



An exclusive newsletter
for Synergi Partners
Puerto Rico



Breaking News Governor announces relief funds

Two hours before this edition “went to press” (now you know I am from the previous century) Governor Wanda Vazquez announced the destination of the 2.2 billion federal money assigned to Puerto Rico. Roughly half (around 1 billion) will be kept by the government for various uses. The other half will go to the private sector in various programs. The following programs will be created and funded from these monies:

1. 1,000M for self employed individuals
2. 150M for Covid-19 testing
3. 40M for telemedicine
4. 5M for the homeless
5. 150M for unemployment benefits
6. 250M for 5,000 grants to employers with 2-49 employees
7. 100M for 10,000 grants for employers with 50-500 employees
8. 150M for private hospitals
9. 50M for tourist related enterprises
10. 10M for training of small businesses
11. 350M for refunds of up to 50% of payroll to business that kept

paying employees during the emergency.

This last one is of special interest to our readers since it sounds a lot like de federal ERTC credits that we have discussed various times. At this time no details are available so many questions cannot be answered. As soon as the information flows we will keep you posted. Synergi Partners is currently looking at these programs and as soon as details and requirements are published will be counseling in the matter.

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All information and opinions rendered are not intended to be legal advice or opinion but a general educational orientation regarding recent developments affecting business in Puerto Rico. Readers should seek experienced professional/legal advice for their specific situation and facts.

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¿What sectors are more prone to be hit with high unemployment?


According to the prestigious firm Estudios Técnicos, Inc. there are 369,700 employees in high risk of joining into the unemployment line because of the Covid-19 pandemic. The suspicion is that many of those are already unemployed. The sectors mostly affected according to this study are: retail, transportation, utilities, recreation, hotels, education, and health. The specific trades mostly affected are salespersons, food preparation and service, and transportation related jobs.

The unemployment projection for May 2020 is 37.1%. This

statistic is based on the assumption that only 80% of the “high-risk” employees are actually laid off. It is important to keep in mind that the largest employer in Puerto Rico is the Government, so these numbers really mean the end of the Private Sector, as we know it.

Given the state of disarray that the Puerto Rico Government has, both functionally and in terms of reliability of “official” statistics, these projections have to be taken seriously.

These numbers are not only worrisome in terms of the general business landscape and ecosystem



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but if you are one of the lucky ones gearing for opening you should be carefully analyzing how to reinvent your business. A quick and simple example, if your business was heavily dependent on one or more of these sectors, say uniforms for restaurants, how can you go back to anything that looks like pre-pandemic volumes if your customers are out of business.

The government, and sadly many of the private sector stakeholders, has failed to realize the complexities of the “opening” process. If negotiating with the government to get them to allow partial openings has been extremely difficult, getting them to understand these realities will be next to impossible. What good is it to open if no customers are available to do business with?

As we see these numbers it is obvious that business owners have to devote themselves to preserving the financial health of their operations rather than rushing to open for business without further analysis. There are many aids, mostly at the Federal level, trying to address the financial situation of the employees and the businesses, but you have to wade through murky waters because of the lack of information. This is no one’s fault and probably caused by the bill being rushed through Congress because of the pandemic reality. Agencies are putting into place rules and regulations that usually take months, in days. Frequently Asked Questions are the source of guidance many times because there is nothing else. Attorneys and CPA’s

are trying their best to understand what these complex legislations require and mean, but although competent and well intentioned are not “experts” in the matter because frankly these are not everyday issues unless you specialize in them. Business decision makers should seek the best advice from the best sources before deciding what to do.

As we have pointed out before, the Employment Retention Tax Credit (ERTC) is one of those routes legislated by Congress. Synergi Partners has over 30 years of experience in handling these type of programs and are available in a contingency basis to help businesses in assuring that their proposals, not only fully comply with the law, but are as comprehensive as possible.



Abusive Government interventions

Last week, Puerto Rico Business Insider (PRBI) had warned business owners to be particularly vigilant with compliance with the maze of regulations regarding the Protocols for opening and the required Self-Evaluation. Very prestigious, and law abiding corporate citizens, we may add, were the victims of abusive Government interventions. Carlos Lopez Lay, President of Bella Group, one of the largest automotive dealer in the Island denounced in Telemundo (Channel 2) and through social media that, in what felt and looked like a drug bust, his facility was visited by around nine agencies in an impressive motorcade that included all sorts of vehicles. It should be noted that Lopez Lay has been one of the vocal industry leaders demanding relaxation of the stay at home rules in order, because of his concern for businesses health.

PRBI sources confirm that this is a pattern of Government acting in an aggressive manner

and are actively intervening with both large and small businesses across the Island. We, once again, reiterate that you need to study and comply as best as you can with the government requirements for opening and operation, both from a substantive and an operational point of view. Once again, when in doubt, seek experienced advice regarding these complex issues.

Make sure that all of your licenses are up to date and displayed in the right place. File your Self Evaluation before you open and if you were open before the requirement, rush to file it. Make sure your protocols are compliant and practical to your operations reality. Employees have to be trained and its content should be discussed. (This is one of the requirements) and evidence of this should be preserved.

Synergi Partners has over 30 years of experience in the management of tax credits petitions, so they are veterans in the field.



Why consult Synergi Partners Puerto Rico

When looking for experts in an area it is important to carefully analyze what the different alternatives have to offer. Many have asked PRBI what Synergi has to offer. First and foremost they assume the administrative and legal responsibility of the process to ascertain that every claim is properly documented and validated. The contingency plans are fully evaluated. Synergi has in house attorneys and CPA's that validate the technical analysis performed for every client. If needed, they consult with external counsel with some of the largest and prestigious law firms.

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aftermath, which are repeat clients in the current crisis.

In Puerto Rico the operations are headed by Mr. Rodrigo Masses a well-known and respected business leader, both in Puerto Rico and Washington. "I am extremely proud of being part of the process to help bring back the business ecosystem in association with Synergi whom I know very well from the María experience. I am looking forward to continue helping Puerto Rican business with the impressive technical resources of this prestigious company" said Masses. He empathized that these funds are large, but limited, and cases are handled on a first come first served basis so the sooner the process begins the higher the return. "Best of all, all of our services are on a contingency basis, you have no expense until the money is received" stated Masses.