



OFFICIAL COMMUNICATION

TO: GRANTEES AND REPRESENTATIVES OF GRANTEES OF ACT 20, ACT 22, ACT 73 AND ACT 83 TAX EXEMPTION DECREES

RE: EXTENSION OF GRACE PERIOD FOR ANNUAL REPORT COMPLIANCE

On May 1, 2015, the Department of Economic Development and Commerce (“DDEC”) and the Office of Industrial Tax Exemption (“OITE”) launched the DDEC Online Applications Platform (“Platform”), a web-based application that allow businesses and individuals to create and manage applications under Act 20-2012, Act 22-2012, Act 73-2008, and Act 83-2010 (“Acts”), track the status of applications, communicate with DDEC/OITE and comply with the annual report filing requirement under the aforementioned laws.

Prior to the official launching of the Platform, two official communications were circulated stating that the OITE was not going to impose penalties in connection to the annual report of the last taxable year, on any Act 20, Act 73 or Act 83 company that had an obligation to file an annual report before the launching of the Platform. A 30-day grace period starting on May 1, 2015 was granted to said businesses. As for individuals with the obligation to file an annual report under Act 22, pursuant to the provisions of the Act 22 Decree, such communications stated that the date of filing of the annual report was within thirty (30) days after the date provided by law to submit income tax returns, including any extensions. A 30-day period starting on May 1, 2015 was granted to all Act 22 Grantees for calendar year 2014.

Technical Difficulties

Since the launching of the Platform, we have encountered several technical difficulties and many users who tried to access the Platform encountered a range of error messages. The technical problems caused delays in the user registration process as well as in the filings of annual reports.

During the past two weeks we have been working on fixing the problems and we are glad to say that most of the technical difficulties have now been resolved and all services must be working properly.

We appreciate your patience and sincerely apologize for any inconvenience caused.

Other Known Issues

During the past weeks, many users have encountered several problems unrelated to technical difficulties of the Platform, including the following:

1. User Account

You will need to have an open email account in order to create your user account and login into the Platform. Said email account must be registered with OITE in order to have access to the company or individual tax incentive grant.

If once you login into the Platform you do not see your Application(s) or Decree(s) on the “Status” Section”, it can either be that (1) the OITE did not have on its physical records a valid email of yours or a valid email of the “Primary Contact” or “Authorized Representative” of the Applicant or Grantee for which you are accessing the Platform, or (2) that the email address used to create your user account does not match the email addresses on OITE’s records. Please refer to Steps 6 and 7 of the Platform’s instructions and proceed to request access for the company or individual.

2. Company or Individual Account: Request Access for Companies and Individuals

You will need to click on the Access’ tab at the upper part of the Platform’s Home Page or scroll down the page in order to choose the type of account/access that you want to create. If you want to apply or need to comply for Act 20, Act 73 and Act 83, please click on “Company Access” in order to create the “Company Account”. If you want to apply or need to comply for Act 22, please click on “Individual Access” in order to create an “Individual Account”.

Nevertheless, if you created a “User Account”, and you have the intention to apply or comply for an Act 22 Application or Annual Report as an Applicant or Grantee, you do not need to create an “Individual Account”; but if you are an “Authorized Representative” and the Application or Decree of the Applicant or Grantee for which you are accessing the Platform do not appear in our electronic records you will need to request access to the Applicant’s or Grantee’s records, following the above mentioned procedure.

Please refer to Step 7 of the Platform’s instructions for further details. If you still encounter problems contact us at applications@ddec.pr.gov or (787) 764-6363, so we can assist you properly.

3. Duty to Update Contact Information

It is important to note that the Applicant, Grantee and the Applicant’s and Grantee’s Authorized Representative have an obligation to notify immediately to the OITE any change regarding Applicant’s or Grantee’s contact information, “Primary Contact” or “Authorized Representative”. If there has been a change in said information, you will need to email us at applications@ddec.pr.gov or call us at (787) 764-6363, so we can update the records and protect the privacy of Applicant or Grantee.

4. Email Notifications

You will also have to add us to your address book in order to receive the Platform's message notifications sent from the account applications@ddec.pr.gov with name DDEC Online Applications Platform.

Extension of Grace Period

Taking into consideration the above mentioned technical difficulties, we are extending the grace period for the submittal of annual reports under Act 20, Act 22, Act 73 and Act 83 to June 15, 2015. Every Grantee of an Act 20, Act 22, Act 73 or Act 83 Tax Exemption Decree must submit the corresponding annual report on or before June 15, 2015.

If Grantee has an extension to file the Puerto Rico Income Tax Return for taxable year 2014, the obligation to file the Annual Report corresponding to said taxable year will be thirty (30) days counted from the extended date the Income Tax Return must be filed. Nevertheless, if Grantee has filed an extension to submit the Income Tax Return, the Office of Industrial Tax Exemption must be notified about that fact on or before June 15, 2015.

Annual reports under Act 20 and Act 22 are no longer being accepted by mail or in person. As for the annual reports under Act 73 and Act 83, we are working hard so they are enabled in the Platform this Friday, May 22, 2015.

Assistance

Please refer to previous communications in connection with the launching of the Platform in www.oeci.pr.gov/communications. Also refer to detailed instructions for using the Platform on www.oeci.pr.gov.

If you continue to have difficulties or technical problems, please email us at applications@ddec.pr.gov or call us at (787) 764-6363, so we can assist you.

We want to know about the technical issues you may be experiencing, so we can help solve the issue. To further help us, please give us the following information:

- Your name and contact information;
- The name of the Grantee that you represent (if applicable);
- Tax Decree Number (if applicable);
- Type of document you are trying to submit (application or annual report) and applicable law;
- Description of the problem or error message, with a screenshot, if possible, of the page where you are experiencing the problem;
- As much information as possible about the steps you took before you experienced the problem.

If you are receiving this communication as a service provider, we ask you to please forward this communication to your clients.

We thank you again for your patience and understanding in this transition process.

The Department of Economic Development and Commerce