

Puerto Rico Recovery Accuracy in Disclosures Act of 2021

[Public Law 117–82]

[This law has not been amended]

【Currency: This publication is a compilation of Public Law 117-82. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>】

【Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).】

AN ACT To impose requirements on the payment of compensation to professional persons employed in voluntary cases commenced under title III of the Puerto Rico Oversight Management and Economic Stability Act (commonly known as “PROMESA”).

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. [48 U.S.C. 2101 note] SHORT TITLE.

This Act may be cited as the “Puerto Rico Recovery Accuracy in Disclosures Act of 2021” or “PRRADA”.

SEC. 2. [48 U.S.C. 2178] DISCLOSURE BY PROFESSIONAL PERSONS SEEKING APPROVAL OF COMPENSATION UNDER SECTION 316 OR 317 OF PROMESA.

(a) DEFINITIONS.—In this section:

(1) LIST OF MATERIAL INTERESTED PARTIES.—The term “List of Material Interested Parties” means the List of Material Interested Parties established under subsection (c)(1).

(2) OVERSIGHT BOARD.—The term “Oversight Board” has the meaning given the term in section 5 of PROMESA (48 U.S.C. 2104).

(b) REQUIRED DISCLOSURE.—

(1) IN GENERAL.—In a case commenced under section 304 of PROMESA (48 U.S.C. 2164), no attorney, accountant, appraiser, auctioneer, agent, or other professional person may be compensated under section 316 or 317 of that Act (48 U.S.C. 2176, 2177) unless prior to making a request for compensation, the professional person has filed with the court a verified statement conforming to the disclosure requirements of rule 2014(a) of the Federal Rules of Bankruptcy Procedure setting forth the connection of the professional person with any entity or person on the List of Material Interested Parties.

(2) SUPPLEMENT.—A professional person that submits a statement under paragraph (1) shall promptly supplement the

statement with any additional relevant information that becomes known to the person.

(3) DISCLOSURE.—Subject to any other applicable law, rule, or regulation, a professional person that fails to file or update a statement required under paragraph (1) or files a statement that the court determines does not represent a good faith effort to comply with this section shall disclose such failure in any filing required to conform to the disclosure requirements under rule 2014(a) of the Federal Rules of Bankruptcy Procedure.

(c) LIST OF MATERIAL INTERESTED PARTIES.—

(1) PREPARATION.—Not later than 30 days after the date of enactment of this Act, the Oversight Board shall establish a List of Material Interested Parties subject to—

(A) the approval of the court; and

(B) the right of the United States trustee or any party in interest to be heard on the approval.

(2) INCLUSIONS.—Except as provided in paragraph (3), the List of Material Interested Parties shall include—

(A) the debtor;

(B) any creditor;

(C) any other party in interest;

(D) any attorney or accountant of—

(i) the debtor;

(ii) any creditor; or

(iii) any other party in interest;

(E) the United States trustee and any person employed in the office of the United States trustee; and

(F) the Oversight Board, including the members, the Executive Director, and the employees of the Oversight Board.

(3) EXCLUSIONS.—The List of Material Interested Parties may not include any person with a claim, the amount of which is below a threshold dollar amount established by the court that is consistent with the purpose of this Act.

(d) REVIEW.—

(1) IN GENERAL.—The United States trustee shall review each verified statement submitted pursuant to subsection (b) and may file with the court comments on such verified statements before the professionals filing such statements seek compensation under section 316 or 317 of PROMESA (48 U.S.C. 2176, 2177).

(2) OBJECTION.—The United States trustee may object to applications filed under section 316 or 317 of PROMESA (48 U.S.C. 2176, 2177) that fail to satisfy the requirements of subsection (b).

(e) LIMITATION ON COMPENSATION.—In a case commenced under section 304 of PROMESA (48 U.S.C. 2164), in connection with the review and approval of professional compensation under section 316 or 317 of PROMESA (48 U.S.C. 2176, 2177) filed after the date of enactment of this Act, the court may deny allowance of compensation or reimbursement of expenses if—

(1) the professional person has failed to file the verified disclosure statements required under subsection (b)(1) or has

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filed inadequate disclosure statements under that subsection;
or

(2) during the professional person's employment in connection with the case, the professional person—

(A) is not a disinterested person (as defined in section 101 of title 11, United States Code) relative to any entity or person on the List of Material Interested Parties; or

(B) represents or holds an adverse interest in connection with the case.