



## Puerto Rico: Governor extends lockdown and curfew; key deadlines and governmental measures in response to COVID-19

### COVID-19 Alert

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(This alert contains information which is current as of April 3, 2020. We are actively monitoring activities in this rapidly changing area; please contact the authors of this alert for the most current information.)

On March 12, 2020, the governor of Puerto Rico declared a state of emergency across the island amid the threat of the coronavirus disease 2019 (COVID-19) global pandemic. On March 15, 2020, the governor issued an Executive Order setting out a nightly curfew for all citizens, a daytime lockdown with limited exceptions (such as grocery and pharmacy visits), and the closure of all private and government operations, except for those related to essential services, until March 30, 2020.

These orders were effectively superseded by Executive Order 2020-029, issued on March 30, 2020, in which the governor has extended the temporary lockdown and curfew and taken additional measures. Until April 12, 2020, the daytime lockdown shall be in effect from 5 am to 7 pm, except for those citizens working in security, health, or food distribution, or for those in specific circumstances (such as those purchasing food or essentials); the curfew shall be in effect from 7 pm to 5 am. Violators may face a six-month jail term or a fine of up to \$5,000.

Additional restrictions scheduled to go into effect on April 1, 2020 include:

- **Limiting traffic.** Only certain individuals may travel by car each day according to the last number of their vehicle's license plate. Those with odd numbers may travel by car on Tuesdays, Thursdays, and Saturdays. Those with even numbers and license plates ending in a letter may travel by car on Mondays, Wednesdays, and Fridays. No one may use their cars on Sundays except in case of emergencies. Essential service providers are not subject to these traffic limitations during the week.
- **Increasing business closures on Sundays.** Grocery stores must remain closed on Sundays, and pharmacies will only be allowed to sell medicines and personal hygiene products. Gas stations may only sell fuel.

The lockdown has impacted businesses across the island. The government has granted some relief to help alleviate the uncertainty businesses are facing, including the following measures:

#### **Puerto Rico State Department**

All entities with 2019 annual fees and annual reports due on or before April 15, 2020, now have until May 15, 2020 to pay the annual fees and file the corresponding annual report.

#### **Puerto Rico Treasury Department**

##### **A. Sales and Use Tax ("SUT")**

- a. Monthly SUT Return (Form SC 2915) – filings for the February, March, April, and May 2020 returns are extended by one month. For example, the February return is now due April 20, 2020, and the May return is now due July 20, 2020.
- b. Semi-monthly SUT Payments – no penalties will be imposed for noncompliance with semi-monthly SUT payments relating to March, April, May, and June 2020, provided that the total SUT owed for those months is paid with the Monthly SUT Return for those periods.
- c. Monthly Imports Return (Form SC 2915D) – filings for the February, March, April, and May 2020 returns are extended by one month. For example, the February return is now due April 10, 2020 and the May return is now due July 10, 2020.

##### **B. Tax returns, statements, forms, and tax payments**

- a. Disregarded Entities and Other Taxpayers with Returns Due during March 2020 – the deadline for filing the 2019 Tax Return is extended until June 15, 2020. Payment for the tax liability is due on April 15, 2020.
- b. Taxpayers with April 15, 2020 Due Dates – the deadline for filing and payment of any tax returns due on April 15, 2020 is extended to July 15, 2020.
- c. Taxpayers with May 15, 2020 or June 15, 2020 Due Dates – the deadline for filing and payment of any tax returns due on May 15, 2020 or June 15, 2020 is extended to July 15, 2020.

##### **C. Tax returns for all other taxes**

- a. All other tax returns and payments due in March and April 2020 are extended until June 2020. The deadline will fall on the same day as the original due date, but during the month of June. A request for extension is not required.
- b. All other tax returns and payments due in May and June 2020 are extended until July 2020. The deadline will fall on the same day as the original due date, but during the month of July. A request for extension is not required.

##### **D. Bonds and licenses**

- a. Any bonds or licenses from the Treasury Department set to expire between March 15 and April 30, 2020 will be automatically extended until May 31, 2020.

##### **E. Payment plans**

- a. Taxpayers that currently have a payment plan in place with the Treasury Department and are facing economic hardships due to the impact of COVID-19 and the governor's Executive Order are not required to make any installment payments corresponding to the period from March 16, 2020 to April 30, 2020. The taxpayers will not be subject to any fines, penalties, or interest for

failure to pay during this period.

b. Taxpayers that are required to file an income tax return for tax year 2019 but do not have the financial resources to remit the outstanding balance may request to pay the balance in installments and pay the total amount by March 31, 2021.

**F. Informative returns**

a. No penalties will be imposed with respect to the filing of informative returns for tax year 2019, so long as these returns are filed no later than May 15, 2020.

**Office of the Commissioner of Financial Institutions**

The Office of the Commissioner of Financial Institutions (OCIF, in Spanish) has issued an automatic extension until April 15, 2020 for all filings due between March 16 and April 14, 2020. This includes deadlines to answer complaints and requests for information, as well as deadlines to file financial statements and license renewal documents. OCIF has instructed interested parties to call on March 31, when its office will reopen, to request information about how to file documents electronically.

**Courts and legal proceedings**

The Puerto Rico Judicial Branch ceased operations until April 12, 2020, except for the management of new criminal cases and urgent proceedings, such as issuing protective orders to victims of violence.

Also, the Puerto Rico Supreme Court issued an automatic extension until April 27, 2020 for all filings due between March 16 and April 26, 2020. This includes jurisdictional and discretionary deadlines before the Courts of First Instance, the Court of Appeals, and the Puerto Rico Supreme Court.

The online docketing system for Courts of First Instance, known as SUMAC, will remain available to file motions. However, parties should expect delays in the Courts' consideration of any motions filed.

The physical mailbox at the entrance of the Court of Appeals will be available to drop documents from Monday to Friday between 8:30am and 5:00pm. However, the governor's Executive Order does not provide an exception to the lockdown for court filings, so the mailbox should only be used for extremely urgent matters.

The Federal District Court for the District of Puerto Rico will continue all civil and criminal proceedings requiring hearings until May 4, 2020. During this period, urgent hearings may be held via videoconference. The Clerk's Office will be operating partially and, starting April 6, the Intake Section of the Clerk's Office will only open on Tuesdays and Fridays, from 9:00am to 4:00 pm. However, the District Court will not provide further extensions for deadlines to file motions. The current automatic extension until April 10, 2020 for all filings due between March 16 and April 9, 2020 remains in effect. Any additional extensions must be requested by the parties.

**Air and sea transportation**

All airports in Puerto Rico continue to operate, although the Puerto Rico National Guard is screening airport passengers by taking the temperature of every arriving passenger and inquiring about their health. Travelers with a temperature of 100.3 degrees Fahrenheit or more are referred to the Department of Health for medical evaluation. As of March 24, 2020, all commercial flights arriving in Puerto Rico are being redirected to San Juan's Luis Muñoz Marín International Airport (SJU) and may not land in the Ponce or Aguadilla airports. Charter flights and others may only land in select airports. These restrictions do not apply to air cargo flights.

Since March 13, 2020, cruise ships are not allowed to dock in Puerto Rico. The ferry service to and from the Dominican Republic has also been suspended.

Maritime and air cargo vessels continue to operate normally.

**Additional measures**

From March 30, 2020 through May 1, 2020, self-employed individuals that are currently registered as merchants with the Puerto Rico Treasury Department are eligible to obtain a \$500 incentive.

Utility service for water and power may not be suspended for failure to pay.

Financial institutions are required to grant, at a client's request, a 90-day moratorium on mortgage payments, automobile loans, personal loans, commercial loans, and credit card payments. The moratorium applies to commercial banks and credit and savings associations.

The Puerto Rico Treasury Department, from March 23, 2020 through April 30, 2020, is exempting the following essential items from SUT: hand sanitizer, soap, shampoo, wet wipes, disposable tissues, masks, isopropyl alcohol, disinfectants, antiseptics, household cleaning products, vinyl gloves, analgesics and acetaminophen or ibuprofen products, and cold medication, including antihistaminic. Prepared foods will also be temporarily exempt from SUT from March 20, 2020 through April 19, 2020.

The information in this alert is current as of March 31, 2020. Given the nature of this situation, new measures are continuously being implemented. If you have any questions regarding these new requirements and their implications, please contact any member of DLA Piper's San Juan office or your DLA Piper relationship attorney.

Please visit our Coronavirus Resource Center and subscribe to our mailing list to receive alerts, webinar invitations and other publications to help you navigate this challenging time.

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