

PR Department of State Extends Penalty Waiver Period for Failure to File Annual Dues

ATTORNEYS

- Samuel T. Céspedes Jr.
- Francisco J. Pavía
- Ernesto N. Mayoral
- Rubén Méndez-Benabe
- Antonio J. Ramírez-Aponte
- Marcos Rodríguez-Ema
- Ricardo J. García-Negrón
- Melba I. Acosta-Febo
- Magda M. Boyles
- Antonio Escudero-Viera
- Sila M. González-Calderón
- Lizzie M. Portela-Fernández
- Antonio J. Rodríguez
- María Cristina Salas-Díaz
- María Teresa Szendrey-Ramos
- Adrián P. Goyco-Vera

PRACTICE AREAS

- Corporate

An McV Corporate Alert

December 28, 2017

On August 17, 2017, Puerto Rico Department of State (“PRDS”) issued Administrative Order No. 2017-03 to grant a waiver of late penalty fees imposed to domestic and foreign entities (corporations and limited liability companies) that have failed to file annual reports or annual fees pursuant to the General Corporations Act of Puerto Rico, Act No. 164-2009, as amended. On December 5, 2017, by virtue of Administrative Order No. 2017-04, the waiver period was extended until February 8, 2018.

Typically, the fee associated with the failure to file a corporation annual report is \$750 in the case of for-profit corporations and \$75 in the case of nonprofit corporations. Late fees for limited liability companies are \$500 plus interest at a rate of 1.5% per month. During the waiver period, noncompliant for-profit entities are required to pay three times the annual dues (\$450 for limited liability companies and corporations) for each year they failed to file annual reports or fees. Noncompliant nonprofit entities are required to pay double the annual dues (\$10 for corporations and \$300 for limited liability companies) for each year they failed to file annual reports or fees.

PRDS intends to cancel the certificate of organization or authorization to do business in Puerto Rico of those entities that have failed pay their annual dues for three consecutive years, in the case of limited liability companies, and two consecutive years, in the case of corporations.

The content of this McV Alert has been prepared for information purposes only. It is not intended as, and does not constitute, either legal advice or solicitation of any prospective client. An attorney-client relationship with McConnell Valdés LLC cannot be formed by reading or responding to this McV Alert. Such a relationship may be formed only by express agreement with McConnell Valdés LLC.