

117TH CONGRESS
1ST SESSION

H. R. 1192

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 2021

Received; read twice and referred to the Committee on Energy and Natural
Resources

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”).

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. DISCLOSURE BY PROFESSIONAL PERSONS SEEKING**
5 **APPROVAL OF COMPENSATION UNDER SEC-**
6 **TION 316 OR 317 OF PROMESA.**

7 (a) REQUIRED DISCLOSURE.—

8 (1) IN GENERAL.—In a voluntary case com-
9 menced under section 304 of PROMESA (48 U.S.C.
10 2164), no attorney, accountant, appraiser, auc-
11 tioneer, agent, consultant, or other professional per-
12 son may be compensated under section 316 or 317
13 of that Act (48 U.S.C. 2176, 2177) unless prior to
14 making a request for compensation, the professional
15 person has submitted a verified statement con-
16 forming to the disclosure requirements of rule
17 2014(a) of the Federal Rules of Bankruptcy Proce-
18 dure setting forth the connection of the professional
19 person with—

20 (A) the debtor;

21 (B) any creditor;

22 (C) any other party in interest, including
23 any attorney or accountant;

24 (D) the Financial Oversight and Manage-
25 ment Board established in accordance with sec-
26 tion 101 of PROMESA (48 U.S.C. 2121); and

1 (E) any person employed by the Oversight
2 Board described in subparagraph (D).

3 (2) OTHER REQUIREMENTS.—A professional
4 person that submits a statement under paragraph
5 (1) shall—

6 (A) supplement the statement with any ad-
7 ditional relevant information that becomes
8 known to the person; and

9 (B) file annually a notice confirming the
10 accuracy of the statement.

11 (b) REVIEW.—

12 (1) IN GENERAL.—The United States Trustee
13 shall review each verified statement submitted pur-
14 suant to subsection (a) and may file with the court
15 comments on such verified statements before the
16 professionals filing such statements seek compensa-
17 tion under section 316 or 317 of PROMESA (48
18 U.S.C. 2176, 2177).

19 (2) OBJECTION.—The United States Trustee
20 may object to compensation applications filed under
21 section 316 or 317 of PROMESA (48 U.S.C. 2176,
22 2177) that fail to satisfy the requirements of sub-
23 section (e).

24 (3) RIGHT TO BE HEARD.—Each person de-
25 scribed in section 1109 of title 11, United States

1 Code, may appear and be heard on any issue in a
2 case under this section.

3 (c) JURISDICTION.—The district courts of the United
4 States shall have jurisdiction of all cases under this sec-
5 tion.

6 (d) RETROACTIVITY.—

7 (1) IN GENERAL.—If a court has entered an
8 order approving compensation under a case com-
9 menced under section 304 of PROMESA (48 U.S.C.
10 2164), each professional person subject to the order
11 shall file a verified statement in accordance with
12 subsection (a) not later than 60 days after the date
13 of enactment of this Act.

14 (2) NO DELAY.—A court may not delay any
15 proceeding in connection with a case commenced
16 under section 304 of PROMESA (48 U.S.C. 2164)
17 pending the filing of a verified statement under
18 paragraph (1).

19 (e) LIMITATION ON COMPENSATION.—

20 (1) IN GENERAL.—In a voluntary case com-
21 menced under section 304 of PROMESA (48 U.S.C.
22 2164), in connection with the review and approval of
23 professional compensation under section 316 or 317
24 of PROMESA (48 U.S.C. 2176, 2177), the court
25 may deny allowance of compensation for services and

1 reimbursement of expenses, accruing after the date
2 of the enactment of this Act of a professional person
3 if the professional person—

4 (A) has failed to file statements of connec-
5 tions required by subsection (a) or has filed in-
6 adequate statements of connections;

7 (B) except as provided in paragraph (3), is
8 on or after the date of enactment of this Act
9 not a disinterested person, as defined in section
10 101 of title 11, United States Code; or

11 (C) except as provided in paragraph (3),
12 represents, or holds an interest adverse to, the
13 interest of the estate with respect to the matter
14 on which such professional person is employed.

15 (2) CONSIDERATIONS.—In making a determina-
16 tion under paragraph (1), the court may take into
17 consideration whether the services and expenses are
18 in the best interests of creditors and the estate.

19 (3) COMMITTEE PROFESSIONAL STANDARDS.—
20 An attorney or accountant described in section
21 1103(b) of title 11, United States Code, shall be
22 deemed to have violated paragraph (1) if the attor-

1 ney or accountant violates section 1103(b) of title
2 11, United States Code.

Passed the House of Representatives February 24,
2021.

Attest: **CHERYL L. JOHNSON,**
Clerk.