial and banking institutions, and the goods and services and supply chains related to these, will be exempt from EO-2020-023. The following are provided as examples of exempted activities/industries:

### Health

- Pharmaceutical companies
- Medical devices (manufacture and sale)
- Biotechnology and agricultural biotechnology facilities
- Manufacture of supplies for hospitals
- Hospitals
- Clinical laboratories
- Emergency rooms
- Medical services clinics
- Pharmacies
- Medical cannabis dispensaries
- Medical cannabis cultivation and processing facilities
- Health centers
- Blood banks
- Veterinary clinics (only for emergencies and the sale of food)
- PBM or pharmacy managers
- Health insurance industry for direct patient care and medical offices, pharmacies (marketing and sales will NOT be allowed)
- Funeral services (collection or transfer as part of essential services, embalming, burial, in which it must be taken into account that no more than 10 people coexist in the same place and without wake and cremation)

### Food

- Food distribution
- Wholesale food sales
- Retail food sales
- Prepared food sales (drive-thru, carry-out and delivery)
- Hydroponic farms
- Agriculture activities including food and medicine for animals

### Fuels (processing, sale and distribution)

- Refined: gasoline, diesel, jet fuel, AV-gas, propane gas, butane gas, natural gas, kerosene, among others
- Mixed (intermediate fuels, blended)
- Production, distribution, wholesale, retail (gas stations)

### Critical infrastructure

- Repair, maintenance and rehabilitation of PREPA, PRASA and telecommunications, road system, solid waste services and bio medics, ports and airports

### Local and national security

- Aerospace

- Products and services related which are essential for the US Department of Defense, excluding the manufacturing of textiles
- Private security guard agencies
- Road assistance, will be able to transit when solicited by the subscriber or an agent of public order

#### Goods and services

- Elderly care centers
- Call centers for direct patient care and other exempt industries
- Public, private, state and federal security companies
- Closed circuit services and alarms
- Press including its “call centers”, distribution trucks and press carriers in residences and businesses
- Travel agencies operating remotely through call centers
- Recycling services
- Maintenance and cleaning services of exempt business, residences and condominiums
- Collection of waste (public or private)
- Banking services, credit and savings cooperatives for the realization of personal or commercial truncations permitted by the Office of the Commissioner of Financial Institutions
- Package and delivery services

#### Supply chain

- Companies that provide goods or services to sectors exempt from closure, limiting their operations to supply of such provisions
- Supply of articles for sectors exempt from closure
- Logistics and transport: customs brokers, the consolidation service for sea or land cargo, warehousing and distribution services to third parties, in accordance with the regulations established by the PR Treasury and the Port authority and the distribution of detergents, disinfectants and hygiene products exempt from closing.

In the “Letter to the Entire Textile Industry” the DDEC states that although it was believed that US Department of Defense contractors would be exempt from OE 2020-023, every textile company, without exception, must close operations immediately.

#### ***Office of the Commissioner of Financial Institutions Extends Deadlines***

On March 17, 2020, the Office of the Commissioner of Financial Institutions (“OCFI”) issued Circular Letter Number CIF-2020-002 (“CIF-2020-002”) providing for an extension to filings and other deadlines expiring between March 16, 2020 and April 14, 2020. CIF-2020-002 states that any responses to complaints, information requests, financial reports, including monthly and quarterly reports, license renewals and any other deadline required by the OCFI or provided for under laws subject to the jurisdiction of the OCFI shall be extended to April 15, 2020. Furthermore, all requests for unclaimed funds due between said dates shall be filed on the first business day after March 30, 2020 or on the date the OCFI resumes operations.

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