

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
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BY ELECTRONIC MAIL

March 16, 2020

The Honorable Francisco Parés-Alicea
Secretary
Treasury Department
Government of Puerto Rico

Re: Administrative Determination 20-04

Dear Secretary Parés-Alicea:

In accordance with the rules, regulations, administrative orders, and executive orders review policy of the Financial Oversight and Management Board for Puerto Rico (“FOMB”) established pursuant to Section 204(b)(4) of PROMESA, we have reviewed Administrative Determination 20-04 (the “AD 20-04”) which would temporarily exempt sales tax payment on “*First Necessity Articles*”¹ that are needed to prevent the spread or for the treatment of the Coronavirus (COVID-19) for the period of March 16, 2020 to April 30, 2020.

After reviewing the AD 20-04, the FOMB designates it as “Approved”. Personal care readiness is of utmost importance in order for the residents of Puerto Rico to minimize the spread of the virus. Having available essential articles in this emergency can promote their usage to abate the risk of exposure of the COVID-19.

Please note that our review is solely limited to the compliance of the AD 20-04 with the applicable fiscal plan and budget and no other matters. For the avoidance of doubt, the review performed by the FOMB does not cover a legal review under applicable laws, rules, and regulations, both federal and local, including without limitation, compliance with any applicable labor laws, rules and regulations. Any material change to the AD 20-04 must be submitted beforehand to the FOMB for its review. The FOMB may also re-evaluate its assessment upon significant changes in circumstances.

This review was conducted on the basis of information submitted by the Government of the Commonwealth of Puerto Rico. The FOMB has not independently verified the information included in the submission. Should the FOMB become aware of any inaccuracies or misrepresentations – whether intentional or not – it would re-evaluate its assessment.

¹ *First Necessity Articles* as listed in Order No. 2020-005 of the Department of Consumer Affairs of Puerto Rico.

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This letter is delivered as of the date hereof and we reserve the right to provide additional observations and modify this letter based on information not available when the review was conducted. In addition, during the course of our review, we may receive information which we may determine to refer to the relevant authorities.

This letter is issued only to the PRTD and solely with respect to the AD 20-04.

Sincerely,

A handwritten signature in black ink, appearing to read "Jaime A. El Koury". The signature is stylized with a large initial "J" and a long, sweeping underline.

Jaime A. El Koury
General Counsel