

AUXADI

The world after Covid-19: an Int'l Vision

Summary of the Tax &
Payroll matters updates in
35 countries in Europe and
the Americas

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Novelties in this new edition

- **Czech Republic:** The law expands the existing Antivirus program with a new regime C
- **Poland:** Only until 31 July 2020 taxpayers may submit the application for a subsidy from Financial Shield for micro, small and medium-sized enterprises
- **Peru:** Through Superintendent's Resolution No. 89-2020-SUNAFIL, published in the Official journal "El Peruano", on July 11, 2020, new rules and general provisions applicable to inspection are issued, in order to ensure compliance with labor regulations regarding the State of Sanitary Emergency and to prevent the spread of COVID-19
- **Mexico:** Bill reforming the Social Security Law with respect to the Pension System, Bill reforming the Federal Labor Law regarding Telework, New laws are issued that impact the import and export of merchandise
- **Brazil:** Government allows rehiring of employee dismissed without cause within 90 days.
- **Paraguay:** Currently Paraguay is in phase 4 of the Intelligent Quarantine, except for the capital Asunción and the departments of Central and Alto Paraná, according to Decree 3835/20
- **Argentina:** The Senate approved the project that regulates the labour conditions for those who work from their homes, under the Law 27555.
- **Costa Rica:** Decree No. 42478-MTSS. Regulatory Flexibility to Help Employers with Debt before DESAF as a provisional measure to face the COVID-19 Emergency
- **El Salvador:** Government of El Salvador suspends the second phase of economic reopening.
- **Bolivia:** The Bolivian Government has issued Supreme Decree N4298





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■ Countries covered in the guide



TAX	Extension of the deadline for presentation/deferral of payment of taxes	YES	NO
FINANCIAL	Loans to companies from the Government	* With conditions	
ACCOUNTING	Extension of deadlines for Annual Accounts or similar oblig.	** In process	
LABOUR	Simplification of measures and staffing adjustments (layoffs, RSTEs, etc.)	*** Prohibition of dismissal	

		First case	Number of cases	TAX	FINANCIAL	ACCOUNTING	LABOUR
EUROPE	Germany	27/01/2020	196.324				
	Belgium	04/02/2020	61.509				
	Slovakia	06/03/2020	1.525				
	Spain	31/01/2020	249.569				
	France	25/01/2020	165.719			*	
	Netherlands	27/02/2020	50.273				
	Hungary	04/03/2020	4.166				
	Ireland	29/02/2020	25.477				
	Italy	31/01/2020	240.760				
	Luxembourg	29/02/2020	4.345				
	Poland	04/03/2020	34.775				
	Portugal	02/03/2020	42.141				
	CR	01/03/2020	12.046				
	UK	31/01/2020	313.483				
AMERICAS	Bolivia	10/03/2020	34.227				***
	Brazil	26/02/2020	1.453.369				
	Chile	03/03/2020	282.043				
	Colombia	06/03/2020	102.009				
	Costa Rica	05/03/2020	3.753				***
	Ecuador	14/02/2020	56.432				
	El Salvador	18/03/2020	7.000				***
	Guatemala	13/03/2020	19.011				
	Honduras	11/03/2020	20.262				
	Mexico	27/02/2020	231.770	*	*	*	
	Panama	09/03/2020	34.463				
	Paraguay	07/03/2020	2.260				
	Peru	06/03/2020	288.477				*
	DR	01/03/2020	33.387				
	USA	21/01/2020	2.738.113				
	Venezuela	13/03/2020	6.062				***
AFRICA	Morocco	02/03/2020	12.636				



1. An Int'l Vision



On 1st December 2019 when the first cases of Coronavirus were reported in Wuhan, China few could have expected the global consequences that were to come in the next few months. Six months later, after that, on the 11th March, the World Health Organization declared a Public Health Emergency and named Covid-19 as a worldwide pandemic, the world as a whole has gone through a lot of unexpected situations, including a lockdown that is still on in some countries.

Of course, the main worry is humanitarian given the huge and incalculable impact on human lives, but businesses are also suffering. The sudden break on consumption, the logistical problems that teams are suffering and sectors that have been forced to close completely means that businesses around the world are confronting massive economic consequences.

Governments the world over are implementing a wide range of measures to try and mitigate the consequences and getting on track of what is already known as 'new normal'. From tax relief to working from home to more complicated updates that impact the employees, there have been a raft of measures to ensure that employees and employers alike are protected.

At Auxadi, we are experts in the management of accounting outsourcing services, tax compliance and international payroll. From our two HQs in Madrid and Chicago, we operate in more than 50 countries. Our experience, knowledge and wide international coverage means that we are the perfect ally to aid the internationalization of any business.

In this guide, we have published how different countries around the world are responding to the crisis in respect to tax compliance and payroll matters reforms and we hope that it offers you some clarity in these complex times.



2. Europe's response to Covid-19



Europe has suffered heavily from the consequences of Coronavirus. With very vivid examples of Italy and Spain as well as France and Germany, the European Union is entering the 'new normal' situation'.

Despite the differences in the management of this pandemic between the northern blocs and the southern countries, Europe has already made progress in responding to the situation following the Coronavirus, through the 'Recovery Plan for Europe', which has been allocated 750 billion euros for the period 2021 and 2024. 750,000 million for the period 2021 and 2024. The specific measures that each country will develop in the coming months remain to be determined.





2.1. Spain

Updates up to March 25th

Spain is one of the most affected countries of the pandemic, with infection and death tolls that are increasing daily. Since the health crisis was declared, there has been a wave of new Government measures put in place to help fight the virus. On 13th March 2020, the President, Pedro Sanchez, announced a State of Emergency for the second time in Spanish recent history.

Since then, many businesses have been taking quick and decisive actions in order to continue providing services to their clients, which has meant a complete and rapid change for the workers and also the working environment.

In the first few days of the crisis in Spain, the recommendations were focused on the flexibility of workplace relations through such means as working from home. As the severity of the virus has developed, additional measures have been put into place so that businesses are able to both safeguard their employees and effectively deal with the limitations put in place through the State of Emergency.

Since an initial document published by the Ministerio de Trabajo (published before the State of Emergency) titled 'Guide for the workplace in relation to the new Coronavirus', the government has been active in introducing new measures such as the Real Decreto-Ley 7, RD-Ley 8, and Real Decreto 463.

In the links below, we will analyze this situation in more detail. [Special measures in relation to tax](#), [Workers rights in light of Coronavirus](#), [Tax Reforms includes in RD-Ley 8/2020](#) and [Real Decreto-Ley 8/2020 Labour updates Coronavirus Crisis](#).



"Spanish government has been active in introducing new measures such as the RD-6/2020, 7/2020 and RD-463"



Updates up to March 31st

As the consequences of the crisis increase, the Government has been introducing measures in its Covid-19 management. Thus, on March 29, the RD-Ley 10/2020 was published in the BOE, which regulates recoverable paid leave and, in this way: measures aimed at preventing the mobility of people to reduce the possibility of contagion are tightened.

The text regulates a recoverable paid leave for employed persons who do not provide essential services. Thus, workers who are within the scope of this RD-Ley will enjoy between recoverable paid leave between March 30 and April 9. The recovery of working hours may be effective from the day following the end of the Alarm State until December 31, 2020.

It will be applied to all employed persons who provide services in companies, entities of the public or private sector, and whose activity has not been halted as a result of the declaration of state of alarm established by Real Decreto 463/2020, of March 14.

Exclusions:

- Employees who provide services in the divisions or production lines whose activity corresponds to the sectors classified as essential in the annex to this royal decree-law.
- The Employees hired by those companies that have requested or are applying a file for temporary regulation of suspension employment and those who have been authorized a file for temporary regulation of suspension employment during the validity of the permit provided for in this royal decree- law.
- Employees who are on sick leave due to temporary disability or whose contract is suspended for other legally established causes.
- Employees who can continue to carry out their activities normally by teleworking or any of the non-contact modalities of service provision.
- Those indicated in the annex to the published text.

The measure does not apply, in any case, to those companies that are applying or have requested an ERTE, nor to employees in teleworking mode or in suspension of contract due to work leave, leave, etc. And while this situation lasts, employees will keep their salary, base and supplements included.

Updates from March 31st to April 8th

The Royal Decree 11/2020 from 31st March, brings into effect urgent social and economic measures to combat Covid-19. These measures include, relatives to **tax compliance**:

The appeal deadline.

The calculation of the time limit for bringing administrative appeals or to urge other procedures for challenging, claiming, conciliation, mediation and arbitration to replace them in accordance with the provisions of the laws, in any proceedings from which adverse effects or taxation may



arise for the data subject, shall be counted from the business day following the date of completion of the declaration of the State of Emergency.

This calculation shall be irrespective of the time that has elapsed since the notification of the administrative action under appeal or challenge prior to the declaration of the State of Emergency. This is without prejudice to the effectiveness and enforceability of the administrative act under appeal or challenge.

In the tax field, since 14 March 2020, the date of entry into force of Royal Decree 463/2020 declaring the State of Emergency until 30th April 2020, the deadline for bringing re-orders or administrative economic claims governed by Law 58/2003 of 17th December, General Taxation, and its development regulations will begin to be counted from 30th April 2020. It shall apply in the following cases:

- Cases where the one-month period to appeal had been initiated from the day following the notification of the contested act or decision and had not expired on 13th March 2020.
- Cases where the administrative act or decision under appeal or complaint has not yet been notified.
- Replenishment resources and claims that, in the tax field, are regulated by the consolidated text of the Law regulating Local Finances, approved by Royal Legislative Decree 2/2004, of March 5th.

Certain procedures and acts

The Ninth Additional Provision provides that the period from the entry into force of RD 463/2020 declaring the alarm status, i.e. from 14th March 2020 to 30th April 2020 shall not count for the following purposes:

- For the purposes of the maximum period for the implementation of decisions of economic-administrative bodies.
- For the purpose of calculating the limitation periods and expiry of any actions and rights covered by the tax legislation that will be suspended during this period from 14th March to 30th April 2020.

These measures will apply to the procedures, actions and procedures governed by the provisions of Law 58/2003, of December 17th, General Tax, and its regulations development and that are carried out and processed by:

- The State Tax Administration Agency.
- The Ministry of Finance.
- The tax authorities of the Autonomous Communities.
- The Tax Administrations of the Local Authorities, as well as those governed by the consolidated text of the Law Regulating Local Finances, approved by Royal Legislative Decree 2/2004, of March 5th.



Article 33 of Royal Decree-Law 8/2020 of 17th March of extraordinary urgent measures to address the economic and social impact of Covid-19, in relation to the suspension of time limits in the tax field, will apply to other resources of a public nature.

Finally, the twelfth Final Provision provides that, in general, the measures provided for in this royal decree-law will remain in force until one month after the end of the validity of the declaration of the alarm state. However, those measures provided for in this royal decree-law that have a certain period of duration will be subject to it.

Without prejudice to the above, the validity of the measures provided for in this royal decree-law, after assessing the situation, may be extended by the Government by royal decree-law.

The key points established by the Royal Decree Law regarding employment and labour are mainly summarized in articles 34 and 35. In article 34 of the Royal Decree Law, it establishes a six-month interest free postponement to social security contributions. The social security contributions have an accrual period between the months of April and June 2020. Additionally, article 35 addresses the deferral of social security debt payments whose statutory period of payment are between the months of April and June 2020. In this case, interest will be applied at a rate of 0.5%.

Postponement:

For companies that have not been authorized to make arrangements for the social security contributions payment date, they are subject to make these payments in November and December of 2020 and January 2021 respectively, and simultaneously with the contributions of October, November, and December 2020.

The request for the postponement of each settlement period may be submitted within the following deadlines:

1. Between the 1st and 10th of May: A postponement may be requested for the quotas corresponding to the April, May, or June 2020 settlement periods. That is, a postponement may be requested for all or only some of the settlement periods indicated.
2. Between the 1st and 10th of June: A postponement may be requested for the quotas corresponding to the May and June 2020 settlement periods. A postponement may be requested for both or only one of the above settlement periods.
3. Between the 1st July and 10th of July: Applications may be made for a postponement on payments for the June settlement period.

Applications for postponements must be submitted once for each Contribution Account Code affected, using the means provided by the Social Security for this purpose. The requirements for a postponement application are still pending confirmation by the Ministry of Inclusion, Social



Security and Migration. They will soon also define the criteria and requirements that each company must meet to qualify for application eligibility.

Deferrals:

The procedure for deferral of Social Security debts has been modified in accordance with Royal Decree - Law 11/2020, which maintains the essence of the deferral procedure but includes the measure instating the reduction in the interest rate applied, which is now 0.5%. The application must be submitted, by the authorized person in Sistema Red in the Boletín de Noticias Red 7/2020, within the following deadlines.

Between the 1st and 10th of April: For companies it will be possible to request the postponement of the quotas corresponding to the March settlement period. For the following three settlement periods (April, May and June for companies, and May, June and July for self-employed workers) the authorized party may present the postponement of the payment of Social Security debts, under the terms and conditions established in the Order of the Minister for Inclusion, Social Security, and Migration.

Between the 1st and 10th of May: For companies it will be possible to request the postponement of the contributions corresponding to the April settlement period.

Between 1 and 10 June: Companies may request the postponement of the quotas corresponding to the May settlement period. In the case of companies, the request for postponement will be effective for all the Quotation Account Codes included in the application.

The COVID- 19 deferral cannot be applied if the company has a debt with the Social Security, a deferral already in force for the settlement period prior to the month of March, or the request is not made in the terms provided in the RDL. With the exception of the special interest rate, COVID's deferral will be governed by the general rules regarding deferrals of social security debts. As an important explanatory note, no damage will be caused to the interested party for the purpose of obtaining the current certificate that had a previous month of accrual whose deferment is requested, no debts will be charged against the applicant, nor will there be a surcharge for the time of processing the deferment after it is granted.

Updates from April 8th to April 16th

Real Decreto Ley 14/2020, of 14 April, extends the deadline for the submission and payment of certain tax returns establishing:

For taxpayers whose volume of operations in 2019 has not exceeded 600,000 euros, the deadline for the presentation and payment of tax returns and self-assessments is extended to 20 May for those whose deadline is between 15 April and 20 May 2020.

In this case, if the form of payment chosen is direct debit, the deadline for filing self-assessments will be extended to 15 May 2020.



The above provisions will not apply to tax groups under the special consolidated tax regime for corporate income tax or to those that pay tax under the special group VAT regime, regardless of the net turnover or volume of transactions, respectively.



Updates from April 16th to April 23rd

On April 22nd, Boletín Oficial del Estado issued Real Decreto-Ley 15/2020, which included urgent measures to support the economy and employment protection. This RD-Ley 15/2020, among others, adopts the following measures:

Updates to reduce the operating costs of SMEs (Small & Medium size businesses) and the self-employed persons

I.- Rental arrangements

Among the exceptional measures adopted during the state of alert and in view of the lack or reduction of income during this period, a procedure has been established to enable the parties to reach an agreement for the adjustment of the payment of rent for premises/spaces.

Lease for non-housing use with large tenants

As long as no prior agreement on deferment or reduction of rent has been reached, a moratorium on the payment of rent may be requested:

- This may be requested by the tenant (natural or legal person) of a non-residential contract
- The lessor, who must accept the moratorium, must be a company or public housing entity, or a large holder, understood as a natural or legal person who owns more



than 10 urban properties, excluding garages and storage rooms, or a built area of more than 1,500 m²

- Deadline for application: one month from the entry into force of this Real Decreto-Ley (23 April 2020)
- It will affect those incomes during the period of the alarm state and its extensions and the following monthly payments, which may be extended one by one, but for no more than four months
- The moratorium will be without penalty or interest
- The payments will be fractioned in a period of two years from the moment the situation of the state of alarm is overcome and its extensions or from the termination of the four months mentioned above, all this always in the period of validity of the contract of lease or its extensions

Other non-housing rentals

The temporary and extraordinary postponement of the payment of the rent or a reduction thereof may be requested, provided that it has not been agreed by both parties on a voluntary basis.

- This may be requested by the natural or legal person who is the tenant of a lease for non-housing use
- The landlord must not be a large holder.
Deadline for application: one month from the entry into force of this Real Decreto-Ley (23 April 2020)
- The mandatory deposit set out in the rental contract may be freely disposed of and may be used to pay all or part of one or more monthly rental payments
- If the deposit is totally or partially available, the tenant must replace the amount drawn down within one year of the conclusion of the agreement or within the remaining term of the contract if this term is less than one year

Small and medium sized companies that can access the measures described above:

SME tenants who wish to take advantage of these measures in relation to the property rental contract affecting their activity must comply with the following requirements:

- That the limits established in Article 257.1 of Real Decreto-Ley 1/2010 of 2 July, approving the revised text of the Law on Corporations (Requirements for drawing up the abridged balance sheet), are not exceeded.
- That its activity has been suspended as a result of the entry into force of RD 463/2020, of 14 March, or by orders issued by the competent authority and the competent authorities delegated under the aforementioned royal decree and accredit the reduction of at least 75 % of its turnover in the month prior to the month in which the postponement is requested.

II.- Tax Compliance Updates

Corporate Income Tax Fractional Payments



Those taxpayers whose volume of operations has not exceeded 600,000 euros who, in accordance with RDL 14/2020, can extend the deadline for submitting their settlements and self-assessments until 20 May 2020, will have the option of applying the tax base method for calculating the fractionated payments on the part of the tax base of the first 3, 9 or 11 months.

This measure is only applicable to tax periods starting on or after 1 January 2020 and with exclusive effect for that period. For those taxpayers who have not been able to exercise this option and whose net turnover does not exceed 6,000,000 euros, it is foreseen that the option can be exercised within the deadline for the payment in instalments to be presented in the first 20 days of October 2020, also determined by the application of the aforementioned tax base method.

This measure will not apply to tax groups that apply the special tax consolidation regime.

The taxpayer who exercises the option under the above provisions will be bound by this method of payment by instalments, exclusively, in respect of payments corresponding to the same tax period.

Extension of deadlines

At the same time, the temporary validity of certain tax measures contained in Royal Decree-Laws 8/2020 and 11/2020, which were limited to 30 April 2020 or 20 May 2020, is extended until 30 May.

This extension of the deadline will also apply to the tax administrations of the Autonomous Communities and local authorities as a result of the referral made by Article 53 of Royal Decree Law 11/2020.

The time references made in Article 33 of Royal Decree Law 8 to 30 April and 20 May 2020 and which from 23 April will be extended to 30 May, in general terms, are those referred to in the following time periods:

- Deadlines for the payment of tax debts settled by the Administration that are in both the voluntary and executive periods
- Time limits set out in the Deferral and Fractionation Agreements granted
- Time limits related to the development of auctions and awarding of goods seized in enforcement proceedings
- Deadlines to attend the requirements, liens and requests for information with tax implications
- Time limits for making allegations in the event of the opening of such proceedings or of a hearing, issued in proceedings for the application of taxes, penalties or declarations of nullity, the return of undue income, the correction of material errors and revocation.
- Time limits for attending to requests and applications for information made by the Dirección General del Catastro

Likewise, the time references made in the eighth and ninth additional provisions of Royal Decree Law 11/2020 of 31 March, which also extend to 30 May, are those referring to the time limits



for administrative appeals and other procedures of challenge, claim, conciliation, mediation and arbitration, as well as to the effects of the maximum duration of the time limit for the execution of the resolutions of economic-administrative bodies, and to the effects of the calculation of the time limits of prescription and expiration of any actions and rights contemplated in the tax regulations.

Updates from April 23rd to April 30th

Order ISM/371/2020, of 24 April, implementing Article 34 of Real Decreto-Ley 11/2020, of 31 March, adopting urgent complementary measures in the social and economic field to deal with COVID-19.

The moratoriums on the payment of Social Security contributions provided for in article 34 of Royal Decree Law 11/2020 of 31 March shall apply to all companies and self-employed workers in accordance with the list of economic activities or NACE (National Classification of Economic Activities Codes) published in this Order:

- 129 (Other perennial crops).
- 1812 (Other printing and graphic arts activities).
- 2512 (Manufacture of metalwork).
- 4322 (Plumbing, heating and air conditioning installations).
- 4332 (Installation of carpentry).
- 4711 (Retail trade in non-specialised stores, with a predominance of food, beverages and tobacco products).
- 4719 (Other retail sale in non-specialised stores)
- 4724 (Retail sale of bread, bakery and confectionery products in specialised stores)
- 7311 (Advertising agencies)
- 8623 (Dental activities)
- 9602 (Hairdressing and other beauty treatment).

Such moratoriums shall have no effect on those activities that are suspended by the declaration of the state of alert.

Updates from April 30th to May 7th

Extraordinary access to unemployment benefits for artists in public performances that are not affected by procedures for the suspension of contracts and reduction of working hours regulated by Royal Decree Law 8/2020 of 17 March.

During the periods of inactivity of those artists who have voluntarily remained included in the General Social Security Regime by accrediting at least 20 days of actual activity in the previous 12 months and having exceeded the remuneration received on those days by twice the minimum interprofessional salary, they may exceptionally benefit from the protective action of unemployment benefit, birth and care of minors, retirement, permanent disability and death and survival derived from common contingencies.



The duration of the unemployment benefit provided for in this provision shall depend on the days of registration with social security with actual service in that activity in the year preceding the legal unemployment situation, in accordance with the following scale

Activity days	Benefit (days)
From 20 to 54	120
55 or more	180

Updates from May 7th to May 21st

Royal Decree Law 18/2020 of May 12 has taken a new step forward, with special mention of the labor aspect and the Temporary Employment Dismissal Processes (known as ERTes).

This Royal Decree Law establishes the need to return to work and the progressive reactivation of the economy by applying protection mechanisms to de-escalation regards the workforce. The social agents and the Government have set out in their agreement the response so that companies can adopt the necessary measures for the protection of employment in the face of the “new normality”.

As the main novelty of this text, those companies and entities that have a temporary employment regulation file based on article 22 of Royal Decree-Law 8/2020, of 17 March, and are affected by the causes referred to in that precept that prevent the resumption of their activity, will continue in a situation of total force majeure derived from COVID-19, for the duration of the same and in no case beyond 30 June 2020. Therefore, the deadline of 30 June is established for the ERTes due to force majeure adopted by the companies concerned that cannot restart the activity, even though the state of alert has ended.

These companies and entities must proceed to reincorporate the workers affected by temporary employment regulation measures, to the extent necessary for the development of their activity, giving priority to adjustments in terms of reduction of working hours. The State Public Employment Service must be notified of any changes that occur at the end of the application of the measure with respect to all or some of the persons affected, either in the number of these or in the percentage of part-time activity in their individual working day, when the relaxation of the restrictive measures allows for the effective return to work.

Companies that have been reincorporating workers, either totally or partially, must notify the State Public Employment Service of any changes in the data contained in the ERTE application within 15 days of the date on which the changes take effect.

With respect to temporary layoffs due to economic, technical, organizational or production causes negotiations may be initiated even if the ERTE remains in force due to force majeure and, if so, once the ERTE of force majeure ends, the effects of the ERTE due to these causes may be granted as of the date of termination of the previous one.



The measures in the field of unemployment protection that were contemplated in Royal Decree Law 8/2020 of 17 March (and which referred to the extension of unemployment protection to all workers affected by an ERTD process derived from COVID-19 regardless of whether the requirements for access to the benefit were met) will be in force until 30 June 2020.

An important update is included on the subject of exemptions from Social Security contributions for those companies that are in a situation of ERTD due to force majeure and that are applying the exemption from contributions contemplated in Royal Decree Law 8/2020. For the contributions corresponding to the months of May and June the exoneration of quotas will work in the following way:

1. Companies affected by a temporary employment regulation file derived from force majeure that cannot restart their activity:
 1. Less than 50 workers: 100 % of the quotas.
 2. 50 workers or more: 75 % of the quotas.
2. Companies that can restart their activity, that were affected by a temporary employment regulation file derived from force majeure and that incorporate workers into the activity. The exemption will affect each person reincorporated:
 1. Less than 50 workers: for the May quotas the exemption will be 85 % and, for the June quotas, 70 %.
 2. 50 workers or more: for the May quotas the exoneration will be 60 % and, for the June quotas, 45 %.
3. Companies that can restart their activity and start it again, that were affected by a temporary employment regulation file derived from force majeure and that keep their staff in partial suspension. The exoneration will affect each person who maintains the suspension:
 1. Less than 50 workers: for the May quotas the exoneration will be 60 % and, for the June quotas, 45 %.
 2. 50 workers or more: for the May quotas the exoneration will be 45 % and, for the June quotas, 30 %.

In order for the exoneration to be applicable, this communication shall be made, for each contribution account code, by means of a responsible declaration that must be presented, before the calculation of the corresponding contribution settlement is requested, through the Electronic Data Remission System in the area of Social Insurance (RED System), regulated in Order ESS/484/2013, of 26 March.

The exemptions in the contribution referred to in this article shall not have effect for workers, the period in which they are applied being considered as effectively contributing for all purposes,



without the provisions of article 20 of the rewritten text of the General Social Security Act being applicable.

As the last precept included in the new Royal Decree, the limit for the distribution of dividends in the company is established. In this regard, companies and entities with their tax domicile in countries or territories classified as tax havens under current regulations will not be eligible for temporary layoffs. In addition, they may not distribute dividends for the tax year in which these temporary layoffs are applied, unless they previously pay the amount corresponding to the exemption applied to social security contributions.

Furthermore, the Boletín Oficial del Estado (BOE) published the Resolution of May 18, 2020, of the Departamento de Recaudación de la Agencia Estatal de Administración Tributaria, which modified the period for payment of the receipts of the Tax on Economic Activities for the year 2020 in the voluntary period relating to national and provincial quotas, and established the place of payment of these quotas.

For the national and provincial business tax assessments for 2020, it is established that they shall be collected through the credit institutions collaborating in the collection, with the payment document to be sent to the taxpayer. A new deadline has been set for the voluntary payment of these 2020 business tax assessments, which will run from 16 September to 20 November 2020, inclusive.

Updates from May 21st to June 4th

The new Royal Decree Law 19/2020 was published in the Official State Bulletin (BOE) and came into force on the same date of its publication.

Extension of the deadline for not accruing interest on tax deferrals

Regarding taxation, this Royal Decree-Law extends to four months the period for the non-accrual of interests on the deferrals stated in the Article 14 of the Royal Decree Law 7/2020, 12th March, adopting urgent measures in order to deal with the economic impact of COVID-19, which relate to the tax debts of the letters b), f) and g) of the article number 65.2 (LGT), when it comes to withholdings and prepayments, VAT and Corporate Income Tax Instalments over the Corporate Tax, of those taxpayers with a volume of operations that do not exceed 6.010.121,04 euros in 2019. It also has been extended to four months the deferral of custom debts stated in the Article 52 of the Royal Decree Law 11/2020 of the past 31 of March taking additional and urgent social and economic measures to face the current situation with the COVID-19.

Modification of deadlines for approval of the Annual Accounts

As a consequence of the measures established in the Article 40 of Royal Decree Law 8/2020, an extraordinary regulation has been established regarding the deadlines for the formulation, verification and approval of the Annual Accounts of private-law legal entities that are not included in the scope of application of the Article 41, which is part of the abovementioned legal text, that makes reference to listed companies.



With the main objective of providing a certain deadline, the Article 40 of Royal Decree Law 8/2020 has been modified establishing that the three-month period in order to draw up the Annual Accounts and other legally compulsory documents, will start to run from the 1 of June and not by the end of the state of alarm.

In addition, this new rule reduces from three to two months the period, since the Annual Accounts are formulated, in order to approve them. So that, companies will have their Annual Accounts approved and deposited at the Mercantile Registry earlier, standardizing this aspect for all companies, both listed and not listed. In this way, all companies must have their accounts approved within the first ten months of the financial year.

Filling the Corporate Income Tax Return

Since these modifications of the deadlines directly affect to the obligation of filling the Corporate Income Tax Return established in the Article 12 of the Royal-Decree Law, it empowers those Income Tax payers that have not been able to approve their financial statement prior to the end of the Tax Return Period, to file the return with the Financial Statements available at that time, always under the terms and conditions prescribed by the rule

Therefore, according to this Article 12, those Corporate Income Tax payers, whose deadline for the preparation and approval of the Annual Accounts for the period is in accordance with the established in the Articles 40 and 41 of the Royal Decree Law 8/2020 of 17 March, about urgent and extraordinary measures in order to address the economic and social impact of COVID-19, will present the return of the Tax, for the Tax period that corresponds to the fiscal year, within the period established on the section 1 of the Article 124 of the Law 27/2014, November 27th, on Corporate Income Tax. That is, within 25 calendar days from the 6 months after the end of the tax period. If by the end of the mentioned period, the annual accounts have not been approved by the corresponding bodies, the declaration will be made with the available Annual Accounts.

The same Article 12 clarifies what must be considered as Available Annual Accounts:

For listed companies, the audited Annual Accounts referred to in the first section of the Article 41 of the previously mentioned Royal Decree Law 8/2020.

For the rest of the tax payers, the Annual Accounts audited or, in their absence, the Annual Accounts prepared by the corresponding body or, as a last resort in their absence, the available accounting records, always in accordance with the stated in the Commercial Code or by the rules governing them.

Once the final Annual Accounts are approved in accordance with the current law, if they differ from the provisional Annual Accounts on which the first corporate income tax return was filed, a second tax return must be filed. In this case, the deadline is 30 November 2020.



This second declaration must have the status of a supplementary declaration if it results in a higher or lower amount to be paid in than that one previously submitted. However, it will have the status of a rectification of the Tax Return for the rest of the cases.

The amount that has to be paid resulting from the complementary declaration will accrue interests for late payment in accordance with the established in the Article 26 of the General Tax Law, from the day following the end of the period (of 25 calendar days following the 6 months following the end of the tax period) without the application of the surcharges established for late declaration in accordance with the provisions of Article 27 of the General Tax Law.

Regarding the cases not included in the previous paragraph, the new self-settlement will produce effect as soon as it is presented, without prejudice of application in what is established in the section 3 of the Article 120 of the General Tax Law.

In the case of reimbursement of amounts derivated from the application of the provisions of this article, the Article 127 of the Law 27/2014, November 27th, on Corporate Tax will be applied, it means the repayment within 6 months from the end date of the specified period for the presentation of the Tax return, default interests will be applied if the if it is paid back after the stated 6 moths. In this sense, the six-month period will be counted from the end of the deadline of 30 November 2020 for the submission of the new self-settlement.

If the correction of the self-settlement results in an amount to be returned, as a consequence of a effective income in the previous self-settlement, interests will be accrued over that amount from the day after the end of the voluntary return period of the Tax return as it is established in the Corporate Income Tax Law until the date on which the return payment is ordered.

The rule establishes that under no circumstances this second declaration will have preclusive effects and that Corporate Income Tax can be fully supervised and verified by the Aministration bodies.

Updates from June 4th to July 2nd

Spain. RD-Law 24/2020. Social measures to reactivate and protect employment

This Royal Decree materializes the second major agreement reached by the social agents after several weeks of negotiation and whose fundamental pillar is the extension or prolongation of the temporary dismissal processes defined in the Article 22 of Royal Decree Law 8/2020. If the previous agreement that gave life to the RD law 18/2020 contemplated a maximum duration of the temporary dismissal processes due to force majeure until June 30, we now have our sights set on a new date: **September 30, 2020**.

The temporary dismissal processes of force majeure approved before June 27 will be considered temporary dismissal processes in transition that will have a maximum duration until September 30, 2020 and to which all the measures included in the RD law 8/2020 of March 17 will be applied. The companies and entities affected by these files must reincorporate the workers affected by temporary employment regulation measures, to the extent necessary for the



development of their activity, giving priority to adjustments in terms of reduction of working hours.

As a novelty it is included that for the Force Majeure temporary dismissal processes to be terminated and without application, companies must notify to the Labor Authority of the total and express waiver within 15 days from the date of effect of the waiver.

Regarding the temporary dismissal process ETOP, those in force will continue according to the terms and conditions reached in the agreement and those that begin later, until September 30th will be governed by the conditions included in the RD law 8/2020 in terms of time limits and procedures. As a novelty, it is allowed the possibility of beginning to negotiate a temporary dismissal process by ETOP while the temporary dismissal is in force due to force majeure and that it can be recognized as a starting date retroactively to the end of the temporary dismissal process due to force majeure.

Special protection in the field of unemployment

Until September 30th, the measures included in Royal Law 8/2020 of 17 March, which extended unemployment protection to all persons affected by a redundancy program derived from Covid 19, even if they do not have the minimum contribution period required for access to the benefit, will remain in force, as will the interruption in the calculation of the benefit received during the duration of the temporary dismissal process, now with a new end date: **30 of September 2020**.

Extraordinary contribution measures, exemptions from social security contributions

All the temporary dismissal processes negotiated and in force before the entry into force of the RD law 24/2020 will be eligible for quota exemptions. From now on, important attention should be paid to what type of temporary dismissal process we have in application and in which transition month until September we are, in order to be able to calculate the percentage to be applied.

The Ministry of Inclusion, Social Security and Migration has published a summary outline of the exemptions that may be applied, which we attach below.

The most important thing regarding exemptions of quotas is that the temporary dismissal processes for causes ETOP will have the same exonerations that the temporary dismissal processes for causes of force majeure as long as they had been requested before June 26.

In all cases, the exemptions in the contribution will be applied by the TGSS at the request of the company, after communicating the identification of the workers and the period of suspension or reduction of the working day, and after presenting a responsible declaration.

Companies and entities with redundancy plans based on Articles 22 and 23 of Royal Decree Law 8/2020, of March 17th, will be exonerated from paying the company's social security contribution as follows:



- Workers who resume their activity as from 1 July 2020, as well as those referred to in Article 22 and 23 of the Royal Decree Law 18/2020 of 12 May, and the periods and percentages of working time thereafter, shall be exempted from payment of the employer's contribution of 60 % of the contribution due in July, August and September 2020, where the company had fewer than 50 workers or persons treated as such who were registered with the social security authorities on 29 February 2020. If, on that date, the company had 50 or more employees or persons treated as employees in a situation of registration, the exemption will reach 40 % of the employer's contribution due in July, August and September 2020.
- The employees of these companies who continue their suspended activities as from 1 July 2020 and the periods and percentages of time affected by the suspension, the exemption will reach 35% of the employer's contribution due in July, August and September 2020, when the company had fewer than 50 employees or those assimilated to them registered with the social security authorities on 29 February 2020. If, on that date, the company had 50 or more employees or persons treated as employees in a situation of registration, the exemption will reach 25 % of the employer's contribution due in July, August and September 2020.

The companies and entities that are in a situation of total force majeure, under the terms of Royal Decree 18/2020, of 12 May, on 30 June 2020, with respect to the workers assigned and registered in the contribution account codes of the affected work centers, will be exonerated from the payment of the company contribution:

- Employees of these undertakings who continue their suspended activities from 1 July 2020 and the periods and percentages of working time affected by the suspension, 70% of contributions due in July 2020, 60% of contributions due in August 2020 and 35% of contributions due in September 2020, if these undertakings and bodies had fewer than 50 employees or persons treated as employees on 29 February 2020.
- Workers in these companies who continue their suspended activities from 1 July 2020 and the periods and percentages of time affected by the suspension, 50% of the contributions due in July 2020, 40 % in respect of contributions accrued in August 2020 and 25 % in respect of contributions accrued in September 2020 if the said undertakings and bodies had 50 or more employees or persons treated as employees on 29 February 2020.
- One of the novelties introduced by this Royal Decree is the possibility of returning to a temporary dismissal process for reasons of force majeure, since it is once again in a health emergency situation with new containment and restriction measures. These new temporary dismissal processes due to force majeure that lead to the cessation of activity due to resurgence or new restrictions will be governed by the general rules included in Article 47.3 of the Workers' Statute, although they may maintain the measures for unemployment protection and may benefit from the following exemptions:



- 80% of the employer's contribution accrued during the closure period, and up to 30 September, when the company had fewer than fifty employees or similar persons registered with the Social Security authorities on 29 February 2020.
- If, on that date, the company had fifty or more employees or persons assimilated to them in a situation of registration, the exemption will reach 60% of the business contribution during the period of closure and until 30 September.

Express limitations

The following prohibitions are established during the validity of an employment regulation file:

- No overtime will be allowed.
- The activity cannot be outsourced.
- No new direct or indirect contracts may be arranged.

Safeguarding of employment

The employment safeguard clause will be applied to those companies in ERTE due to ETOP causes that take advantage of the extraordinary measures regarding contributions and exemptions from Social Security contributions. In the case in which these extraordinary measures are requested for the first time, the term of the employment commitment will be 6 months from the entry into force of Royal Decree Law 24/2020.

New temporary dismissal processes exemptions until 30 Sep					
	No. of workers		July	August	September
Transitional temporary dismissal processes (FM temporary dismissal processes Total as of June 30th)	<50		70%	60%	35%
	>50		50%	40%	25%
Extension of temporary dismissal processes partial FM	<50	Activated	60%	60%	60%
		Suspended	35%	35%	35%
	>50	Activated	40%	40%	40%
		Suspended	25%	25%	25%

(Last updated: July 1st)



2.2. France

Updates up to March 25th

In the case of France, the impact of Coronavirus is heavy, although not as heavy as in Spain or Italy. In spite of that, the President, Emmanuel Macron, has firmly responded to the crisis and has made available 345,000 million EU (12% of GDP) in tax freezes, help for the self-employed and deferment on mortgage payments. Some other measures put into place during the last few weeks include:

Working from home has been made compulsory if it is possible. For those who are not able to, there is a risk of a fine if they are not carrying a certificate to justify their movements, although this can be written by hand.

Due to the measures that require companies to temporarily reduce or suspend their activity, businesses are required to compensate their employees for up to 70% of the gross pay for the hours lost (except for internships). The Government has recently indicated that they will pay all of the wages to those who are forced to stay at home.

This subsidy is not subject to social security contributions, but is still subject to a reduced CSG/CRDS rate. The business will then receive a lump sum reimbursement amounting to 8.04 EU per hour of absence from work (compared to the usual 7.74 EU) for companies with less than 250 employees and 7.23 euros for those who exceed this threshold.

The DGFIP has launched a series of measures to help all the businesses that are facing difficulties as a result of the crisis. The Economic and Finance Minister, Bruno Le Maire and the Work Minister, Muriel Pénicaud explained that these two measures will come in the form of tax relief and a deferral of social contribution payments.

For these businesses, it is possible to ask the Tax Department to postpone, without any additional penalties, the liquidation of their upcoming tax obligations (corporation tax, tax on wages). If they have already paid March's taxes, it is possible to try and block the SEPA bank payment. On the other hand, if the payment has already gone through, there is the option of claiming a refund of the payment.

Updates up to March 31st

Rules relating to the preparation, approval, audit, review, approval and publication of the financial statements and other documents and information: Order No. 2020-318 in Journal officiel de la République française.

- **Preparation of the provisional accounting document.** The Board of Directors and managers have a two-month extension to prepare accounting documents (situation of realizable and available assets, excluding operating values and current liabilities, an



expected profit and loss account, a statement of cash flow together with the annual balance and a financing forecast plan)

- **Approval of the accounts or call of the assembly to approve them.** The deadlines for approving the accounts and accompanying documents or for convening the meeting responsible for approving the accounts extend for three months. This extension applies to entities that have closed their accounts between September 30, 2019 and the expiration of a period of one month after the date of cessation of the state of health emergency declared by article 4 of the aforementioned Law of March 23, 2020. This extension does not apply to legal persons and entities without legal personality of private law that have appointed an auditor when the auditor has issued his report on the accounts before March 12, 2020.
- **Presentation of the annual accounts to the Supervisory Board.** The Board of Directors may extend the presentation of certain documents (second paragraph of Article L. 225-100 of the French Commercial Code) to the Supervisory Board for three months. These provisions apply to entities that have closed their accounts between December 31, 2019 and the expiration of a period of one month after the date of cessation of the state of health emergency declared by Article 4 of the aforementioned Law. March 23, 2020. This extension does not apply to legal entities and entities without legal personality of private law that have appointed an auditor when the latter has issued its report on the accounts before March 12, 2020.
- **Preparation of the annual accounts by the liquidator.** The liquidator has a two-month extension of the initial period of 3 months from the closing date to prepare the annual accounts and the written report. Financial reports from private organizations.
- **Private law organizations have a three-month extension to produce the financial report.** This extension applies if the financial reports refer to accounts closed between September 30 and the expiration of a period of one month after the end date of the state of emergency. Financial reports from private law organizations.

General assemblies

- Meetings of the General Assembly may be held without the presence of members and other persons entitled to attend in person, by conference call, or by audiovisual means. In such case, the members participate or vote in the meeting in accordance with the other terms and conditions provided in the texts that govern it, amended and supplemented, as appropriate, by the Order.
- The members of the meeting and the other persons entitled to attend the meeting will be notified by any means that guarantees that they are effectively informed of the date and time of the meeting and of the conditions under which they can exercise all the rights related to their meeting. meeting. membership or their right to attend the meeting, at least three business days before the date of the General Meeting.
- Shareholder meetings can be held by phone or videoconference, allowing participants to be identified. The technical means used must make it possible to transmit at least the



voice of the participants and guarantee the continuous and simultaneous retransmission of the deliberations and decisions taken in the process.

- However, in listed companies: when it is decided to keep an AGM at a distance, and all or part of the procedures provided for in the first paragraph of art. L. 225-104 C. com. Once it has been completed before the date of this decision, shareholders will be informed as soon as possible by electronic means that the company disseminates effectively and completely, without prejudice to the procedures that remain to be completed on the date of this decision.

Updates from March 31st to April 16th

- The deadline for submission of Liasses fiscal 2019 has been postponed to 31 May 2020
- Companies must present their results for the year ending 31 December 2019 by 20 May. In order to mitigate the current circumstances of the COVID-19 pandemic, the administration has communicated that this date will be postponed to May 31, 2020. This new deadline applies to any transmission model of the fiscal Liasses.
- This update not only concerns corporate tax results, but also other categories of income tax (BIC, BNC, BA) and is also applicable to all tax credit forms.
- Among the annexes benefiting from the deferral is the determination of the valeur adjoutée. Form 1330 - CVAE is not directly affected by this deferral.
- Companies must present a declaration of 1447 M by 5 May 2020 at the latest (unless they require a report linked to the state of health emergency). They must also, by the same date, settle CVAE 1329-DEF and sign a declaration 1330-CVAE of their "valeur Adjoutée" and their workforce by 20 May (unless a report linked to the state of health emergency is required). The declaration of the "valeur adjoutée" will be made in parallel on specific forms.





Updates from April 16th to April 23rd

In view of the current global health crisis, Minister Para Gérald Darmanin announced in a press release on April 17, 2020, further postponement of the date of declaration and payment of certain taxes and duties initially scheduled for May.

	Starting Day	Deferred
Impôt sur les sociétés – IS		
Declaration IS N°2065	5 May	June 30 to the exercises closed on 31.12.2019, 31.01.2020 and 29.02.2020
IS Balance N ° 2572 and payments	15th of the fourth month following the end of the financial year (15 April, 15 May and 15 June)	30 June for the years ending 31.12.2019, 31.01.2020 and 29.02.2020 Subject to the payment of dividends and the repurchase of shares for large and companies
Impôt sur le revenu		
IR pro declarations made by intermediaries for BIC, BNC, BA and property income	5 May	30 June
CVAE		
CVAE Settlement Declaration No. 1329-DEF	5 May	If company in debt: June 30 If the company accredits: 5 May
Declaration CVAE n° 1330	20 May	30 June
CVAE Balance payment 2019	5 May	If company in debt: June 30 If the company accredits: 5 May
Others		
Annual declaration of commissions, fees: DAS2	If it is submitted with the declaration of result: 15 May If submitted in DSN form: April	If presented with the statement of results: June 30 If you report to the DHS: August under month of July
Tax Integration Scope Declaration	5 May	30 June
Declaration SCI n° 2072 y 2071	5 May	30 June
Declaration of Non-Profit Organizations No. 2070	5 May	30 June
Annual Declaration of Copyright	If it is submitted with the declaration of result: 15 May If submitted in DSN form: April	If it is submitted with the declaration of result: 30th June If you report to the DHS: August or July
Declaration and payment of the audiovisual contribution through CA3	15-25 April	15-25 July for the sectors of housing and catering



Updates from April 23rd to May 21st

Extension of social contributions deadlines

The mechanism for deferment of social security charges has been renewed in the same way as it was in the previous periods of 15 March, 5 and 15 April. Employers whose URSSAF expiration date is May 15 may defer part or all of their employee and employer contributions for this expiration date. The payroll tax return (DSN) will be transmitted until May 15 at 12:00 noon.

In case of major difficulties, companies may postpone all or part of the payment of employee and employer contributions until this due date. The limit for the payment of these contributions will be automatically postponed for up to three months, pending agreement with the companies on the terms and conditions of their payment. In practice, you can modulate your payment according to your possibilities: amount to 0 or amount corresponding to a part of the contributions.

Additional contributions

A deferral or agreement on a time limit for supplementary pension contributions is also possible.

National de-escalation protocols

The Ministry of Labour has published a national decontamination protocol to help and support companies and associations to help companies implement good health and safety practices so that they can resume activities on their premises: avoid the risks of exposure to the virus, assess the risks and give priority to collective protection measures over individual protection measures.

(Last Update: April 21st)





2.3. Italy

Updates Up to March 25th

Italy is without a doubt the European country that is suffering the most from the consequences of the virus and perhaps one of the most affected in the world. With a population of 60 million, the country currently finds itself in the midst of a worldwide pandemic. Given the extreme circumstances that the country finds itself in the Italian Government signed some decrees to drive the population through this emergency.

On **9 March 2020** the Prime Minister Giuseppe Conte signed a DCPM (Prime Minister Decree), so called “**#iorestoacasa**” (#Istayhome) which provided that starting from March 10, 2020, Italians are forced to the home unless proven work reasons, health emergencies or proven needs. Schools and universities closed until April 3rd, 2020 (then extended until 13 April 2020 and subsequently until 3rd May 2020). Football championship suspended.

On **17 March 2020**, the President, Sergio Mattarella, signed a decree named ‘**Cura Italia**’ with which the government has promised to dedicate 25.000 million EU towards businesses and families with the aim of helping them mitigate the consequences of the virus.

Below, we have summarized the main measures.

Support measures for workers and companies:

- Self-employed people with income of less than 400,000 EU may benefit from the deferral of the payment of withholdings on account of the income received until 31 March, which will have as a period of 31 May with the possibility of making it in a single payment or splitting it up to a maximum of 5 monthly instalments.
- Help for wages of 600EU (on a monthly basis) for all the self-employed workers and workers with temporary contracts in the tourism and agricultural sector (approx. 5 million people).
- During the next two months, the businesses will not be able to ‘lawfully dismiss’ their workers.
- From the 5th of April, all employees or self-employed people with children up to 12 years of age whose school has been closed will be able to use their sick leave for a period of 15 days which can be used continually or split up. As an alternative to this sick leave, the workers will be able to make use of a maximum payment up to 600 EU to pay for a babysitter (up to 1.000 EU for militaries and healthcare personnel). Employees that have a salary of no more than 40.000 EU and that are continuing to work in their offices during the State of Emergency in March will receive a payment of 100 EU.
- Equalization to sickness for the period spent in quarantine or in fiduciary domicile with active surveillance for Covid-19, for the private and public sector.
- Special measures are granted also to the air transport sector: compensation for damages suffered by companies holding public transport licenses carrying public service



obligations, the increase in the special fund for the support of income and employment and for the conversion and retraining of personnel in the sector, as well as the provision for the establishment of a new company wholly controlled by the Ministry of Economy and Finance (or with predominantly public participation), to support Alitalia - Società Aerea Italiana Spa and Alitalia Cityliner S.p.a., both in extraordinary administration.

Support for the liquidity of households and businesses: In order to avoid the lack of liquidity for businesses and families, numerous interventions have been envisaged, including through collaboration with the banking system. Here are the main ones.

- A moratorium on loans and support from the central guarantee funds to micro, small and medium-sized enterprises for mortgages, leasing, credit openings and short-term loans falling due;
- the establishment of a promotion fund to support the internationalization of the country system;
- introduction of a counter-guarantee mechanism for banks to allow the expansion of credit also to medium-large companies affected by the crisis. The goal is to free up around 10 billion additional investments;
- incentive to sell impaired loans (NPL) by converting deferred tax assets (DTA) into tax credits for financial and industrial companies;
- reimbursement of residence contracts and on the purchase of tickets for shows, museums and other places of culture, with vouchers to be used within one year of issue;
- the establishment of a show, cinema and audiovisual emergency fund and further urgent provisions to support the cultural sector;

Tax measures:

- Suspension of the withholding payments, of the social security and welfare contributions and of the compulsory insurance premiums for the months of March and April, together with the VAT payment of March. The sectors concerned are: tourism-hotel, spa, passenger transport, catering and bars, culture (cinemas, theaters), sports, education, amusement parks, events (fairs / conferences), game rooms and betting centers;
- Suspension of the terms of the obligations and of the tax and social security contributions for taxpayers with a turnover of up to 2 million euros (VAT payments, withholdings and contributions in March);
- non-application of the withholding tax for professionals without employees, with revenues or fees not exceeding € 400,000 in the previous tax period, on the invoices of March and April;
- suspension until 31 May 2020 of the terms relating to the activities of liquidation, control, assessment, collection and litigation, by the offices of the Revenue Agency;
- suspension of the terms for the collection of tax collection files, suspension of the sending of new files and suspension of the executions;



- incentives and contributions for sanitation and safety at work through the granting of a tax credit, as well as contributions through the creation of an INAIL fund;
- Deductibility for COVID-19 donations made by companies and introduction of deductions for the donations of natural persons up to a maximum benefit of 30,000 euros;
- Shops are granted with a tax credit equal to 60% of the commercial rent in the month of March;
- Road transport and public passenger transport provisions to combat the effects of the spread of Covid-19 on regional and local public transport service operators;
- the suspension until May 31, 2020 of the payments of rents and concessions relating to the assignment of public sports facilities of the State and local authorities for associations and sports, professional and amateur clubs, which operate throughout the country;
- urgent extraordinary measures to support the press supply chain.

Measures to enhance the intervention capacity of the Health System, of the Civil Protection and of other public subjects engaged in facing the health emergency:

- coverage for the 20,000 hires already approved for the national health system is identified;
- the National Emergency Fund is increased overall by 1.65 billion EU;
- the allocation of resources for overtime for health workers is increased by 150 million EU for 2020;
- the financing of the increase in beds and in the intensive care and in pulmonology and infectious diseases units (also in derogation of the spending limits) while private structures must make available the medical staff on duty, the premises and their equipment (for a cost of 340 million EU);
- the authorization to disburse subsidized loans or non-refundable contributions to companies producing medical devices and personal protective equipment (50 million EU);
- Civil Protection may order the requisition from public or private subjects of health and medical-surgical devices and of movable property necessary to face the health emergency. The Prefects will be able to order the requisition of hotels or other properties with similar characteristics to house people under medical surveillance (150 million EU);
- possibility of increasing military medical and nursing staff, and to retain the staff of the National Health System who would qualify for retirement. (hire of 200 specialist doctors and 100 nurses for a fixed term (the total of these interventions amounts to 64 million EU);
- a derogation from the current rules of professional health qualifications, to allow temporary exercise on the national territory to those who have achieved a healthcare profession abroad, regulated by specific directives of the European Union;



- the allocation of funds for the payment of overtime due to the major tasks related to the emergency for the Police/Army/Fire/Penitentiary Forces as well as for the extraordinary sanitization and disinfection of the offices, environments and vehicles in use by the same forces, and to ensure the adequate provision of personal protective equipment;
- the allocation of funds for the extraordinary cleaning and sanitation of schools and environments of Provinces, Metropolitan Cities and Municipalities;

Further measures:

- postponement of court hearing scheduled from March 9 to April 15, 2020 for civil and criminal proceedings pending at all judicial offices and the suspension, in the same period, of the expiry of the terms for the performance of any act of civil, criminal and administrative proceedings, except for specific exceptions;
- measures to restore the functionality of prisons and to prevent the spread of COVID-19 in prisons;
- extraordinary measures on agile work and exemption from service and bankruptcy procedures.
- measures to ensure the recovery of food surpluses and facilitate their free distribution to the most deprived;
- the possibility, until the end of the state of emergency, for councils of municipalities, provinces and metropolitan cities and municipal councils, for collegial bodies of national public bodies and for private associations, even unrecognized and foundations, to meet by videoconference;
- the extension to August 31, 2020 of the validity of recognition documents expired or expiring after the date of entry into force of the decree;
- measures for the performance of the postal service, until 31 May 2020,
- rules on the conduct of company meetings and for deferment of the deadline for adopting the 2019 annual reports and the 2020-2022 financial statements;
- the postponement to June 30 of deadlines for disclosure obligations;
- measures for the continuity of the training activity and in support of the universities of the institutions of high artistic, musical and choreutic training and of the research bodies, with the establishment of a fund for emergency needs and the extension of the last session of the final tests for the achievement of the qualification relating to the 2018/2019 academic year, and the terms of any related fulfilment, as of June 15, 2020;
- contributions for distance learning platforms;
- measures to promote continuity of employment for short and occasional substitute teachers;
- the extension of the mandate of the members of the Authority for guarantees in communications and of the Guarantor for the protection of personal data up to no later than 60 days after the date of cessation of the state of emergency;
- the six-month extension of the term for the convening of the referendum confirming the constitutional law on the reduction of the number of parliamentarians

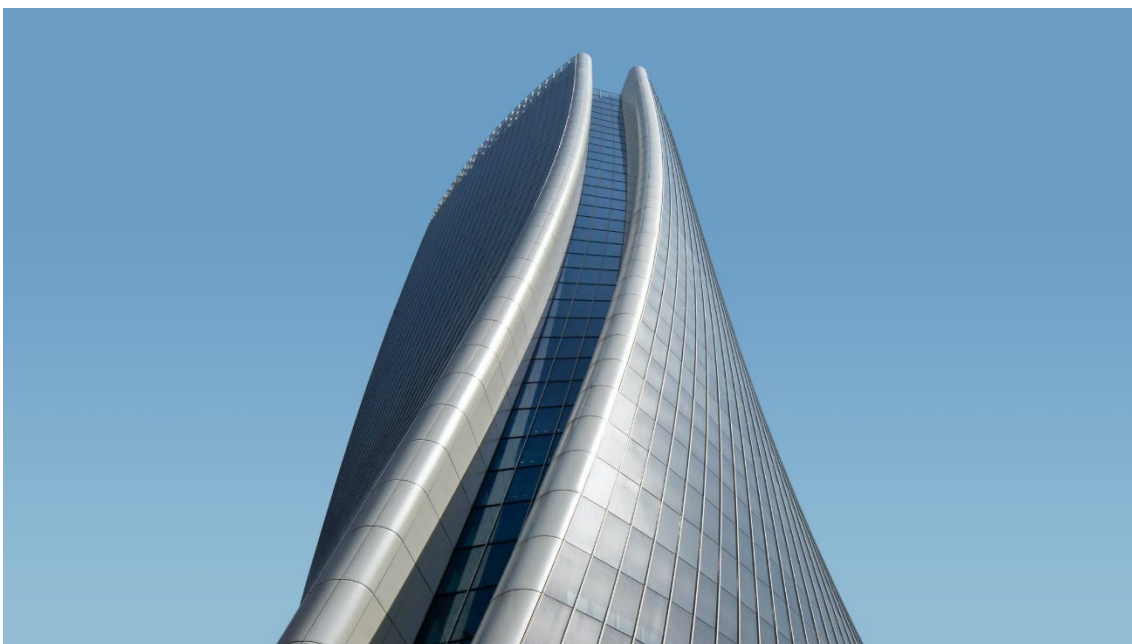


Updates from March 25th to April 16th

On **6 April 2020** the Council of Ministers approved a decree-law which introduces urgent measures regarding access to credit and postponement of obligations for companies, as well as special powers in the sectors of strategic importance and justice. The decree intervenes in support of companies in difficulty with specific measures on five main areas: access to credit, support for liquidity, exports, internationalization and investments; measures to ensure business continuity; strengthening of special powers in areas of strategic importance and financial transparency obligations; tax and accounting measures; further provisions.

Furthermore, on the proposal of the Minister of Education and the Minister of University and Research, a decree-law was approved which introduces urgent measures on the regular conclusion and orderly start of the school year and on the conduct of state exams. The rules govern, with temporally effective tools, all complex operations relating to the closure of the school year 2019/2020 and the start of the school year 2020/2021, taking into account the situation that arose following the health emergency and any extension of the period of suspension of the teaching activity carried out "in attendance" beyond 18 May 2020. In relation to the critical issues that emerged in the continuation of the practical training activities or internships in the university environment, exceptional measures are adopted for the performance of the State exams for the exercise of the professions, for which the training activity in question constitutes a condition of admission.

On **10th April 2020** the Prime Minister signed a Ministerial Decree (DPCM) an extension to 13th April of the restrictive measures adopted so far for the containment of the epidemiological emergency from Covid-19. With the new decree, starting from April 14, however, the opening of stationery shops, bookshops and clothing stores for children and babies will be allowed and forestry and the wood industry are included among the permitted production activities.





Updates from April 16th to April 30th

On April 26th the Prime Minister Giuseppe Conte signed a new DCPM so-called “Fase 2: If you love Italy, keep distance”. In summary, the main rules of the DCPM 26 April 2020 are as follows:

From May 4th, 2020:

- 1) Mandatory distancing
- 2) Masks: price fixed at Eur 0,50 and no VAT applied
- 3) Bonus of 600 euros extended
- 4) Self-certifications applicable until next 18th May
- 5) Family visits allowed with some rules, and with masks mandatory
- 6) Parks and gardens open but with contingent entrances and no gatherings
- 7) Funeral ceremonies are allowed with a maximum of 15 people, possibly outdoors and at a distance from each other, wearing a mask.
- 8) Masses and religious ceremonies are still not allowed. Cemeteries are still closed.
- 9) Restaurants open only for take-away catering but without gatherings
- 10) Workouts of the CONI (Italian National Olympics Committee) athletes but behind closed doors. Allow physical activity but with spacing

From May 18th, 2020:

- 1) Opening of the retail trade
- 2) Opening of museums, exhibitions and libraries
- 3) Team workouts allowed

From June 1st, 2020:

- 1) Opening of bars, restaurants, hairdressers and beauty centers

Movements

- The obligation of self-certification for travel will remain, with the same previous rules for leaving home adding new rules for visiting relatives, provided they live in the same region.
- However, it is not yet possible to move to other regions except for work or health reasons.
- The prohibition, which had been introduced with the lockdown, to move from the place where you were to that of domicile or residence will fall. It will therefore be possible for students or workers or anyone else who has been stuck in another city since the lockdown to return home.

Meetings

- A first opening on the way back to meet comes with the authorization to see close family members, parents, sisters, brothers, grandparents. Anyway family reunions are still prohibited.
- The ban on gatherings, even at home, remains valid.
- Specially to protect the elderly, the use of a mask is prescribed.



Physical activity

- As announced, therefore, the resumption of physical activity will be allowed not only near your home, always individually or in any case at a distance of at least one meter, with the sole exception of people living in the same house.
- The rule of distance also applies to public gardens, which will have contingent entrances.
- Physical activity with children or walks with people who are not self-sufficient are now allowed.
- Professional athletes of the activities identified by the Coni may resume training
- Team sports are still not allowed (maybe from May 18 – to be confirmed)
- Distances: 1 meter normal physical activities (eg: walks) 2 meter for sports.

Productive activities

Activities allowed to reopen are listed in detail in annex 3 to the Decree.

Companies that resume their activities from May 4th, 2020, can carry out all the preparatory activities for reopening from the date of April 27th, 2020.

To ensure that production activities are carried out in safe conditions, the Regions monitor the progress of the epidemiological situation in their territories on a daily basis, and, in relation to this trend, the conditions of adequacy of the regional health system; if from this monitoring an aggravation of the health risk emerges, the president of the region proposes to the ministry of health the necessary and urgent restrictive measures for the productive activities of the areas of the regional territory specifically affected by the aggravation.

Updates from April 30th to May 21st

Measures for employees:

- REM: Monthly value between 400 and 800 euros. Deployable for two months. The application must be submitted to the INPS before June 2020, it is intended for family members who meet the following requirements:
 - Italian residence
 - Family income is lower than REM
 - Values less than 10,000 euros
 - ISEE less than 15.000 euro
- State aid for the payment of salaries also for self-employed workers to avoid dismissals due to the Covid-19 pandemic
- Employers can benefit from the Covid-19 redundancy fund for a maximum duration of 9 weeks (from 23 February 2020 to 31 August 2020)



- 1,000 bonus for the months of April and May for self-employed workers who have suffered a reduction of at least 33% of their income in the two second months of 2020 compared to the income of the two second months of 2019
- 600 euro bonus for the months of April and May for workers in the tourism sector
- 1,000 bonus for the months of April and May for self-employed workers in the tourism sector

Measures for Families:

- Bonus for careers of 500 euros for the months of April and May for an hourly rate of more than 10 hours per week;
- Bonus for the nanny of 600 to 1,200 euros. From 1,000 euros to 2,000 euros for doctors and nurses.
- 12 days paid holiday in May. Special leave at 50% pay for parents working in the private sector with children under 12 years of age from 5 March 2020 to 30 September 2020, for a maximum of 30 days
- Teleworking for parents employed in the private sector with children up to 14 years of age and until the state of emergency ceases
- Holiday tax credit of 500 euros for families with an ISEE not exceeding 40,000 euros. Usable from 1 July 2020 until 31 December 2020. Credit usable to the extent of 80% as a discount and 20% as a deduction

Measures for companies:

- 150 million euros to support bookshops, museums, institutes and places of culture outside the State, the Regions and other territorial bodies
- Support for the self-employed with an income of less than 5 million euros and a turnover in April 2020 of less than two thirds of the April 2019 turnover. The contribution will be calculated by applying a percentage to the difference between the April 2020 and April 2019 turnover. The percentage would be 25%, 20% and 15% for self-employed workers with an income of less than 100,000 euros, 400,000 euros and 5 million euros
- Tax credit of up to 60% for the rental of companies with an income of less than 5 million euros and which have suffered a 50% decrease in their turnover in April 2020
- In the case of hotel structures, the credit is provided regardless of turnover
- Stop payment of IRAP fees to all companies with a turnover of up to 250M €
- Discount on electricity bills for 3 months from April for SMEs
- The tax deadline has been postponed until 16 September for all VAT payments and payments due to INPS. Payments can be made in a single solution or in 4 installments of equal amounts

(Last Update: May 18th)



2.4. Germany

Updates up to March 25th

The German government wants to counteract the corona crisis with a determined economic and financial policy.

There is enough money available to combat the crisis. Precise, fast-acting emergency measures are being taken in response to the economic development caused by the Coronavirus. This is being done in close coordination with the countries and with European and international partners.

For employees and companies affected by the Coronavirus, a protective shield will be erected, based on four pillars:

“All necessary measures are being taken, and precise, fast-acting emergency measures are being implemented in response to the economic development caused by the Coronavirus”

Making reduced working hours more flexible

- Reduction of the quorum of employees affected by absenteeism in the company to up to 10%.
- Partial or complete waiver of building up negative working time balances.
- Short-time allowance also for temporary employees.
- Full reimbursement of social security contributions by the Federal Employment Agency (BA).

Fiscal liquidity support for companies

The possibilities for deferral of tax payments, reduction of advance payments and enforcement will be improved. In particular, freelancers and small businesses should contact their tax office.

In the case of taxes administered by the customs administration (e.g. energy tax and air transport tax), the General Customs Directorate has been instructed to accommodate taxpayers. The same applies to the Federal Central Tax Office, which is responsible for insurance tax and value added tax and will proceed accordingly.

Billion-euro aid programs for businesses and companies

First of all, the existing liquidity support programs will be considerably expanded to facilitate companies' access to cheap credit. The KfW Special Programme 2020 will apply from 23 March 2020; applications to KfW can be made through the main bank with immediate effect. The funds for the KfW Special Programme are unlimited. It is available to small and medium-sized enterprises as well as large enterprises. KfW assumes most of the liability for these loans (80 percent to 90 percent). It is guaranteed by the Federal Government.



How is export business supported?

With export credit guarantees the Federal Government provides flexible, effective and comprehensive support to industry. This is flanked by a KfW program for refinancing export transactions. If there is any additional demand for export cover and refinancing, the authorization framework can be increased very quickly.

Strengthening European cohesion

At the European level, Federal Finance Minister Scholz and Federal Economics Minister Altmaier advocate a coordinated and determined approach. In close cooperation with its European partners, the Federal Government will dovetail its corona measures at European level.

The Federal Government welcomes the European Commission's idea of a "Corona Response Initiative" with a volume of 25 billion euro. It also welcomes the announcement by European banking supervision that it will make use of existing leeway so that banks can continue to provide reliable liquidity to the economy, as well as the measures announced yesterday by the European Central Bank to provide liquidity to banks.

Updates up to March 31st

More novelties entered into force during these days:

Tax relief and tax deferrals

The Federal Ministry of Finance has introduced tax relief: income and corporation tax as well as turnover tax can be deferred interest-free. Companies, the self-employed and freelancers can require a reduction of their advance payments on income and corporation tax. The same applies for payments of trade tax. Enforcement of overdue income and corporation taxes or turnover tax should be waived until the end of the year. Late payment surcharges that are legally due during this period are to be waived. To the permits for such deferment, adjustment or suspension of enforcement should not be strict requirements. The local tax office is responsible.

KfW Special Aid Programme

KfW has relaxed the conditions for special loans due to the corona crisis, improved the terms and conditions and simplified the procedures. With the supplementary budget, the guarantee framework has been increased to a total of EUR 822 billion.

Protection of jobs and basic security

The German government is facilitating access to short-time work compensation retroactively as of March 1, 2020.

Short-time work compensation avoids redundancies, because the payments are made by the Federal Employment Agency (Bundesagentur für Arbeit). The short-time workers receive 60 percent of their net salary. If there is at least one child living in the household, the short-time



working allowance is 67 percent. The regulations also apply to temporary employment agencies and temporary workers. The application for short-time working allowance is submitted to of the Federal Employment Agency (Bundesagentur für Arbeit).

Protective shield for loss of earnings: basic income

With an additional 3 billion euros, the Federal Government is ensuring that the self-employed have easier access to basic security. The self-employed affected by the Corona crisis does not need neither disclose financial circumstances nor touch their assets. These exceptions apply for six months.

Updates from March 31st to April 8th

Tax aid for businesses and employees

For workers: Many companies have announced that they will pay a bonus to employees who have worked under difficult conditions since the outbreak of the Covid19 pandemic. Federal Finance Minister Olaf Scholz has ensured that bonus payments to employees of up to 1,500 euros per year are tax-free.

For companies: As already mentioned in our previous articles, companies are supported with concrete tax relief.

1. Deferral of tax payments: If companies are unable to make tax payments due this year due to the economic consequences of the Covid19 pandemic, these payments should be deferred on request for a limited period of time and in principle without interest. Companies must demonstrate that they are directly affected. This measure concerns income/corporation tax and VAT. Companies can submit the application to their tax office until 31 December 2020.
2. Adjustment of advance payments: Companies, self-employed persons and freelancers can have the amount of their advance payments on income, trade and corporation tax adjusted quickly and easily by the tax office by means of an application.
3. Suspend foreclosures: Foreclosures of overdue tax debts is to be waived until the end of the year. Late payment surcharges, which are legally due during this period, are to be waived. This concerns income tax, turnover tax, corporate income tax, energy tax, air traffic tax and insurance tax.

Further aids for the health system and families

The economic support for employees, the self-employed and companies adopted by the Federal Government is the largest aid package in the history of the Federal Republic. The total volume of this measure amounts to EUR 353.3 billion and the total volume of guarantees to EUR 819.7 billion.



Among others, numerous measures are taken to ensure medical care in times of crisis:

1. The German Government will provide an additional EUR 3.5 billion, among other things, for protective equipment and for the development of a vaccine and other treatment measures.
2. A further 55 billion euro will be available to combat the pandemic. This is important in order to be able to react flexibly and at short notice to the development of the pandemic.
3. The Federal Government is creating economic supports for hospitals to mitigate the loss of revenue and rising costs.
4. The current loss of income of office-based doctors is also to be cushioned.
5. Customs will monitor compliance with the EU export ban on masks, protective glasses and protective suits.

The Federal Government helps families to secure their income:

1. The loss of family income due to the closure of day-care centres or schools will be largely compensated. This also applies to the self-employed and freelancers.
2. Families with lower income due to short-time work have easier access to the child benefit supplement.

Updates from April 8th to April 30th

Federal Government decides on further KfW fast track loan for mid-sized companies

On the basis of the adjusted aid framework (so-called Temporary Framework) published by the EU Commission on 3 April 2020, the Federal Government is introducing comprehensive KfW fast track loans for SMEs. The KfW fast track loans for SMEs essentially comprise the following measures:

On condition that a mid-sized enterprise has reported a profit in 2019 or on average over the last three years, an "immediate loan" is to be granted with the following characteristics:

- Development loan for acquisitions and running costs
- The fast track loan is available to SMEs with 11-249 employees, that have been active on the market at least since 1 January 2019.
- Mid-sized companies can apply for the new KfW fast track loan for investments and running costs as of 15 April 2020.
- This loan is 100% secured by the German Federal Government guarantee. That is the reason why the chances of getting an approval for this loan is rather high.
- Cumulation with other KfW loans or instruments of the Economic Stabilisation Fund is not permitted (exception: grants awarded under the emergency aid programmes of the Federal Government and the Federal States, with a cumulative ceiling of €800.000)



- The loan volume per enterprise is up to 3 months' turnover in 2019, a maximum of EUR 800,000 for enterprises with more than 50 employees, a maximum of EUR 500,000 for enterprises with up to 50 employees.
- The company must not have been in difficulty on 31 December 2019 and must be in an orderly financial situation at that date.
- Interest rate of currently 3% with a term of 10 years.
- The bank receives a 100% indemnity from the KfW, secured by a guarantee from the Federal Government.
- The fast track loan is approved without further credit risk assessment by the bank or KfW. This allows the loan to be approved quickly.

Precondition:

1. The applicant generated a profit: on average over the past 3 years (or over a shorter period in the case of younger companies)
2. No profit and dividend distributions during the credit term (except normal market remuneration)

The KfW fast track loan can start after approval by the EU Commission.

Updates from April 30th to May 21st

Reducing VAT to 7% in Gastronomy Businesses

Gastronomy businesses are particularly affected by the Covid19 crisis. If the currently necessary restrictions are relaxed, restaurants, cafés and other catering businesses should quickly be able to operate as before after reopening. For this reason, VAT on food and beverage will be reduced to the reduced VAT rate of 7% from 1 July 2020 for a limited period until 30 June 2021. It is important that this measure is limited in time. After all, it is intended to provide a stimulus for the period after the crisis, so that catering businesses can quickly resume their own operations. The corresponding legal regulation is part of the "Corona Tax Law", which was passed by the federal cabinet on 6 May.



(Last updated: May 13rd)



2.5. Portugal

Updates up to March 25th

In spite of its close proximity to Spain, Portugal is experiencing a different situation to that of its neighbor. With a lower number of infections, the measures that the Government is bringing forward are proportionate to the situation of the country. From the economic point of view, the tax authorities understand that the virus will negatively affect the whole economy and that they should respond as quickly as possible.

From the economic point of view, the tax authorities understand that the virus will negatively affect the whole economy and that they should respond as quickly as possible.

- The return of CIT 2019, self-evaluation and payment of CIT- Formula 22, is postponed until the 31st July. The original date was 31st May. Therefore, businesses will pay CIT two months later than previously stated.
- The special interim payment with the original date of 31st March has also been postponed until the 30th June.
- The first interim payment and the first additional interim payment, both with the original date of 31st July, have been postponed for a month.

All these measures will have a positive effect on the liquidity of Portuguese businesses.

Updates up to March 31st

In case of treasury shortages which do not permit the full payment of CIT/PIT regarding FY 2019, taxpayers can immediately request the tax payment in separate instalments – subject to the approval by the Minister of Finance. Emphasis on the availability of information through electronic services by the taxpayers instead of physical presence on the tax offices.

Regarding VAT, postponement of the deadline for the first instalment of Special Payment on Account from March 31st to June 30th; postponement of the deadline for the first instalment of Payment on Account and Additional Payment on Account from 31st July to 31st August and postponement of the deadline to file and pay the annual CIT return related to 2019 from 31st May to 31st July.

For the moment, we are not aware of any measures implemented regarding indirect taxes or withholding taxes (for example, VAT), but it is expected that some measures will be implemented, namely related to payment by instalments of withholding taxes and VAT; and decrease on social security contributions during the next months.

About tax compliance, and generally speaking, deadlines applicable to tax procedures – court and administrative deadlines – are suspended and only urgent procedures may continue.

Regarding labour contracts, in case of a company facing a business crisis (measurable by a full activity stop due to interruption of the supply chain or cancelation of sales/purchase orders, and



general situation of very fast reduction of at least 40 % on the company's turnover/invoicing – by comparison with the same 3-month period of the previous year), may be entitled to a financial support per employee for the continuity of payment of salaries with the following requirements to be met:

- All tax and Social Security obligations must be complied with.
- Non-existence of debts towards tax authorities and social security.
- Obligation to the employer to communicate in writing to the employees, the decision of requiring this financial support and the respective expected timing.
- Request to be filed with the Social Security Authorities.

Financial support corresponding to two thirds of the employee's gross salary (capped 1.905€ / three times the official minimum wage), where social Security will pay 70 % of the above and company will pay the remaining 30 %. Financial aid granted for 1 month, with possibility of extension until 6 months.

Companies which benefit from the above-mentioned financial support, can also benefit from an additional incentive, for the purpose of normalization of its activity, consisting in the payment to the company of a one-off amount corresponding to one minimum salary (635 €) for each employee. This request must be filed along the Portuguese Institute – IEFP.

While the above measures are applicable (dependent on the request of the company), the company is exempted from Social Security contributions.

Furthermore, the following credit lines were announced, and to be granted by Portuguese Banks (with State guarantee):

- Credit line capped at EUR 600M (EUR 270M destined to micro and SME) – aiming companies with an activity on the food and beverages sector.
- Credit line capped at EUR 200M (EUR 75M destined to micro and SME) – aiming companies with an activity on the tourism sector.
- Credit line capped at EUR 900M (EUR 300M destined to micro and SME) – aiming companies with an activity on the lodging sector.
- Credit line capped at EUR 1,300M (EUR 400 destined to micro and SME) – aiming companies with an industrial activity.

Updates from March 31st to April 8th

Decree-Law 10-F/2020, of 26 March, rectified by Amendment Statement 13/2020, of 28th March, establishes an extraordinary and temporary regime applicable to tax and social security obligations to promote the flexibilization of the payments during the 2nd quarter of 2020, namely:

Deferral of VAT payments and Withholding taxes (CIT and PIT) due in April, May and June 2020. Payment of monthly and quarterly VAT as well as withholding taxes (CIT and PIT) may be carried out in 3 or 6 monthly interest-free installments, upon electronic request submitted until the established payment deadline. The first instalment should be paid within the legal deadline



foreseen and the following instalments should be paid in the same date of the following months. No additional guarantees are required.

This measure applies to taxpayers:

- With a turnover up to 10 million euros in 2018, or
- That have started their activity after 1st January 2019 or reinitiated their activity after 1st January 2019 not having any turnover in 2018, or
- Which activity is included in a sector that was closed following the Declaration of a State of Emergency, or
- Which turnover/invoicing in 2020 decreases in at least 20% in the average of the 3 months prior to the tax payment obligation compared to the same period of the previous year.

When the communication of the invoices through electronic invoice (*eFactura*) website does not reflect the total of the operations carried out subject to VAT, even if exempt, the validation of the invoicing decrease must be made with reference to turnover for which is required the certification from a statutory auditor (ROC) or a certified chartered accountant (CC).

Deferral of Social Security contributions due in April, May and June 2020. Contributions that concerns to the employer due in April, May and June 2020 may be paid in 1/3 of the amount in the month in which they are due and the remaining 2/3 can be paid in 3 instalments in July, August and September or 6 instalments from July to December 2020, interest-free.

Despite of it is not necessary to request for access to this measure, in July, the employer should inform the Social Security Authorities regarding the instalment period that intends to apply. The lack of payment of the first instalment of 1/3 implies the charge of interest and all instalments will be due immediately.

This measure applies to employers:

- With less than 50 employees, or
- With 50 and up to 249 employees that are facing a decrease of at least 20% of invoicing in March, April and May 2020, compared to the same period in 2019, or
- Having started their activity in less than 12 months, are facing a decrease of at least 20% of invoicing compared to the average of the activity period, or
- With 250 or more employees that are facing a decrease of 20%, duly certified by the certified accountant (CC), of the invoicing in the months of March, April and May 2020, compared to the same period in 2019, or
- With 250 or more employees that are facing a decrease of 20%, duly certified by the certified accountant (CC), of the invoicing compared to the average of the activity period in case of entities that have started their activity less than 12 months ago, and since its activities have been included in a sector that was closed following the Declaration of a State of Emergency or it are related to the aviation and tourism sectors.



Order 129/2020-XXII, of 27th March, issued by the Secretary of State for Tax Affairs, establishes simplification measures for preparation of VAT Returns and regarding to PDF invoices, as follows:

VAT Returns related to the period of February 2020 that should be submitted until 10th April 2020 and corresponding VAT should be paid by 15th April 2020, can be prepared based only in the electronic invoice (*eFatura*) website information avoiding additional supporting documentation, whenever the “fair impediment” mechanism is applied by the certified chartered accountant (CC), as result of the current circumstances caused by the Covid-19 pandemic, duly certified by the Health Authorities.

However, if any settlement is due, these VAT Returns must be replaced and the corresponding VAT paid until the end of July 2020, without any costs/penalties. This applies to the following entities:

- With a turnover up to 10 million euros in 2019, or
- That have started their activity in 2020 or, re-started their activity in 2020 since without having any turnover in 2019.

During the months of April, May and June, should be accepted PDF invoices which are considered electronic invoices for all tax purposes established in fiscal laws.



(Last updated: April 6th)



2.6. Luxembourg

Updates up to March 25th

The difficult global situation of Covid-19 has forced all countries to take steps to reduce the spread of the virus and achieve its eradication as soon as possible. This is why Luxembourg's Prime Minister Xavier Bettel announced on 17th March that, if the decision is approved by Parliament and the Council of State, a state of emergency may be declared, for a maximum of three months, in accordance with article 32.4 of its Constitution. Following these statements, updates involving different areas have also been put into force, all in order to ensure the continuity of the economy in Luxembourg.

As far as taxation, the offices of the administration are only open via appointment, which must be requested in advance. In addition, the following measures have been adopted:

- Direct taxation: the deadline for submitting tax returns is extended to 30 June 2020. In addition, professionals and legal persons engaged in agricultural or forestry activities are granted the cancellation or postponement of quarterly advances on income tax or corporate tax and business tax for the first and second quarters of 2020. These requests are automatically accepted for eligible taxpayers who have advance payments to make.
- Indirect taxes: greater flexibility is granted to the taxpayer, so that submission after the regulatory deadline in matters of value added tax will not lead to an administrative penalty until the Luxembourg tax administration establishes otherwise.

In the field of employment, the Financial Security Supervisory Commission (CSSF) recommends that companies should allow their staff members to work from home in all cases where this is possible. In fact, a certificate proving the contractual relationship is required to be able to cross the border between Luxembourg and Germany, Belgium or France.

In addition, it should be noted that the governments of Belgium, France and Luxembourg have announced that, until a new order is issued and given that this is a case of "force majeure", working from home does not count towards the threshold of 24 days (Belgium) or 29 days (France) which allows a cross-border worker to carry out their activity outside the country in which they usually work and remain taxable in that country. However, the risk of information fraud and computer security are also highlighted in the context of this remote working measure so that appropriate precautions would be taken.

Updates from March 25th to March 31st

Short-time working in the event of force majeure in relation with the coronavirus

Following the ministerial order of 16 March 2020 on different measures to combat the spread of the Covid-19 virus and the Grand Ducal regulation of 18 March 2020 introducing a series of measures in the context of the fight against Covid-19, the Luxembourg government decided to set up, on request by each Company, a "force majeure / coronavirus" short-time working scheme in order to help all businesses that have had to completely or partially cease their



activities. These helps are valid for the current or previous month of the request, so they have to be renovated.

During this specific period, businesses whose application is approved will receive advances based on the expected number of employees unable to carry out their normal activities in order to enable the Company to obtain the cash needed to pay the salaries of their employees.

The state shall pay compensation up to 80 % of the wage costs for employees on short-time working. Reimbursement is limited to 250 % of the social minimum wage for unskilled workers aged 18 or over. This compensation may not be less than the amount of the social minimum wage for unskilled workers.

A company that resorts to short-time working in cases of force majeure commits not to dismiss employees for economic reasons as long as the relevant government decisions remain in force.

This measure could apply to employees (under a permanent or fixed-term contract in force at the time of the event of force majeure) who are not covered by a certificate of incapacity for work and who can no longer be employed at all or can no longer be employed on a full-time basis when the company can no longer ensure the normal operation of its activity.

In order to speed up and facilitate the processing of requests for short-time working in cases of force majeure linked to the Covid-19 crisis, a new automated system has been introduced. The form for submitting applications are available on the Guichet.lu website.

Temporary measures concerning social security contributions

From 1 April 2020 and until further notice, the CCSS is putting in place the following temporary measures:

- suspension of the calculation of interest on arrears for late payments;
- suspension of the procedure for the enforced collection of contributions;
- suspension of the enforcement of constraints by judicial officers;
- suspension of the fines to be pronounced against employers who are late with the submission of their declarations to the CCSS.

These measures allow employers who, following the COVID-19 crisis, are in a financially precarious situation to better manage the payment of their social contributions, and apply:

- to future calls for contributions;
- to the current balances of social security contributions, despite possible remarks (interest, fines, etc.) on the statement of account of the CCSS dated 14 March 2020.

It is important to take in mind that the social contributions remain due. However, these measures enable the employer to better organize their cash flow.

State guarantee scheme for new bank loans for a maximum period of 6 years. In order to help Companies to face this difficult situation, the State provides, as a subsidiary tool, new credit lines, under some conditions, guaranteed at 85% by the State and 15% by the participating banks



(BCEE, BIL, Banque de Luxembourg, Banque Raiffeisen, BGL BNP Paribas, ING) for loans granted during the period from 18 March 2020 to 31 December 2020.

These new credits are reserved for businesses that were viable before 18 March 2020 (state of emergency). The assessment of whether a business was viable or not is the sole responsibility of the banks, who will notify the State Treasury of the granting of the loan in order to benefit from the State guarantee.

The maximum amount of eligible loans can be up to 25% of your business turnover for the year 2019 (or failing that, the last year available).

Updates from March 31st to April 16th

Indirect taxes. The Registration Duties, Estates and VAT Authority (AED) grants, upon online request (using MyGuichet.lu), extensions for the payment of VAT. It is applicable for natural and legal persons subject to VAT with financial difficulties linked with the Covid-19 crisis and that wish to benefit from the fiscal measures decided by the Government to deal with the spread of the coronavirus.

Repayable aids for businesses with temporary financial difficulties linked to COVID-19. Under some conditions, the Luxembourg State grants aid in the form of repayable advances to support businesses, including natural persons carrying out their activities as their main activity and in self-employment, experiencing temporary financial difficulties as a result of the COVID-19 crisis. People allowed to receive these aids and excluded sectors could be check in the website Myguichet.lu.

The request must be sent no later than 15 August 2020 to the Ministry of the Economy either electronically using MyGuichet.lu or by post in the event of application using a paper form. In case of electronically, the person submitting the application must have a LuxTrust product (e.g. Token, Smartcard or Signing stick) or an electronic identity card.

The aid ought to be granted before 1 October 2020 in a single instalment in the form of a repayable advance, subject to budgetary availability.

The aid amounts to a maximum of 50 % of the allowable costs* and it may not exceed the sum of EUR 500,000 per single business (including a group comprising the applicant business and connected undertakings). Aid will be granted subject to 4 conditions:

- The business must fall within one of the sectors of activities set out in the relevant Grand Ducal regulation;
- The business must have temporary financial difficulties;
- The business must have been exercising its economic activity already, before the unforeseeable event occurred;
- There must be a direct causal link between the unforeseeable event and the temporary financial difficulties of the business.



The advance is to be repaid at a simple interest rate of 0.5% in accordance with a repayment schedule submitted by the applicant business and approved by the State by the end of the first half of 2021.

The State nevertheless reserves the right to renegotiate, where appropriate, the repayment terms with the applicant business. In the absence of a proposal from the applicant business before the end of the first half of 2021, the State will propose a repayment schedule.

Repayment of the aid begins no earlier than 12 months after the first payment of the repayable aid, unless the business requests otherwise.

This aid may be cumulated for the same allowable costs with other types of State aid, as long as the accumulated amount does not result in exceeding the most favorable amount of aid provided for under the applicable aid schemes.

A beneficiary of aid obtained on the basis of knowingly false or incomplete information would be criminally and administratively sanctioned.

Updates from April 16th to May 7th

Exit strategy plan: Large-Scale Testing Strategy. For the exit strategy plan, Luxembourg count with the support of the COVID-19 Task Force, which helps to make political decisions, working on the development of the pandemic in Luxembourg and submitting concepts and recommendations from a scientific perspective.

It is composed by the Luxembourg Institute of Health, the Luxembourg Institute of Socio-Economic Research, the Luxembourg Institute of Science and Technology, the Laboratoire National de Santé, Luxinnovation, University of Luxembourg and the Luxembourg National Research Fund, under the coordination of the Ministry of Higher Education and Research.

They have developed a "Large Scale Testing Strategy" based on a voluntary diagnostic test accessible to the population, including cross-border commuters of the Greater Region. The main goal is to avoid a new lockdown due to a second wave of infected people, but as well to gain a better understanding of the virus and to be better prepared in the event of another pandemic.

They started with students and teachers last week: 8.500 tests for them and the idea is to practice 20.000 tests per day in a later phase in the 17 test stations that will be set up in the country.

As the Minister of Health said, Paulette Lenert, "We want to encourage all residents of the country to participate in this unique public health measure".

People who test negative, may leave the confinement, however positive results must remain in isolation. In addition, all close contacts to positive results will be tested to confirm that there are no more cases.





Updates from May 7th to May 21st

In the field of **indirect taxes**, the Administrative tolerance with regard to the declaration of VAT and subscription tax is revoked. Therefore, declarations that have not been introduced due to the health crisis are to be submitted within a short period of time. On the other hand, the forced collection of tax debts remains deactivated for the time being.

In the field of **direct taxes**, the law of 12 May 2020, published in the Official Journal of the Grand Duchy of Luxembourg at Mémorial A n°385 of 2020, grants an additional period until 30 June 2020 to individuals and legal entities to file certain tax returns for the year 2019.

In addition the time limits for lodging a complaint before the Director of the Direct Tax Administration as well as the time limits for lodging a formal hierarchical appeal against certain administrative decisions in tax matters are suspended until 30 June 2020.

It should also be noted that the date until which the option for the 20 per cent withholding tax instead of taxation by means of a tax base according to the ordinary law system may be exercised, with regard to interest payments defined by the amended law of 23 December 2005 introducing a withholding tax at source on certain interest produced by savings income and allocated for the 2019 tax year, is postponed to 30 June 2020.

The limitation period for claims against the Treasury and for all claims whose collection is entrusted to the Direct Tax Administration, which would expire on December 31, 2020, is extended to December 31, 2021.

In addition, the effect of privileges and guarantees from the Consolidated Revenue Fund is extended to December 31, 2021.

Signing of an agreement between the authorities of Luxembourg and Belgium specifying the tax treatment of frontier workers in the context of the Covid-19 crisis.

On 19 May 2020, the competent authorities of Luxembourg and Belgium proceeded to sign a mutual agreement for the avoidance of double taxation and the settlement of certain other matters with regard to taxes on income and on wealth in order to take into account the situation related to the Covid-19 crisis. It shall apply for the period from 11 March 2020 to 30 June 2020. From 1 July 2020, the application of the Agreement shall be extended until the end of each month if both competent authorities agree in writing at least one week before the beginning of the month.

According to it, days of work for which remuneration was received and during which the employment was exercised at home, solely because of the measures taken to combat the COVID-19 pandemic by the Governments of Belgium or Luxembourg, may be regarded as having been performed in the Contracting State in which the frontier worker would have exercised the employment without the measures taken to combat the COVID-19 pandemic.

(Last updated: May 19th)



2.7. United Kingdom

Updates up to March 25th

Led by the Prime Minister, Boris Johnson, the management of the Coronavirus by the UK has been evolving daily as have the infection and death toll. The British Government has established a stream of temporary measures, opportunities and schemes in order to help the public services, businesses and population during this turbulent period. These measures to help businesses include the following:

- An employment retention plan
- Deferment on VAT payments and of taxes on wages
- Sickness benefits for SME
- Tax-deferral of 12 months for all retail, hospitality, leisure and child-care businesses in England
- A finance boost of 10.000 GBP for every business that receives a reduction of the small business tax or a reduction of the rural area tax
- A finance boost of 25.000 GBP for every business in the hospitality and leisure sector with properties with an appraised value of between 15.000 and 51.000 GBP
- Establishment of the Coronavirus Business Interruption Loan Scheme, which offers loans of up to 5M GBP for SME's through the British Business Bank
- A loan service from the Bank of England to help recuperate the liquidity between big businesses, by helping them overcome the disruption to the cash flow
- Deferment of tax obligations to HMRC

Help to businesses through the Employee Retention Plan. Under this plan, all employees in the UK will be able to get support to continue receiving part of their wage from their employers if they have been made furloughed during the crisis. This measure applies to every business in the UK.

To be able to access this help, the affected workers must be classified as 'furloughed workers' and the employees must be notified of this change- this change of status for the employee will still mean that they are subject to current workers' rights legislation and, depending on the type of contract they have, it could be up for negotiation. Information can be presented to HMRC about the employees who have been made furloughed and their rights through a new online portal.

HMRC will reimburse 80% of the salary of any worker that has been made furloughed during this period, up to a limit of 2.500 GBP a month. If any business needs help from the Treasury, it can have access to a Coronavirus Business Interruption Loan.

Help to businesses through the deferment of VAT payments and tax on wages. The British Government will help businesses by deferring VAT payments for 3 months. This deferral is active from the 20th March 2020 until 20th June 2020. Every business in the UK will have access to it and will receive it without the need to apply. Businesses will not have to pay VAT during this



period. They will have until the end of the 20/21 fiscal year to pay any debts that have accumulated during this period. Any reclaims of VAT will be paid by the Government.

Help to businesses that are paying sick pay to employees. Small and medium-sized businesses and all the employees are allowed to reclaim Statutory Sick Pay (SSP) if they have been absent from work due to Covid-19. This payment will cover two weeks of SSP for any worker that has been out of work because of Covid-19. The criteria to be able to receive this will be the following:

“The British Government will help businesses by deferring VAT payments for three months”

- The businesses must be based in the UK and must be a small or medium sized business and employ less than 250 employees on 28th February 2020.
- The employer will be able to reclaim the costs of any employee that has claimed SSP, (according to the new terms of eligibility) as a result of Covid-19.
- The employers must register the absentees and the payments of SSP, but the employees will not have to supply a note from their GP. If an employer requires a test, those with symptoms of Coronavirus can obtain an isolation note from NHS 111 or online and those that live with someone with symptoms can obtain a note from the NHS website.
- The access period of this plan to those that are at home will start the day after the implementation of the laws concerning the amplification of SSP.





Help to businesses through the Loan Plan for the Interruption of Business from Coronavirus.

A temporary plan, bought together by the British Business Bank, with the aim of principally helping small and medium sized businesses to access bank loans.

The Government will give the lenders a guarantee of 80% of every loan (subject to a maximum limit) to give the banks more confidence in continuing to provide cash to SME's. The Government will not cover the businesses or the banks with the guarantee, and the plan will help the lenders with up to 5 million GBP. Every company that is based in the UK and has an annual turnover that doesn't exceed 45m GBP and meets the other requirement of the British Business Bank has access to these funds.

Help to larger businesses through the Covid-19 Facility of Financial Co-operation. Under the name of the new Covid-19 Business Finance Service, the Bank of England will buy up the short-term debt of larger businesses. This will help businesses that have been affected by a loss of short-term cash and it allows them to finance their short-term debts. It will also help the finance market in general. Every business in the UK is eligible for this fund as well.

Help to businesses that pay taxes: **'Time to Pay service'**. Every business and self-employed person who are facing financial difficulties and with pending tax obligations are able to receive help through HMRC and it's service 'Time to Pay'. Every case is looked at on a case-by-case basis and they will be adapted according to the circumstances and individual responsibilities. Businesses can access these measures if they pay taxes to the UK Government and have pending financial obligations.

Updates up to March 31st

The government will be introducing the **'Coronavirus Job Retention Scheme'**. This means employers can access financial support to continue paying the wages of employees who are temporarily sent home because there's no work. These staff are called 'furloughed' workers. To access the scheme, employers will need to designate relevant staff as furloughed workers. The employer needs to get agreement from the worker to do this, unless it's covered by a clause in the employment contract. The employer can decide who to designate as a furloughed worker. If an employee disagrees with their employer's decision they'll need to talk to their employer and try to come to an agreement.

Updates from March 31st to April 8th

New Coronavirus Large Business Interruption Loan Scheme (CLBILS) launched

The Chancellor has launched a new Coronavirus Large Business Interruption Loan Scheme (CLBILS) to the so-called 'squeezed middle' of mid-sized companies that were excluded from the previous lending measures.

CLBILS will provide a government guarantee of 80% to enable banks to make loans of up to £25 million to businesses with an annual turnover of between £45 million and £500 million. CLBILS



lending will be offered 'at commercial rates of interest', with further details to be announced later this month.

Revamp of the Coronavirus Business Interruption Loan Scheme (CBILS)

The Chancellor is extending the Coronavirus Business Interruption Loan Scheme (CBILS), which was launched at the end of March.

As a result, 'all viable small businesses affected by COVID-19' will now be eligible for funding under the scheme - not just those unable to secure regular commercial financing. In practice, this means that borrowers will no longer have to first try to secure a normal commercial loan elsewhere.

Lenders will now be prevented from requesting personal guarantees for loans under £250,000, and operational changes are being made to speed up lending approvals. Importantly, for loans over £250,000, personal liability under personal guarantees will be limited to just 20% of any amount outstanding on the CBILS lending after any other recoveries from business assets.

Updates from April 8th to April 16th

There have been key clarifications on the Job Retention Scheme.

The scheme will not apply to any employees who are working. This means any employees who are working (including any employees working on reduced hours or reduced pay, and whether or not at home) are excluded. A furloughed employee is one who is not required to and is not carrying out any work. However, furloughed employees are able to undertake training and do volunteer work, provided they do not provide services to or make any money for their employer.

Employees can be rotated on and off the furlough scheme provided that the minimum length an employee is furloughed for is 3 weeks. Employers have to confirm to employees in writing when they have been furloughed and keep a record of this for a period of 5 years.

Updates from April 16th to April 30th

The Government has announced a **£500 million 'Future Fund'** to invest in start-up businesses affected by the Coronavirus pandemic. The Fund will provide unsecured government loans ranging from £125,000 to £5 million to UK-based unlisted companies, subject to at least equal match funding from private investors.

The Fund may be a suitable option for fast-growing businesses that are at early stage and/or pre-IPO, and are unable to access the Coronavirus Business Interruption Loan Scheme (CBILS).

In addition, the government has also announced £750 million of targeted support for SMEs focusing on research and development. The funding will be available through the grants and loan scheme of Innovate UK, the national innovation agency.



Furthermore, **small firms are to get access to 100 % taxpayer-backed loans** after they raised concerns about slow access to existing coronavirus rescue schemes. Chancellor Rishi Sunak told the House of Commons the scheme would start next week, offering firms loans up to £50,000 within days of applying.

It aims to unlock a backlog of credit checks by banks amid fears many small firms could fold before getting loans. The scheme requires filling in a two-page self-certification form online.

The loan terms mean that no capital or interest repayments will be due for one year. Instead, the government will pay the interest for the first 12 months. Banks have come under fire for delays in handing out loans, but have blamed the heavy workload, need to complete the necessary credit checks, and a shortage of staff.

Mr Sunak acknowledged that some small firms were struggling to access credit, and by guaranteeing the full value of the loan up to £50,000 he hopes that banks will allow companies to borrow the funds they need. The new "microloan scheme" would provide a "simple, quick, easy" solution.

The Chancellor announced last week that the Coronavirus Job Retention Scheme will remain open until the end of October.

From the start of August, furloughed workers will be able to return to work part-time with employers being asked to pay a percentage towards the salaries of their furloughed staff. The employer payments will substitute the contribution the government is currently making.

The scheme will continue in its current form until the end of July and the changes to allow more flexibility will come in from the start of August. More information will be announced at the end of May.

Updates from to May 21st to June 4th

The **Coronavirus Job Retention Scheme** has been extended from its original deadline of 31 May to the end of October 2020. It will close to new entrants on 30 June 2020. The Chancellor stated that he expects companies to "start sharing" the cost of the scheme from August 2020. As a result, the level of government grant provided through the Scheme will be slowly tapered to reflect that people will be returning to work:

- **From August:** Employers will start to pay Employer National Insurance contributions and pension contributions for furloughed workers. The government will continue to pay 80% of wages up to a cap of £2,500 per month
- **From September:** The government payment will cover only 70% of wages, up to a monthly cap of £2,187.50. Employers will make up the shortfall, paying 10% of wages to get furloughed employees back up to 80% of pre-lockdown levels up to a cap of £2,500. Employers will also pay Employer National Insurance contributions and pension contributions



- **From October:** The government will pay 60% of wages, up to a cap of £1,875 per month. Employers will therefore pay 20% of wages plus Employer National Insurance contributions and pension contributions.

(Last updated: May June 1st)





2.8. Ireland

Updates up to March 25th

The Irish Government has established a raft of temporary measures to help public services, as well as citizens and businesses during this crisis period.

On the 15th March 2020, the Government announced the implementation of special measures, administered through the Department for Employment Matters and Social Protection (DEASP) to allow access to a special for payment of 203 EU every week for workers who have been temporarily made redundant due to the pandemic. The Irish Tax Agency has worked in close collaboration with the DEASP to offer the employers the chance to make this payment to their employees through the normal payroll process. These payments are not subject to taxes, USC or PRSI.

Employers are incentivized to make sure that employees are aware of this plan. The payments to the employees will be transferred to the bank accounts of the employer by the Tax Office.

This plan applies to all employees to whom the employer has given a paycheck in the period between 1st February and 15th March 2020. If an employee has been made redundant or their employer has terminated their contract, they can go directly to the DEASP for this payment. Who does this apply to?

- Employers that have temporarily fired employees as a result of the Coronavirus.
- Employers that maintain staff on payroll and have not terminated the employment of payment of employees.
- Employees who had received a pay check between 1st February and 15th March 2020
- Employers who cannot make complementary payments above the emergency payment of 203 EU a week.

The Irish Government agency responsible for customs, special taxes and other related matters have also taken the following measures in relation to SMEs.

- **Tax Declarations:** Businesses that are experiencing temporary difficulties of cash flow must continue to send their tax declarations
- **Application of interest:** The application of interests for overdue payments is suspending for VAT and PAYE obligations for January and February.
- **Tax execution:** All debt execution activity is suspending until further notice.
- **Tax settlement:** The current state of settlement of taxes will be maintained for all businesses during the next few months

In conclusion, the Irish Tax Office is giving an interest-free loan on the VAT and PAYE payments that expired in January and February 2020.



Updates from March 25th to March 31st

The Government has also announced a plan to increase scope of the loans for employers and employees that are facing difficulties as a result of Covid-19. The Temporary Covid-19 Wage Subsidy Scheme will substitute the Employer Covid-19 Refund Scheme from Thursday 26th March.



The employers can pay 70 % of the average net salary to the employee (gross salary minus income tax, USC and employer's PRSI) and at the same time, will receive a reimbursement (this payment has a limit of 410 euros a week). These payments can also be complemented, however the maximum value to complete it is 30 % of the net weekly salary of the employee (gross salary minus income tax, USC and employer's PRSI).

The complementary payments for the employer are subject to taxes and USC. The combined payment must be processed under Class J9 of PRSI. If an employer pays more than the 30% that is permitted, the subsidy will reduce. This means for every extra euro that is paid, a euro less of the subsidy will be paid.

January and February 2020 should be used to calculate the average weekly pay. These measures will be in place for 12 weeks. The scheme will also be in place for 12 weeks. It is available for the employers who have been affected by the Coronavirus pandemic.

Updates from March 31st to April 16th

The government have announced the introduction of additional funding to help businesses cope with the liquidity challenges posed by the Covid-19 restrictions, including:

1. Enterprise Ireland Business Financial Planning Grant
2. Enterprise Ireland Sustaining Enterprise Fund (€180m)
3. SBCI Working Capital Loan (€450m available)
4. SBCI Future Growth Finance Loan (€200m available)



Business Financial Planning Grant

- Strategic intervention for companies to work with third party consultants to prepare a detailed financial and business plan with forecasts and assumptions.
- Grant up to €5,000 (ex. VAT) to cover related consultant expenses (max. €900 per day).

Sustaining Enterprise Fund

- Enterprise Ireland has a new fund to provide manufacturing and internationally traded services companies with capital to help stabilise and rebuild their businesses. Businesses qualifying under this EU-supported scheme will be offered a repayable advance of up to €800,000.

Working Capital Loan

- 25,000 to €1.5m per enterprise, for 1 – 3 years.
- Unsecured loans up to €500k.
- Max. interest rate of 4%.
- Optional interest-only repayments may be available at the start of the loans
- Loan amount and term is dependent on the loan purpose.

Future Growth Loan

- €100,000 to €3m per applicant, for 8 – 10 years.
- Unsecured loans up to €500k.
- Initial interest rate of 4.5% for loans below €250k, 3.5% for loans above €250k (variable over the term)
- Optional interest-only repayments min certain circumstances

Updates from April 16th to April 23rd

Minister Paschal Donohue announced a number of changes to the Covid-19 Temporary Wage Subsidy Scheme (“TWSS”) on Wednesday. The amendments announced for individuals earning less than €76,000 are effective for payrolls from 4th May 2020, onwards, and as such have no bearing on April payroll. The amendment for individuals earning more than €76,000 who have taken a pay cut is effective immediately.

Covid-19 Wage Subsidy prior to 4th May 2020 (*applicable for April payroll only*)

Eligible employers receive a subsidy up to 70 % of an employee’s net pay up to:

- a maximum of €410, where the average weekly net “AWN” pay is less than €586 (approx. €38K gross), or
- a maximum of €350 where the AWN pay is between €586 and €960 (approx. €76K gross).

From 16 April, where AWN falls below €960, TWSS is available subject to tiering

- In these cases where the employee’s earnings have now been reduced
 - more than 20%, a subsidy of up to €205 payable
 - more than 60%, a subsidy of up to €350 payable.



Wage Subsidy from 16th April 2020

Employees earning €76,000 who have taken pay cut

- Subsidy on a tiered basis will apply where the employee has taken a pay cut which would mean their current pay has fallen below €76,000
- Subsidy available as follows:
 - If the reduction is more than 20% then a subsidy of up to €205 is payable,
 - If the reduction is more than 40% a subsidy of up to €350 is payable.
- To calculate the level of subsidy payable, current gross pay will be compared with previous average net weekly pay for January/February.
- This subsidy will be tapered to ensure total net income (employer contribution + wage subsidy) does not exceed €960 net per week.

Covid-19 Wage Subsidy from 4 May 2020

Employees with net pay less than €586 per week (circa €38,000pa) - Tiered approach

70% of ANW up to maximum of €410

Previous average net weekly pay	Weekly Subsidy available
Less than €412 per week (circa €24,400pa)	85% of ANW
€412 to €500 per week (circa €24,400 to €31,000 pa)	Up to €350
€500 to €586 per week (circa €31,000 to €38,000pa)	70% of ANW up to maximum of €410

Employees with net pay greater than €586 per week (circa €38,000pa) Tiered approach - Maximum subsidy of €350 per week:

Gross top up amount paid by employer	Subsidy available
Up to 60% of average net weekly pay	Up to €350
Between 60% and 80% of average net weekly pay.	Up to €205
Over 80% of employee's previous average net weekly pay	NO SUBSIDY

(Last updated: April 19th)



2.9. Czech Republic

Updates up to March 25th

In the last few days, the Czech Government has approved a range of new measures that help tax payers complete their tax declarations and pay taxes during this extraordinary situation.

In the case of the tax payers who are obligated to present their **2019 income declarations** and to pay income tax before 1st April 2020 but no later than 1st July 2020, these new special measures provide an exemption on interest for those who pay late and an exemption for the fine for late payment. In practice, this group of tax payers can present their tax declarations during a prolonged period of 3 months without receiving any fines or penalties. The tax payers are not required to subject themselves to a financial audit, are not required to go to a certificated financial tax assessor to certify their taxes and are not required to seek permission for the delay.

Despite these measures, tax declarations must be submitted before 1st July 2020 and if a higher payment is reported on this payment, a refund will be received within the standard period of 30 days.

Moreover, this deferral does not apply to salary retention declarations, of which the employers must submit before 20th March 2020 as well as the corresponding payroll tax settlement.

Included in these measures are the **elimination of fines for late VAT declaration** (1.000 Czech Coronas). This, along with a period of 5 days without penalization for the presentation of the declaration provides a few extra days to prepare and present annual VAT declaration without any additional penalty. This general extension encompasses the tax fines from 1st March 2020 to 31st June 2020 and therefore derive from any late VAT declaration for February 2020 to June 2020 or those corresponding to the first and second trimester of 2020.

In other cases, an individual extension can be solicited in relation to the late payment interests on tax returns. If the extension is accepted, the automatic extension will be granted in regards to the fine on late tax declaration and the yearly tax declaration as well.

As in the previous cases, the individual extension is conditioned on the proof that the late payment is due to the extraordinary measures applied by the government in light of Coronavirus. The principal requisite for the accepting of the application is the settlement of the late tax. Thus, the resignation requests submitted before the payment of the tax, in advance, will be rejected by the tax authorities.



In respect to **Social Security**, neither the Office of Social Security nor the health insurance companies have put in place any measures to alleviate the damages caused by the virus. Therefore, the current obligation of individual employers to pay the monthly social security contributions and medical insurance contributions stays in place. The same applies to the obligation of the businesses to retain and pay the monthly social security and medical insurance contributions of their employees.

Individual businesses are required to present an annual declaration to the social security office and also to the corresponding medical insurance company before they finalize the following months filing of income tax. Furthermore, the filing deadline for the annual social security and health insurance declaration is not automatically postponed, and businesses are obliged to present these declarations before 4th May 2020. The relevant institutions are likely to adopt similar aid measures later.





Updates up to March 31st

On Tuesday, March 31, 2020, the government approved a proposal to modify the Antivirus employment protection program. The state will use the Labor Office of the Czech Republic to compensate companies their expenses of wages costs.

The compensation will be due to employers whose employees are on work obstacles the employee's side (quarantine order) or the employer's side (obstacle - closure of the establishment by reason of a government order), if it is proven that the obstacle to work is due to Covid-19.

The amount of compensation to employers is derived from the average super-gross wage, including mandatory contributions (CZK 48,400) and depends on the reasons for which they had to order employees the obstacles to work. Antivirus will start from April 6th.

Updates from March 31st to July 2nd

Another tax relief package called Tax Relief Package III, implemented by a decision of the Minister of Finance, was published in the Financial Bulletin. This package follows up on preceding packages and introduces or extends general measures intended to help improve the cash flows of taxpayers and provide additional space for the fulfilment of their tax obligations, such as Income taxes, real property acquisition tax or interest for late tax payments.

The Czech Republic decided to extend the "Antivirus Programme A and B" until the end of August 2020.

The government also approved the proposal of the so-called "Antivirus Programme C" which should be targeted to a wider number of employers. This Program should be issued in the regime of an Act ie. subject to the approval of the Parliament, Senate and signature of the President.

Under this "Antivirus Programme C" the employer's contributions to social security for the months of June, July and August 2020 should be waived in the form of a reduction in the employer's assessment base. The bill also sets a limit for the assessment bases of individual employees. If the employee's assessment base exceeds 1.5 times the average wage determined in accordance with Section 23b Paragraph 4 of the Premium Act (CZK 34,835), the premium will be waived only from the part of the wage that falls within the limit of CZK 52,253.

Employers will be entitled to participate in the "Antivirus Programme C" if they meet the following basic conditions:

- The employer has a maximum of 50 employees covered by insurance - the number of employees is being determined on the last day of each applied month ie. end of June, July and August
- The employer did not lay off more than 10% of their employees and maintain 90% of the volume of wages - compared to the 31 March 2020;



- The employer has paid insurance contributions for employees in the entire amount and on time.

Employers participating in the Antivirus Programme A and/or B for June, July and August may not concurrently apply for the waiver in Programme C.

Updates from July 2nd to August 6th

MEPs approved a bill on the remission of social security contributions. The law expands the existing Antivirus program with a new regime C, which consists in the remission of social security contributions. It applies to companies with up to 50 employees. The MLSA thus provides additional targeted support to mitigate the effects of the coronavirus crisis in order to maintain the maximum possible number of jobs.

The Act on the Remission of Social Security Premiums remits the part of social security premiums paid by employers. In total, this is 24.8% of the total income of their employees for the months of June, July and August. The MLSA promises that the administrative process will be easy. Instead of submitting the application, employers only state the reduced assessment base in the monthly OSSZ statement and pay the reduced insurance premiums.

To be entitled to a premium remission, employers must meet the following three basic conditions:

- They shall employ a maximum of 50 employees who are covered by sickness insurance.
- It shall also comply with the fact that the number of employees found in each of those three months has not decreased by more than 10% compared with the number of employees in March 2020. Employers must also maintain 90% of wages as in March 2020. Compliance with these conditions will be assessed on a monthly basis.
- Furthermore, employers are obliged to pay insurance premiums for employees on time. In addition, in the relevant calendar month, they cannot apply for funds from the Antivirus program in mode B, ie obstacles to work on the part of the employer.

There are two exceptions to the deduction of assessment bases. Cannot be deducted:

- For employees an assessment base higher than CZK 52,253, ie more than 1.5 times the average wage set for social insurance purposes for 2020. If the employee's assessment base amounts to CZK 100,000 in June, the total assessment bases for this employee will decrease only about 52 253 CZK.
- The assessment basis of the employee in the employment relationship, to whom the employer gave termination notice pursuant to § 52 letter a) to c) of the Labor Code.

(Last updated: July 27th)



2.10. Poland

Updates up to March 25th

Like many of their neighbors, Poland has implemented strong measures to combat the pandemic. If the PPIS or PGIS decide to subject an employee to quarantine or isolation, the employee has the right to receive an illness loan subject to the conditions of the employer of ZUS.

The employer can also apply measures such as ordering the employee to work from home. If internal rules already exist in terms of working from home, these must be written. If working from home is implemented to counteract Coronavirus, the law doesn't regulate questions of rules or agreements. All the organizational questions, how the employee completes their work etc can be sorted out through an email or phone call with the employer. There is no minimum time limit during which the employee must work at home and the employee must not refuse to do it as this could result in them being fired. In order to work from home effectively, the employer must provide the relevant resources.

An additional 14 days a year are also established in the event that the educational center of the employees' children faces a closure situation (and that they do not count within the 60 to which they are currently entitled).

Moreover, on the 25 of March, the following measures came into effect:

- Government will cover social security contributions for micro-companies (up to 9 employees) and the self-employed for 3 months.
- Deferral of the date of implementation of the new law regarding JPK-VAT for large businesses from 1st April to 1st July.
- Deferral of the deadline for businesses that are obliged to register the Final Beneficiary in the registry office.
- Reduction of 90 % the rent for large retail outlets until they are kept closed by state of alarm.
- Facilitate the temporary suspension of activity.
- Possibility to discount 2020 losses in the 2020 declarations instead of dividing them over the next 5 years as is the custom.
- Guarantee of support and additional loans.
- In case of inactivity, the payment from the Fund of Guaranteed Remuneration will be up to 823 EU (equivalent to unemployment pay) plus the amount of contributions corresponding to this income
- Possibility of sick leave or care for self-employed in case that they need to look after children or another member of their family.
- In terms of Social Security
 - Deferral of tax payer payments.



- Contribution relief during three months for self-employed people who suffered a fall in turnover of 50% in March in comparison to February.
- Interest free installment contributions.
- Annuling the contributions in cases where the payment could put the business in jeopardy.

Updates from March 25th to March 31st

And, after long week of preparation and public debate Polish Parliament accepted March 31st the package of legal acts known “anti-crisis shield”. The proposed changes are aimed at protecting labour market and improving companies’ cash flow. The size of the company and the type of industry will decide on the scope of the support.

The most important tax solutions regarding VAT tax include:

- Postponing the obligation to submit a new JPK_VAT file for large companies (declaration and records) from 1 April to 1 July 2020.
- Postponing the date of entry into force of new VAT rates matrix from 1 April to 1 July 2020
- Partially postponing the date of entry into force of provisions on Binding Information Rates until 1 July 2020.
- Extension of the deadline for submitting a notification of payment to the unregistered account (the so-called White List) from 3 to 14 days.

About changes in Income taxes and the Social Security Institution (ZUS):

- Postponing the deadline for payment of PIT advances on remuneration paid in March and April 2020 (until 1 June 2020).
- Possibility of compensation of losses incurred in 2020 with income generated in 2019 (when total revenue in 2020 is at least 50% lower than in 2019), up to the amount of PLN 5 million loss.
- Possibility for so-called small taxpayers to waive the contributions in the period March - December 2020.
- Refraining from applying the provisions on so-called bad debts relief to the debtor of the PIT and CIT prepayments (when revenues are lower by at least 50%).
- Postponing the obligation to submit information to the Central Register of Beneficial Owners (the act on counteracting money laundering) until 13 July 2020.
- Enabling income deduction on donations made to counteract COVID-19.
- State financing of social security contributions for 3 months for: micro-enterprises that employ up to 9 employees, if they were declared as contribution remitter before 29 February 2020; o for self-employed workers, if they were active before 1 February 2020, - if their revenues fell at least by 50%.
- Temporary elimination of the extension fee in tax and social security (ZUS) claims:
 - For tax claims – refraining from charging the extension fee for spreading in time or postponing the date of tax payments and tax arrears determined as the state budget income from contributions due for the period from 1 January 2020,



based on the application submitted during the period of epidemic threat/epidemic status or within 30 days after its cancellation,

- For ZUS claims - entrepreneurs who have difficulties in paying social security contributions due for the period from January 2020, in the event of concluding an agreement to postpone the payment of contributions or an agreement on the payment of instalments, will be exempted from paying extension fee.

Significant changes in other taxes worth to mention:

- Exemption from the tax on civil law transactions (PCC) of the loan agreements concluded before 31 August 2020.
- Real estate tax - enabling municipality:
 - Implementing of a real estate tax exemption (for part of 2020) and extension of the deadlines for payment of real estate tax instalments, payable in April, May and June 2020, no longer than 30 September 2020, for those groups of entrepreneurs whose cash flow has deteriorated.
 - Postponement of the retail tax until 1 January 2021.

The Government accepted as well other solution regarding reporting and co-financing among others:

- Extension of the deadline for reporting tax arrangements (MDR) - deadlines for reporting national tax schemes from 31 March 2020 do not start, and the ones already started are suspended until 30 June 2020.
- A 90 % reduction of rent for the period when the tenant does not carry out its business activity in a commercial facility with a sales area of over 2000 square meters during an emergency or epidemic unless the contract provides the more favorable solution for the tenant.
- Support of transport companies by the Industrial Development Agency (PFR) in refinancing lease contracts.
- BGK, Polish Development Fund (PFR) and Export Credit Insurance Corporation (KUKE) liquidity funds, including the possibility of obtaining - by medium and large companies - from the PFR capital increase or financing in the form of bonds - with a total value of PLN 6 billion.
- Monthly benefit up to about 2,000 PLN – for self-employed and those employed under performance contracts or specific-task contracts.
- Co-financing of employee remuneration - up to 40% of the average monthly salary - and more flexible working hours - for companies in trouble.
- Protecting consumers from excessive price increases and other unfair trading practices.

Additionally, the Ministry of Finance decided to extend the deadline for submitting CIT-8 for all taxpayers until 31 May 2020, except for taxpayers with income exempt from CIT and public-benefit organizations – until 31 July 2020 and defer the obligation imposed on private and public sector entities and non-governmental organizations of financial statements (FS) preparation and FS audits made by audit firms.



Furthermore, March 31st the new regulation of Ministry of Finance enters into force which change deadlines for fulfilling reporting obligations and for the preparation, approval, disclosure and sending of reports to the appropriate registry, entity or body. The changes concern a big package of reports among which the most important is new deadline for Financial Statement presentations from June 30th to July 31st.

Updates from March 31st to April 23rd

On 16 April the Polish government approved new temporary measures to try to combat the consequences of the COVID-19 crisis. Under the name of 'second crisis shield' it focuses mainly on clarifying the issues that arose after the first package of updates, as well as adjustments in specific requirements.

State funding of social security contributions is extended to companies with up to 49 employees. Companies with up to 9 employees continue to be supported 100 %, those with between 10 and 49 employees will enjoy a discount of 50 % of the total amount of unpaid contributions. Furthermore, this financing will not increase the tax base according to the corporate tax law.

The law has also been extended to add companies that were created between 1 February and 1 April, those that were previously excluded. In the case of taxes, a new VAT rate was allocated for donations of laptops and tablets made to schools, humanitarian organizations.

Updates from April 23rd to May 21st

After a review of the Parliament's proposals, the third anti-crisis shield law, known as Shield 3.0, came into force on 16 May. The main objective is to reduce potential losses to the Polish economy as a result of the COVID-19 epidemic, including mitigating the effects of the epidemic, as well as preparing the economy and administration for the challenges that await the extinction of the outbreaks.

The changes indicated by the law cover a wide range of cases that apply to different areas of the economy and society such as the food fund or the timber industry. For the self-employed, it includes the change of requirements to request the exemption of social security payments. In addition, it is important to note that taxpayers who have benefited from the suspension of the deadlines of tax procedures and have not acted now should be careful that the deadline for completion does not expire, since the last update cancels the suspension from next Saturday, May 24.

Updates from May 21st to June 4th

Throughout the process of deconfinement that has already begun in Poland, the government is working on actions to minimize the effects of the loss of financial liquidity of companies affected by the situation caused by COVID-19. It also intends to support, among others, local government budgets and provide relevant changes for the employee with respect to holidays and severance pay. Among the most important changes:



- Rules for the application of interest subsidies for bank loans granted under contracts concluded until December 31, 2020 to companies in a difficult situation due to the COVID-19 epidemic.
- Adaptation of the labour market to the challenges of the COVID-19 epidemic; legislation for teleworking
- Introduce the possibility of submitting applications to the Social Security only in electronic format.

In addition, the Minister of Finance decided in a regulation to postpone the payment of withheld personal income tax contributions to May (the first anti-crisis shield established it only for March and April).

Updates from June 4th to July 2nd

On June 24th, the fourth and supposedly last anti-crisis law came into force. Its main measures concerning companies are:

- Financing of interest on bank loans; surcharges are applied to loans granted to entrepreneurs from the date of entry into force of the Act, and if the agreements were signed earlier, provided that they are adapted to the requirements of the Act. The measure will apply to loans signed until 31 December 2020. The subsidies do not constitute income within the meaning of the Income Tax Act. The financing does not cover all interest but 2 points in case of SMEs and 1 point for other companies.
- Simplification of the restructuring process; the debtor may announce the process in the official state gazette without first going to court and accepting it. The law establishes a deadline for this simplified process of 30 June 2021.
- Determine the rules for remote work; rules have been established to be able to assign this type of work. In addition, the employer's responsibility to provide the materials, tools and logistics to perform this type of work. The employee, if required by his or her employer, must submit the time sheet including all tasks performed.
- Vacation days; during a pandemic period, the employer may require the employee to take vacation days from previous years accumulated, not to exceed 30.
- Submitting Applications to Social Security in Electronic Form Only

Updates from July 2nd to August 6th

Only until 31 July 2020 taxpayers may submit the application for a subsidy from Financial Shield for micro, small and medium-sized enterprises. At midnight on 31 July, forms dedicated to subsidies from Polish Development Fund (PFR) will disappear from bank transaction websites - the Polish government has not decided to extend the program.

The support so far provided to Polish companies under the program has reached approx. PLN 60 billion. The amount allocated for this program amounted to PLN 75 billion, so the entire pool of funds has not been allocated yet.



The end of the program also means the beginning of follow-up inspections carried out by PFR, which may not turn out to be as painless as the process of granting subsidies.



(Last updated: July 29th)



2.11.Hungary

Updates up to March 25th

Hungary announced many of the measures already introduced by other European Union Countries to prepare their own protection against the global Covid-19 pandemic. However, tax authorities have not yet published a list of comprehensive measures regarding benefits and aids to companies, although the first of these are known.

These measures shall provide the possibility of deferring the expiry or reduction of tax payments or of the temporary suspension of enforcement procedures. Companies, as well as individuals, can apply for the following benefits when the current situation can be proven to have a negative effect on the development of their business:

- Deferral of payment due date
- Payment in instalments over a given period
- Reduction of the amount or full cancellation of the payment

It is only possible to reduce or cancel payments in case of obligations that are already due and unpaid (including taxes, penalties and interest) except in the case of social security and personal income tax payments deducted from employees.

Furthermore, individuals or self-employed individuals may also request the reduction or cancellation of payment in case of obligations not yet due with the same exception of amounts withheld from individuals. It is possible to extend a deferral or other benefit already granted when the overall situation does not allow the taxable person to comply with the revised obligations.

Applications for individuals and self-employed persons will have no administration costs, while companies will have to pay a fee of 10,000 HUF (around 30 euros) for the service.

Finally, the entities that are in an enforcement procedure and are negatively affected by the overall situation can request the temporary suspension of the procedure, if they have not previously incurred sanctions for non-compliance. Interest for late payment on non-payments accumulated during the suspension will be paid when the procedure is resumed.

Updates from March 25th to March 31st

As an update to the economical defense measures, the Hungarian Tax Authorities have published further reliefs, with especial attention to the most threatened lines of business. After a review of the effects of the disease on the economy of the country, the following have been included in this group:

- Taxi and other personal transport
- Hotel industry
- Restaurant industry



- Artistic and entertainment activities
- Sport and other leisure related activities
- Gambling and lottery
- Film, television and audio-recording industry
- Event organization
- Newspaper and periodical publishing companies
- Television and radio broadcasting

Companies and self-employed individuals can apply for the below reliefs if at least 30 % of their revenues in the past 6 months originated from one of the above activities.

- No Social Security Contribution payments are to be made for the months of March, April, May and June. This affects companies' liabilities after their employees, and self-employed individuals' own contributions
- The affected parties remain exempt from all other related contribution payments including State Pension Fund Contribution, Monetary Health Contributions and Unemployment Contributions as well for the same period. Only the 4% contribution on Health-related Benefits In Kind shall be paid, with a limit of 7.710 HUF
- No Professional Training Contributions shall be paid in the same period
- The annual amount of the Rehabilitation Contribution of 1.499.000 HUF is reduced to 966.000 HUF, and no advance payment is to be made for the year
- Establishments officially classified as small businesses will be able to deduct all personnel related payments in the cited period from their Corporate Tax Returns
- Companies subject to Tourism Development Contributions shall exclude the affected period from their quarterly and annual declarations

It is important to highlight that the employees of affected businesses will still be able to receive social benefits from the state in spite of the exemption from the indicated contribution payments.

The Tax Authorities are preparing a revised submission deadline calendar for affected companies, all new information will be published in due course.

Updates from March 31st to April 8th.

The list of activities most affected by the pandemic has been expanded with the inclusion of the following lines of businesses:

- Intermediary, organizational and other travel related services
- Personnel transportation on inland waters
- Services related to physical wellbeing (public baths and spas, etc.)

Updates from March April 8th to April 16th.

The list of activities most affected by the pandemic has been expanded with the inclusion of the following lines of businesses:



- Planting seed raising and growing if the activity is carried out in order to resell the produce
- Other plant raising and growing activities, if the company's incomes in the six months before the 24th March were attributed at least in 30% to the sale of flowers, plants and other derived products
- Wholesale stores selling decorative plants
- Retail stores selling only decorative plants
- Hunting related activities, if the entity has at least one employee that is registered with the National Chamber of Hunting and the competent authorities
- Distillation of alcoholic beverages if the base of the production are fruits or marc
- Winemaking
- Independent beer brewers (a production of at least 200.000 hectoliters per year, economically and legally independent from other brewing companies, operating on an independent site, and not under license from another commercial brand)
- Viticulture

Updates from April 16th to May 7th

Reliefs on Importation

Adapting the European Commission's resolution (reference: 2020/491) published on April 3, 2020, material used in the fight against COVID-19 can be imported to Hungary without duty and other importation fees if certain requirements are met.

Requirements of duty reliefs:

- In the period between 30 January, 2020 and July 31, 2020 material used for defense against the pandemic and aid for the victims of the virus are free of importation taxes and fees if the material is distributed amongst victims free of charge or the material is made available for the victims free of charge, without the transfer of ownership.

For the interpretation of this resolution, victims are persons who are exposed to the COVID-19 epidemic or the threat of the epidemic or who are involved in combating the epidemic.

What material falls into the scope of the resolution:

- While there is no definitive list, the relief would not be applicable to material imported for the reconstruction and refurbishment of property affected by the events, although this point is not directly applicable to the dangers of the current pandemic
- Furthermore, [the following list has been published](#), with the most common items imported related to the defensive efforts against the pandemic.

Who can benefit from the relief:

- The following entities can apply for the specific certificates for the importations outlined above:



- Governmental entities, local governments, public institutions, other public rights entities, disaster relief organizations, and charitable and philanthropic organizations registered with the Hungarian Tax Authorities

Given that the resolution has its effective starting date on January 30, 2020, subsequent reliefs and derived reimbursements from Tax Authorities can be requested

Reliefs for companies organizing childminding services for their employees. Effective from 30 April, 2020, companies providing childminding services for their employees and the childcare workers involved receive reliefs on payroll related contribution payments. In the childcare workers' case, Health-related Benefits in Kind contributions for the months of April, May and June would only be paid in 4%, with a limit of 7.710 HUF. This would not affect the worker's eligibility for national benefit programs.

In the same period, companies would not pay Social Contributions and Professional Training Contributions on the childcare professionals' salaries.

Updates from May 7th to May 21st

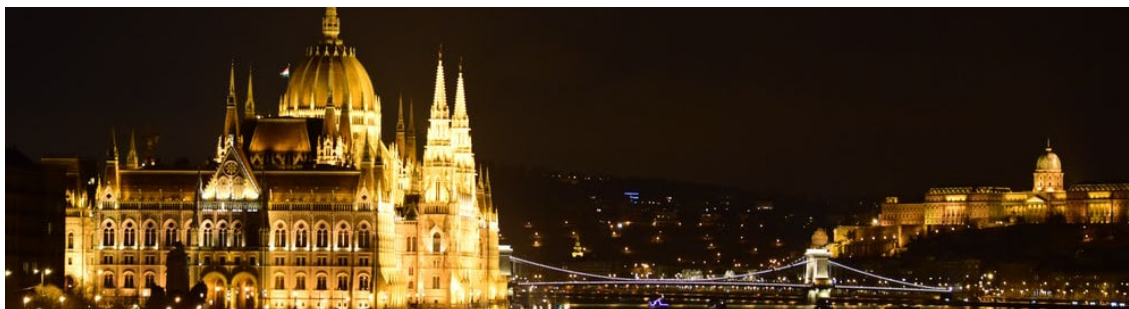
As communicated by the Hungarian Authorities, the preparation, publication and/or submission deadlines of Statutory Annual Accounts and other related obligations, such as Corporate Income Tax, Innovation Contributions, Income Tax of Power Supply Companies and Small Business Income Tax are extended.

By legislation, these obligations shall be fulfilled within the end of the fifth month after the end of a company's fiscal year, meaning May 31 in cases where the fiscal year coincides with the calendar year. The new extended deadline requires companies whose obligations fall between April 22 and September 30 to comply by the September 30, and payment obligations derived from these submissions will have their deadline calculated from this point as well.

In case of Small Business Income Tax Returns due quarterly, the presentation deadline for the second quarter of 2020 has been moved from July 20 to September 30. This relief is not affecting first quarter obligations.

If a company decides to submit its Annual Accounts and Income Tax Declarations within the regular deadlines it can still benefit for the extension for its tax payments.

Finally, the authorities advise companies whose submissions result in tax reimbursements to file their taxes the earliest possible in order to receive said reimbursements the earliest possible.



(Last updated: May 19th)



2.12.The Netherlands

Updates up to March 25th

The Netherlands is taking measures in the areas of taxation and labour to support businesses to cope with the situation.

Regarding taxation, a **three-month deferral for the payment of VAT**, personal income tax, payroll and corporate income tax will be granted to companies that have had or will have liquidity problems as a result of the Covid-19. Dutch tax authorities will immediately suspend tax collection measures as soon as the application is received. After three months, a longer deferral of payment may be granted, but in that case a statement from an expert third party must be submitted underlining the need for such a deferral.

Regarding **interest on tax debt and taxes owed**, effective 23 March 2020, the Government will temporarily reduce the interest rate for late payment of all tax debts owed to 0.01%. Regarding fines and surcharges for non-compliance, the Government reiterated that the Dutch tax authorities will not impose penalties for non-compliance or will revoke those already imposed for late payment of taxes.

Provisional quota reduction. Taxpayers may request a reduction of the provisional fees based on the lower expectation of benefits due to the Covid-19. If a company has already paid (part of) the provisional assessment and the amount of the new provisional assessment is lower, the difference will be paid to the company.

Temporary compensation of labour costs. A new temporary emergency measure will be implemented to preserve jobs. In accordance with this measure, employers who expect a loss of turnover of at least 20% can apply to the Dutch Institute for Employee Benefits Schemes (UWV) for compensation for payroll expenses up to a maximum of 90% (depending on the loss of turnover). In accordance with the request, the UWV will provide an advance payment of 80% of the compensation. Employers will still pay 100% of the wages of the employees concerned. The temporary emergency measure applies, under conditions, to both permanent employees and those with a flexible employment contract. The period can be extended for another three months but is also subject to conditions. Companies can apply for compensation for the decrease in turnover from 1st March. The actual loss of turnover will be determined at a future stage and an auditor's report is required for large applications.

Updates up to March 31st

Furthermore, it has become public that the wage tax subsidy can be applied for as from April 6th (depending on the drop revenue the wages costs will be subsidized with a maximum of 90 %). It has also been clarified in the meantime that the wages costs are the salary + 30 %. The maximum salary it applies for is 9.538 euros.



Updates from March 31st to April 30th

The Dutch government has decided to extent the support to entrepreneurs by means of additional tax measures:

Expected losses in the current fiscal year can be carried back against the 2019 profit, resulting in fiscal year 2019 tax paid being refunded. The rule as such is not new (this could already be done) but it is now proposed to introduce a mechanism by which this could effectuated sooner. Usually, losses of a current fiscal year can only be offset with profits from the previous fiscal year after filing a tax return for the current one (which can only be done after the end of the current fiscal year). Now it is proposed to enable tax payers to carry back expected losses for the current financial year already in the current one. How the new mechanism will be designed is work in progress. Aim is to provide additional liquidity to entrepreneurs.

Further, discussions are pending to extent to current compensation for payroll costs program (current program runs for three months, currently it is expected that it is extended with another three months at least). However, where the first program did not contain many requirements it is expected that any claims under the extended program will become subject to additional requirements.

(Last updated: April 29th)





2.13. Belgium

Updates up to March 25th

Like the other neighbouring countries, Belgium is also carrying out updates in various fields (fiscal, labour, social...).

Deferral of the deadline for submitting VAT returns: If it was in February, the deadline is extended to 6th April 2020; March 2020 to 7th May 2020 and for the declaration of the first quarter of the year, also on 7th May. The same changes in deadlines also apply for intra-community VAT.

As for payment, taxable individuals also obtain an automatic two-month deferral for the payment of VAT and income tax withholding without having to pay fines or late payment penalty interest. Therefore, the VAT deadline of February is extended to 20th May, from 20th March to 20th June and the quarterly deadline is extended to 20th June, as well as the withholding tax deadline from February to 13th May, from March to 15th June and on 15th June for the quarterly deadline.

There is an automatic two-month extension to the normal deadline for payment of personal income tax act, corporate income tax, corporate tax and non-resident tax. This measure applies to the tax return for the tax year 2019, established as from 12th March 2020. The payment of debts relating to personal or corporate income tax, including those established before 12th March 2020, is also subject to the announced aid measures and additional payment deadlines, exemption from interest on arrears and/or cancellation of fines for late payment, upon request.

“Belgium has also implemented measures such as the promotion of teleworking, temporary unemployment for reasons of force majeure or the implementation of temporary unemployment plans for companies due to the lack of economic activity caused by Covid-19”

A plan has also been set up to help companies in all sectors with an ECB number that are experiencing financial difficulties due to Covid-19. These measures consist of the implementation of a payment plan, exemption from interest on arrears or benefit from remission of fines upon receipt of EAR or payment in relation to withholding tax, VAT, IPP, ISOC and MPI.

Regarding employment, Belgium has also implemented measures such as the promotion of teleworking, temporary unemployment for reasons of *force majeure* or the implementation of



temporary unemployment plans for companies due to the lack of economic activity caused by Covid-19.

Updates up to March 31st

Electronic signatures and sending documents by email are recommended. To reduce the risk of litigation, or because the law requires, it is important that these electronic alternatives offer the same legal security than the paper equivalent. Because of this, there are many different trusted services that offer this legal security.

Business's boards of directors and associations that had planned to meet before 19th April can, after the Coronavirus crisis, meet with posterity (until 10 weeks after the deadline, which in the majority of the cases is 30th June). Also, it is possible to carry out the meeting electronically or in writing on the established date. Although the last solution already existed, the Government has now made it possible for those that had not already had it in their constitutions.

In terms of the delay of ONSS contribution payments

- If the business is obliged to completely close due to the current crisis, the deadline will be automatically extended for social contribution payments from the first two trimesters until 15th December 2020.
- If the company has voluntarily chosen to completely close (for example it cannot comply with the sanitary measures) it can apply for the deadline to be extended, but it will not be an automatic process. An honor declaration is required.

Updates from March 31st to April 8th

Prepayments: modification of the Impôt sur les Revenus percentages.

The government has decided to increase the percentages of benefits of advance payments in the third and fourth entry, respectively, on October 10 and December 20 (unless dividends are





paid). Thanks to this aid measure, the postponement of advances for those affected by the measures to combat Covid-19 is less disadvantageous.

Measure to postpone the due date of business loans.

For existing business loans, a due date deferral has been granted for a maximum of 6 months (until 31 October 2020 at the latest). If a company meets the conditions (financial problems caused by the Covid-19 crisis), the bank cannot in principle refuse to grant a payment period on existing credits.

Merchandise import and export measure.

Due to the Covid-19 outbreak, original certificates of origin, which are normally required for importation for proper clearance of goods, cannot currently be provided or can only be provided in electronic format (by scanning the document). Consequently, it has already been agreed that these certificates can be presented, temporarily, in digital format after importation.

Regarding exports, the European Commission asks Member States to use other means of certification as widely as possible, such as an approved export authorization. It is temporarily permitted to obtain (provisional) authorization from an authorized exporter prior to the normally mandatory audit. A completed application form must be submitted to the authorization department.

Reinforced measures of the ministerial decree of March 23, 2020.

The ministerial decree amending the text of March 23, 2020, establishing emergency measures to limit the spread of the Covid-19 coronavirus, introducing changes to the existing measures. Companies in critical sectors and essential services included in the ministry's decree can continue to operate, even if the initiatives mentioned above cannot be implemented. This also applies to producers, suppliers, contractors and subcontractors of goods, works and services essential to the activities of these companies and services.

Updates from April 8th to May 7th

On May 2, 2020, the Council of Ministers approved the introduction of a special type of parental leave (Corona parental leave). Ministerial decision will most probably only be published in the Belgian State Gazette by May 12.

Employees can decrease their working time in the months of May and June 2020 to take care of a child younger than 12 and the parental leave needs to be taken between May 1 and June 30.

(Last updated: May 5th)



2.14.Slovakia

Updates up to March 31st.

The Slovak Republic, located in Central Europe, has already surpassed 200 cases of Coronavirus, which, although far from the thousands of infected in some of its neighbours, are alarming numbers considering that the country's population barely exceeds five million. That is why the government has already decreed measures such as the implementation of a State of Emergency, the closure of internal and external borders, as well as schools, restaurants and hotels or non-essential commercial establishments, among others.

At the fiscal and labour level, although as of March 30 they have not yet been approved by Parliament, these are some of the initiatives that are being considered to be implemented to alleviate the negative consequences of the virus:

The state will compensate 80 % of the employee's salary to companies whose operations are mandatory closed. The state will contribute to the salary of an employee or sole trader:

- EUR 180 at the sales decline above 20%,
- EUR 300 at the sales decline above 40%
- EUR 420 at the sales decline above 60%
- EUR 540 at the sales decline above 80%

Provision of bank guarantees of EUR 500 million per month.

Sick leave for taking care of family members (children of employees) is extended for the entire duration of the quarantine measures and completely covered by the state - 55% of their salary.

The payment of the obligatory contributions will be postponed for employers with sales decline above 40%.

The payment of the income tax advances will be postponed for employers with sales decline above 40%.

Updates from March 31st to April 8th

Last week the Slovak government has taken measures to mitigate the effects of the coronavirus crises for employees and employers. These measures have been approved by Slovak parliament on April the 2nd 2020 and come into force as of April 4th 2020. These updates will be in force only during the crisis situation and will expire 2 months after its end.

- The mutual agreement for the home office is not needed anymore. A home office may be ordered by the employer likewise it is employee's right to work from home (provided that the nature of the work allows it).
- An employer is more flexible in planning the work shifts - at least two days in advance, valid for at least a week.



- An employer may order vacation 7 days in advance (for the entitlement from the previous year, only 2 days in advance).
- Employees who are taking care of their children due to the closed schools are protected against termination of the employment.
- An obstacle to work on the part of the employer due to the government regulation to close the operations as a prevention to the coronavirus, may be now compensated by 80 % of the employee's average earnings.

State's contribution to jobs preserving

Employer whose operations were mandatory closed as of March 12th 2020. The employer is entitled to an allowance for each employee to whom the employer cannot assign work because of an obstacle on the part of the employer. The allowance per employee is equal to the amount of wage compensation paid for the time of obstacles at work, at the same time not more than 80 % of the average earnings of the employee. The maximum amount is EUR 1100.

Employer whose operations were not mandatory closed but has a decrease in sales by more than 20 %. The employer is entitled to an allowance for each employee to whom the employer cannot assign work because of an obstacle on the part of the employer. The allowance per employee is equal to the amount of wage compensation paid for the time of obstacles at work, at the same time not more than 80 % of the average earnings of the employee. Maximum total contribution per employer is 200.000 euros per month. The maximum amount varies depending on the sales decrease as follows:

- EUR 180 for sales decrease above 20%
- EUR 300 for sales decrease above 40%
- EUR 420 for sales decrease above 60%
- EUR 540 for sales decrease above 80%

For the month of March 2020, the maximum amount of allowance is a half from above mentioned.

Updates from April 8th to April 30th

The Slovak government has updated the measures to mitigate the effects of the coronavirus crises for employers, whose operations has not been mandatory closed. The company may choose which kind of state contribution better suits their business needs:

- The employer is entitled to an allowance for each employee to whom the employer cannot assign work because of an obstacle on the part of the employer. The allowance per employee is equal to the amount of wage compensation paid for the time of obstacles at work, at the same time not more than 80% of the average earnings of the employee. The maximum amount is EUR 880.
- The employer is entitled to an allowance for each employee, not only those with obstacles on the part of employer. This allowance is not applicable for employees on a



sick leave, taking care of a family member or on a holiday. The allowance per employee is a flat rate that varies depending on the sales decrease as follows:

- 180 euros for sales decrease above 20%
- 300 euros for sales decrease above 40%
- 420 euros for sales decrease above 60%
- 540 euros for sales decrease above 80%

For the month of March 2020, the maximum amount of allowance is a half of above mentioned.

Both of the contributions are applicable only for employees who's employment started not later than March 1st 2020. The deadline to submit the application for these allowances is the end of the month following the respective month. For the period of March 2020 an extraordinary deadline was stated: May 15th 2020.

Payment of social security contributions –new regulation. On April 22nd 2020, the National Council of the Slovak Republic approved an amendment to Act no. 461/2003 Coll. on Social Insurance, as amended, which waives the payment of contributions for the month of April 2020. The purpose of the measure is to mitigate the economic impact on the employers as premium payers in response to the current situation regarding COVID-19. This regulation concerns only those companies, whose operations have been closed in April 2020 for more than 15 days by decision from Health Public Office.

(Last Update: April 27th)





3. The Americas' Response to Covid-19



The special features and differences between the countries that make up Latin America are also occurring in the different response that each Government is making to the Coronavirus crisis.

Since the pandemic has taken longer to get here, it has also taken a little longer for responses to get underway.

Undoubtedly, the specific case of Latin America presents special features due to the size of the population and surface area it represents, as well as the total set of markets that make up the region. Considering that economic growth estimates for 2020 and 2021 were around 2% and in some cases over 3%, the economic impact on these countries remains to be seen after the expected change in the situation.

However, countries are already putting in place labour and fiscal measures to support companies over the next months.







3.1. Colombia

Updates up to March 25th

The President of Colombia declared a health emergency in Colombia, opening up the legal possibility of taking measures that could impact the tax and labor areas, among others. Moreover, the Mayor of Bogota declared the "yellow alert" regarding public health, which would allow the local Government to apply similar measures at a local level in coordination with the national Government.

Deadline for renewal of commercial registration. By decree 434 the deadline for renewal of commercial registration is extended, the unique national registry of operating entities of libranza (Registro Único Nacional de Entidades Operadoras de Libranza, Runeol), Non-Profit Entities; Solidarity Economy Entities, Tourism, Social accountability committees, and the other registries that make up the RUES until 3rd July, compliance with this legal obligation for entrepreneurs and traders had a deadline of 31st March.

Regular Meetings of Shareholders, Shareholders' or Directors' Committee. Through External Circular Letter 100-00002 of 17th March 2020, the Superintendencia de Sociedades issued its recommendations for the holding of regular meetings of shareholders, shareholders' or directors' committees.

It is suggested that in all cases where possible, meetings should be advanced as non-presential or mixed (presential and non-presential), following the guidelines of Decree 398 of 13th March 2020: **Presentation of financial information for 2019**

By means of External Circular Letter 100-00003 of 17th March 2020, Superintendencia de Sociedades modified the calendar for presentation of financial statements with a closing date of 31st December 2019, applicable to branches and companies subject to this obligation. The presentation of financial statements scheduled to begin next 30th March, will now start from Tuesday 14th April until Tuesday 12th May, according to the last two digits of the company's NIT, without including the verification digit.

Regarding tax measures, the President of Colombia has declared changes in the fiscal calendar for the first half of 2020.

The Colombian Tax Authority has agreed for large taxpayers to extend the deadlines for filing the return and paying the second instalment of the Income Tax and complementary taxes, which will now be between 21st April and 5th May. Likewise, for other legal entities, the deadline for filing and paying the first income tax and supplementary tax payments has been extended, which will now be between 21st April and 19th May according to the last two digits of the NIT. The same regulation will be applied for the declaration of assets abroad.



Special conditions have been approved for the submission and payment of parafiscal taxes in the tourism sector. Although these payments were due at the end of the first quarter of the year, the Government extended their payment until July.

Similar measures were also implemented regarding the Value Added Tax (VAT) for the first semester of 2020 and the income tax for 2019 for the tourism, public entertainment, food and beverage services and aviation sectors. In accordance with these measures, the payment of these taxes may be made during the second half of the year.

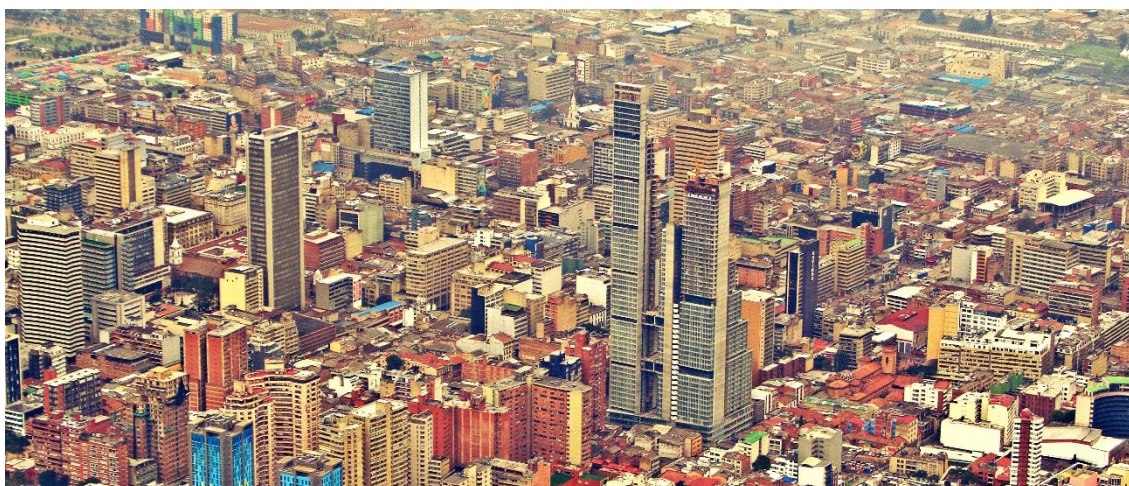
The Government has also announced the reduction of tariff rates on health products and some aviation items.

Furthermore, the internal procedures of the DIAN were interrupted to manage requests and complaints, in order to resolve special requests from the RUT and, overall, all requests submitted through the electronic computer system. During the suspension period, there will be no public service in the offices of the Colombian National Tax and Customs Administration (Dirección de Impuestos y Aduanas Nacionales).

Regarding employment. Resolutions 17 of 2020 and 18 of 2020 have introduced some measures to prevent the spread of the outbreak, as well as to obtain reports of suspicious cases in the field of employment.

The Government has aimed to promote the use of the following measures within the private sector: authorize teleworking where possible, (adopt flexible working hours in order to avoid congestion and mass crowding in public transport, and reduce the number of face-to-face meetings by promoting the use of technological tools.

Moreover, the Government has called on employers to report frequently and immediately the hygiene measures they have employed, and any suspected cases of Covid-19, such as employees unable to come to work due to a cold or a medical prescription. Finally, the Government has decreed the enforcement of similar measures in public entities.





Updates up to March 31st

Through resolution 0027 of 25th March, the National Board of Taxes and Customs (DIAN) decided to widen the terms for sending outside information. El envío de información exógena?

Large contributors, on the following dates:

Last day of NIT	Date
0	15th May 2020
9	18th May 2020
8	19th May 2020
7	20th May 2020
6	21st May 2020
5	22nd May 2020
4	26th May 2020
3	27th May 2020
2	28th May 2020
1	29th May 2020

Legal or natural people:

Last digits	Date
96 to 00	1st June 2020
91 to 95	2nd June 2020
86 to 90	3rd June 2020
86 to 90	4th June 2020
76 to 80	5th June 2020
71 to 75	8th June 2020
66 to 70	9th June 2020
61 to 65	10th June 2020
56 to 60	11th June 2020
51 to 55	12th June 2020
46 to 50	16th June 2020
41 to 45	17th June 2020
36 to 40	18th June 2020
31 to 35	19th June 2020
26 to 30	23rd June 2020
21 to 25	24th June 2020
16 to 20	25th June 2020
11 to 15	26th June 2020
06 to 10	30th June 2020
01 to 05	1st July 2020



Some local governments have also adopted measures to mitigate the impact. We have highlighted a few below:

Bogota: The deadline for presenting outside information has been extended. The new date will depend on the last digit of the verification but will be between 1st – 7th July 2020

Cali: The dates for presentation and payment of annual industry and commerce tax will be between 20th April and 1st June 2020, depending on the NIT and the particular circumstances of the contributor.

Medellin: The deadline for presenting the declaration of the industry and commerce tax has been changed. The new date will be between 15th-29th May 2020, corresponding with the NIT of the contributor. The deadline for presenting the bimonthly retention declarations, named as an industry and commerce tax, has also been extended to between 24th March 2020 - 25th January 2021, depending on the contributor's NIT.

The deadline for presenting the bimonthly auto-retention declarations has been extended from the 24th March-22nd December 2020, depending on the contributor's NIT.

Decree 488 from 27th March 2020 states:

- **Redundancy:** Workers will be able to take from their redundancy account every month the amount that allows them to compensate the reduction in their earnings.
- **Holiday.** Employers will give an advance warning of at least one day to workers of the date in which the employers will give advance, collective or accumulative holidays. Workers still have the same deadlines to apply for holiday.

Updates from March 31st to April 8th

Decree 520 of April 6, 2020 is issued, establishing new dates for the presentation and payment of income tax returns for 2019 for large taxpayers and legal entities, indicating the payment of the initial installments based on the 2018 income as well as the payment of the final installment to be made between June 1 and July 1, always depending on the tax identification number (NIT) as well as the condition of large taxpayer or not.

Updates from April 8th to April 16th

According to **Decree 535 of April 10, 2020**, the **refund and/or compensation of taxes** is authorized by expedited route in fifteen (15) days of the balances in favor requested by those taxpayers who are not classified as high risk. This momentarily leaves ineffective, for the duration of the health emergency, the lapse of fifty (50) days, in some cases increased by an additional one (1) month, as well as the requirement that more than eighty-five percent (85%) of the costs and expenses come from invoices issued under the electronic invoicing mechanism, provided for in Article 855 of the Tax Statute (ET). Likewise, and as long as the sanitary emergency is maintained, the relation of costs, expenses and deductions will not be required in order to process income tax refunds, although it should be noted that it will be required thirty (30) days after health emergency ends.



Updates from April 16th to April 23rd

The President of the Republic, Iván Duque, announced this Monday the extension of the mandatory preventive isolation in Colombia until next May 11, with the aim of giving continuity to the strategy of stopping the proliferation of COVID-19. However, certain sectors of the economy will be able to operate with specific security protocols, such as the construction and manufacturing industries. The health emergency was also extended until 30 May, which serves as a reference point, in addition to the necessary controls, for certain decrees, such as the one on the expeditious recovery of tax credits.

With regard to labor measures, Decree 588 of April 15, 2020 authorized the reduction of pension contributions for the months of April and May this year. With said decree, the employer's contribution is reduced from twelve percent (12%) to about two commas twenty-five percent (2.25%), which would be the one applied for April and May of this year.

With regard to employees, the contribution, which is normally four percent (4%), is reduced to zero as seventy-five percent (0.75%). It is important that companies communicate their decision on the adoption of reduced rates of contributions to the pension system in a timely manner, in order to make the necessary forecasts well in advance.

Updates from April 23rd to April 30th

Special transitional measures for insolvency proceedings in the context of a state of social and ecological emergency

Decree 560 of 15 April 2020 establishes aid and recovery mechanisms which will be available for two years from the entry into force of the Decree and will be applicable to companies that have been seriously affected by the health emergency.

Among the aid measures envisaged are the following:

- Expedited access to reorganization mechanisms.
- Flexibility in the payment of small creditors to mitigate their impact on the reorganization process.
- Mechanisms for financial relief and business reactivation.
- Stimulus to the debtor's financing during the reorganization process.
- Rescue of companies in a state of imminent liquidation.
- Preservation of the company, employment and reorganization agreements.
- Tax relief, specifically:
 - Not subject to the system of withholding and self-withholding of income, as well as advances.
 - Fifty percent (50%) decrease in the VAT withholding base.
 - Elimination of the obligation to settle presumptive income by 2020.



Updates from April 30th to July 2nd

Tax matters updates

- Chemical raw materials for the production of certain medicines are excluded from the VAT tax until August 31, 2020.
- Excluding VAT tax until December 31, 2020, for the sale of food and beverages prepared in restaurants, cafes, self-services, ice cream parlors, greengrocers, patisseries and bakeries, for consumption on site, to be carried by the buyer or delivered at home, developed through franchise contracts.
- Imports of public transport and cargo vehicles will be considered exempt from VAT, subject to certain conditions. Until December 31, VAT, hotel and tourism services are excluded of VAT.
- Reduction to 25% of the advance of the 2020 Income Tax for taxpayers dedicated to oil, mining, textiles, manufacturers of metallurgical products, manufacture of computer, electronic and optical products, manufacture of motor vehicles, furniture manufacturing, installation, maintenance and repair of machinery and equipment, construction of buildings and civil engineering works, commerce, maintenance and repair of motor vehicles, cinematographic activities, video and production of television programs, organization of conventions and commercial events, among others.
- Reduction to 0% of the advance of Income Tax for 2020 for taxpayers dedicated to passenger air transport, accommodation, food and beverage services, travel agencies, tour operators, creative, artistic and entertainment activities, library activities, archives, museums, gambling and betting, sports and recreational activities, among others.
- The National Consumption Tax Rate for food and beverages is reduced to 0% for bars, restaurants, taverns and discotheques.
- Starting from May 21, 2020 and until July 31, 2020, are excluded from sales tax VAT, the monthly rental fees of commercial establishments as long as certain requirements are met.

Payroll matters updates

The Formal Employment Support Program (PAEF) is created, through which the government will finance up to 40% of the legal minimum wage for the payroll of employees, subject to certain conditions, such as a decrease in income for the twenty percent (20%), this benefit will be in force, at least initially until the month of August. This program is extended, with certain conditions to the payment of the annual premium.

(Last updated: June 10th)



3.2. Peru

Updates up to March 25th

Peru is one of the countries in Latin America that has decided to establish measures immediately and directly to try to stop, as far as possible, the consequences that the Coronavirus is causing and will cause for the whole of society and the corporate sector of the nation.

By means of Supreme Decree N°044-2020-PCM, a State of National Emergency has been declared and therefore only the following sectors can work:

- Food workers.
- Pharmacies
- Health and diagnostic centres.
- Financial, insurance and pension institutions.
- Those working in companies that provide services to financial, insurance and pension entities.
- Fuels
- Those who provide emergency services for Covid-19.

The Peruvian Government has established the following measures, so far, in terms of taxes and labour:

- The Peruvian National Superintendence of Tax Administration (SUNAT) reported that as of 16th March all taxpayer service centres are suspended until 31st March.
- An extension of the monthly taxes is given from February 2020 until 8th April 2020 depending on the last RUC code of each company.
- An extension of the 2019 annual tax is given until 9th July 2020 depending on the last digit of RUC of each company.
- It should be noted that the extensions provided are only for those companies whose income does not exceed S/. 9'660,000 during 2019. That is, those companies that are not major contributors.
- SUNAT approves the release of funds from drawdowns, as of 23rd March 2020, in order to have more resources to face this emergency.

Regarding changes in employment, the following was approved:

- Public and private sector employers are empowered to change the location of service provision for all their workers to implement remote work from home, within a quarantine context.
- This measure does not apply to workers confirmed with COVID-19, nor to those on medical leave in which case the worker's obligation to provide services is suspended without affecting the payment of their wages.



- When the work is not compatible with the remote work and during the health emergency by COVID-19, the employer must grant a leave of absence with subsequent compensation. In other words, you will receive your pay, but you will have to reschedule the hours not worked.

In addition, in this emergency, it is forbidden to fire people or to give them holidays. It is considered as Leave of Absence with Compensation and/or teleworking can be applied.



Updates up to March 31st

Moreover, through the Urgent Decree No.33-2020 which was published on the 27th March 2020, the following measures were announced.

Subsidies to employers to maintain employment. In April, employers in the private sector will receive a subsidy of 35% of the sum of their gross monthly wage payments that don't exceed S1,500. These payments are for employees who are included in the January 2020 payroll.

Temporary availability of CTS. Workers that have the right to access CTS (compensation for time of service) from the 28th March to 9th June 2020 are available to receive funds of the intangible amounts from CTS, up to S/2400,00.

Temporary suspension of the retention and payment of contributions to AFPs for April 2020's wages. In regards to April 2020's wages, the retention and payment obligations for the components of the obligatory contributions of 10% of the monthly remuneration is suspended. The only payment that is still in effect is the AFP- the amount corresponding to disability insurance.



Updates March 31st to April 8th

As part of the steps taken by the Peruvian government as a result of the Covid-19 state of emergency, the Tax Administration has issued the following measures for taxpayers, included in Superintendency Resolution R.S. 065-2020 (Extraordinary Edition of March 30, 2020), R.S. 066 and 067-2020 (Extraordinary Edition of March 31, 2020) and R.S. 061-2020 (Extraordinary Edition of March 30, 2020):

- Release of the balance of the drawdown account accumulated at 15 March 2020.
- Modification of the moratorium interest rate, which is 1% per month.
- Flexibility in instalments and deferrals:
 - Release of the balance of the drawdown account accumulated at 15 March 2020.
 - Modification of the moratorium interest rate, which is 1% per month.
- Flexibility in fractionation and deferrals:
 - Non-payment of instalments due on March 31 and April 30 will not result in the loss of the benefit granted.
 - These fees will be paid until May 29, 2020.
- Extension of annual tax 2019 for taxpayers (SMEs) with income of no more than S/ 21 million for 2019, being the new date from June 24 to July 9, 2020.
- Extension of the taxes of March and April 2020, being the new dates from 3 June to 11 June 2020 and from 12 June to 22 June 2020, respectively.

Updates from April 8th to April 16th

On Monday, April 6, the government launched the Reactiva Peru program. The purpose of this program is to guarantee loans granted by companies in the financial system to companies that use the program to finance short-term debt for payroll and suppliers. This guarantee, between 80% and 98% of the amount of the loan, is intended to ensure that the payment chain is not broken. Companies must meet certain requirements to access the credit.

On Friday 10 April, a supreme decree extended the state of emergency until 26 April of the same month with the following measures:

- The initial restrictions on social immobilization are maintained from 6:00 pm to 4:00 am Monday to Saturday and Sunday all day.
- Limitation of transit of persons during the day (one person per family) for the acquisition of essential goods or services or in case of medical emergency.
- Mass attendance activities are still suspended.
- Temporary border closures remain in place.
- Remote working and leave of absence remain in force

On April 13, the Superintendence of Taxes notified the extension of the deadline for filing and paying the Electronic Filing Form divided into two stages:



- All companies with a turnover of less than S/9,890,000 will file and pay the electronic form depending on the Ruc number between May 5 and May 12 of this year.
- All companies that invoice between S/9,891,000 soles up to S/21,500,000 soles will file and pay the electronic form, depending on the Ruc number between May 15th and May 25th of this year.
- The companies that invoice more than S/21,500,000 soles will present and pay the electronic form on the date originally indicated.

On April 14, by Emergency Decree, additional measures were issued to reduce the economic impact of the Covid-19:

- Perfect work stoppage is approved for employers who cannot implement remote work, or grant leave with credit. This suspension may be implemented for up to thirty calendar days from the end of the State of Sanitary Emergency.
- Health benefits will continue to be provided to all workers and their dependents who are under this perfect work stoppage program.
- The employees who are under perfect suspension of work will be able to have their CTS up to the sum of a monthly gross remuneration corresponding to each month that has expired during this stage. In case they do not have this balance in their CTS account, they may request the advance deposit of May's CTS and July's bonus.
- A special fund is available to give an amount of S/760 soles per month for up to three months to all workers who are in perfect suspension and who work in a microenterprise receiving a maximum amount of S/2,400 soles.
- The employer is authorized to postpone the deposit of the CTS for the month of May until November 2020 as long as the worker does not earn less than S/2,400 soles or is in perfect suspension from work.
- The withdrawal of up to S/2,000 soles from the pension funds is authorized for all workers who earn a gross income of less than or equal to S/2,400 soles and who are subject to perfect suspension of work, provided that the worker meets certain conditions that demonstrate income and contributions to the pension funds.

Updates from April 16th to April 23rd

On April 17, Emergency Decree 040-2020 is established, with the purpose of establishing extraordinary measures, in economic and financial matters, to promote the financing of micro, small and medium enterprises (MSMEs) that are being economically affected by the spread of COVID-19, through factoring companies included and not included in the scope of Law No. 26702, General Law of the Financial System and Insurance System and Organic Law of the Superintendency of Banking and Insurance. To do so, such factoring companies must meet a series of conditions to access operations within the framework of the CRECER Fund.

Some of the criteria for granting credit lines with resources from the CRECER Fund

- The loans granted by the CRECER Fund to Factoring Companies have the characteristic of subordinated debt.



- The funds must be used exclusively to finance factoring operations or discounts on credit instruments of micro, small and medium sized companies that supply goods or services and that, for the purposes of this Emergency Decree, have sales of no more than 23,000 UIT during 2019.
- The amount of the credit line per factoring company is up to 200% of its capital stock.

COFIDE, in its capacity as trustee of the CRECER Fund, may establish, in addition to the criteria set forth in this Article, complementary criteria for the granting of credit lines to Factoring Companies that meet the requirements set forth in Articles 2 and 5.

The resources of the CRECER Fund, for the purposes of this Emergency Decree, may be used until December 31, 2020.

In addition, Supreme Decree No. 011-2020-TR, published in El Peruano on April 21, establishes complementary regulations for the application of Emergency Decree No. 038-2020, which establishes complementary measures to mitigate the economic effects caused to workers and employers in the face of COVID-19 and other measures. This text establishes precise formulas so that companies, who want to opt for the perfect suspension of work, can prove that they are in a high degree of economic affectation by the COVID-19 pandemic. More information [here](#).

Updates from April 23rd to April 30th

It was decided to extend the State of National Emergency declared by Supreme Decree No. 044-2020-PCM, temporarily extended by Supreme Decrees No. 051- 2020-PCM and No. 064-2020-PCM; and specified or modified by Supreme Decrees N° 045-2020-PCM, N° 046- 2020-PCM, N° 051-2020-PCM, N° 053-2020-PCM, N° 057-2020-PCM, N° 058-2020-PCM, N° 061-2020-PCM, No. 063-2020-PCM, No. 064-2020-PCM, No. 068-2020-PCM and No. 072-2020-PCM, for a period of fourteen (14) calendar days, beginning on April 27, 2020 and ending on May 10, 2020. Likewise, it provides for the continuation of the mandatory social immobilization according to the above mentioned schedule and the suspension of all labor activities considered as non-essential.

Updates from April 30th to June 4th

By **Supreme Decree No. DS094-2020-PCM** of 23 May 2020, the **state of national emergency is extended until 30 June 2020**. During the period of validity of this extension, the provisions relating to the restriction of certain constitutional rights regarding personal freedom and security, inviolability of the home and freedom of assembly and transit are maintained.

1. Public services and facilities continue to be permitted.
2. The limitation on the exercise of the freedom of transit of persons is maintained.
3. Urban transport is allowed and must comply with all protocols and health measures, as well as the maximum capacity of each means of transport.
4. The use of private vehicles is permitted within the district of residence for the supply of food, medicines and financial services and medical emergencies.



5. Financial institutions and supply centres with a capacity of no more than 50 % are open, after disinfection, use of masks and social distancing.
6. Persons included in the risk group may only leave exceptionally to acquire food, medicine and go to a financial institution.
7. Borders shall remain closed.
8. The public sector may be restarted provided that it does not exceed 40% of its capacity. Priority will be given to remote work and digital attention to administrative procedures.
9. In addition to the activities already permitted, these will be added:
 - E-commerce service for clothing, footwear and household appliances.
 - Dentistry, ophthalmology, rehabilitation, human reproduction and veterinary services, among other medical services.
 - Mobile applications for home delivery services.
 - Technical and independent professional services, such as home assistance, computing, carpentry, hairdressing, which must be provided at the customer's home.
 - Federated sports activities.

In addition, by means of **Superintendency Resolution No. 099-2020/SUNAT of May 30, 2020**, the term for the presentation and payment of annual income tax returns is extended for taxpayers who in fiscal year 2019 would have obtained net income of 3rd category of up to S./21.5 million soles.

Updates from June 4th to July 2nd

- Prolongation of the suspension of the term's computation of all the administrative proceedings until June 10th, 2020, whereby the actions for the collection of tax debts by SUNAT are suspended.
- Modification of the deadlines for the presentation of the Annual Income Tax Returns:
 - For major contributors, whose net income in 2019 has not exceeded 5,000 UIT:

Last digit of the RUC	Expiration date
0	24 June 2020
1	25 June 2020
2	26 June 2020
3	30 June 2020
4	1 July 2020
5	2 July 2020
6	3 July 2020
7	6 July 2020
8	7 July 2020
9	8 July 2020
Major contributors and subjects not obliged to register in the RUC	9 July 2020



- For all other contributors, the deadline for submissions is again extended, under the same condition, that their net income in 2019 has not exceeded 5,000 UIT.

Last digit of the RUC	Expiration date
0	21 July 2020
1	22 July 2020
2	23 July 2020
3	24 July 2020
4	30 July 2020
5	31 July 2020
6	3 August 2020
7	4 August 2020
8	5 August 2020
9	6 August 2020
Major contributors and subjects not obliged to register in the RUC	7 August 2020

- It is also extended the deadline for the affidavit of February 2020. The previous statement is not applicable for major contributors; nor for tax debtors whose net income in 2019 has not exceeded 2,300 UIT.

Last digit of the RUC	Expiration date
1	2 July 2020
2 y 3	3 July 2020
4 y 5	6 July 2020
6 y 7	7 July 2020
8 y 9	8 July 2020
Major contributors (0,1,2,3,4,5,6,7,8 y 9)	2 July 2020

- The maximum delay dates for the online sales and purchase records are extended.
 - From the period of February 2020 (Annex II of RS No. 269-2019/SUNAT)

Last digit of the RUC	Expiration date
1	2 July 2020
2 y 3	3 July 2020
4 y 5	6 July 2020
6 y 7	7 July 2020
8 y 9	8 July 2020
Major contributors (0,1,2,3,4,5,6,7,8 y 9)	9 July 2020

- For the periods from March to August 2020 (Annex II of RS No. 269-2019/SUNAT)



Last digit of the RUC	Expiration date					
	March	April	May	June	July	August
0	09/07/20	04/08/20	13/08/20	02/09/20	11/09/20	02/10/20
1	10/07/20	05/08/20	14/08/20	03/09/20	14/09/20	05/10/20
2 y 3	13/07/20	06/08/20	17/08/20	04/09/20	15/09/20	06/10/20
4 y 5	14/07/20	07/08/20	18/08/20	07/09/20	16/09/20	07/10/20
6 y 7	15/07/20	10/08/20	19/08/20	08/09/20	17/09/20	12/10/20
8 y 9	16/07/20	11/08/20	20/08/20	09/09/20	18/09/20	13/10/20
Major contributors (0,1,2,3,4,5,6,7,8 y 9)	17/07/20	12/08/20	21/08/20	10/09/20	21/09/20	14/10/20

- For the periods from January to May 2020 (Annex III of RS No. 269-2019/SUNAT)

Last digit of the RUC	Expiration date				
	January	February	March	April	May
0	09/07/20	09/07/20	04/08/20	13/08/20	02/09/20
1	10/07/20	10/07/20	05/08/20	14/08/20	03/09/20
2 y 3	13/07/20	13/07/20	06/08/20	17/08/20	04/09/20
4 y 5	14/07/20	14/07/20	07/08/20	18/08/20	07/09/20
6 y 7	15/07/20	15/07/20	10/08/20	19/08/20	08/09/20
8 y 9	16/07/20	16/07/20	11/08/20	20/08/20	09/09/20
Major contributors (0,1,2,3,4,5,6,7,8 y 9)	17/07/20	17/07/20	12/08/20	21/08/20	10/09/20

- Request for refund of the balance in favor of taxes, always that the tax periods are included in the special schedule for the occurrence of natural disasters, having to take as a reference the Supreme Decree No. 044-2020-PCM and its extensions.
- Extension of the monthly declarations for the periods from March to August 2020. The previous statement is not applicable for major contributors; nor for tax debtors whose net income in 2019 has not exceeded 5,000 UI

Último dígito del RUC	Fecha de vencimiento					
	Marzo	Abril	Mayo	Junio	Julio	Agosto
0	10/07/20	05/08/20	14/08/20	03/09/20	14/09/20	05/10/20
1	13/07/20	06/08/20	17/08/20	04/09/20	15/09/20	06/10/20
2 y 3	14/07/20	07/08/20	18/08/20	07/09/20	16/09/20	07/10/20
4 y 5	15/07/20	10/08/20	19/08/20	08/09/20	17/09/20	12/10/20
6 y 7	16/07/20	11/08/20	20/08/20	09/09/20	18/09/20	13/10/20
8 y 9	17/07/20	12/08/20	21/08/20	10/09/20	21/09/20	14/10/20
Buenos contribuyentes (0,1,2,3,4,5,6,7,8 y 9)	20/07/20	13/08/20	24/08/20	11/09/20	22/09/20	15/10/20



- Extension from 4 to 5 years as a temporary horizon, for the compensation of tax losses generated by taxpayers due to the COVID-19 crisis.

In addition, Supreme Decree No. 020-2020-SA has extended the state of health emergency until September, 7. This extension will allow the employer to continue implementing employment alternatives such as:

- Remote working.
- Leave with credit.
- Adaptation of shifts and work schedules.
- Perfect suspension of work until October 7.
- Granting of expired holidays and other work facilities.

By means of Supreme Decree N°124-2020-EF, the limits of the guarantee, percentages of coverage and conditions to access the REACTIVA PERU program are modified.

- The limits of guarantees granted by the state would be equivalent to two or three months of average monthly sales in the year 2019.
- Coverage percentages will be between 80% and 98% depending on the amount of credit required.
- As a requirement for access to this program, the beneficiary company must not have any tax debts in coercive collection from periods prior to 2020.

Finally, and pending issuance of a decree, but through a message to the nation, from July 1st, will begin Phase 3 of the reactivation of economic activities in the country, so the economy will work again in a 96%.

The quarantine will be focused and will be maintained in seven regions where the infection rate continues to increase: Arequipa, Ica, Junin, Huanuco, San Martin, Madre de Dios and Ancash.

Among the activities that will restart would be general stores, interprovincial flights between regions that are not in quarantine, as well as activities related to tourism.

Updates from July 2nd to August 6th

Through Superintendent's Resolution No. 89-2020-SUNAFIL, published in the Official journal "El Peruano", on July 11, 2020, new rules and general provisions applicable to inspection are issued, in order to ensure compliance with labor regulations regarding the State of Sanitary Emergency and to prevent the spread of COVID-19.

This protocol is divided into three phases:

1. Request for prior information:

- Through any electronic communication that allows the effective exchange of communications and documents.



- AIT (Labour Inspection Authority) may have inspection orders, based on the analysis of the information received previously, or in case it has not received any.
2. Inspection function:
- It will be exercised, as a priority, virtually (phone calls, WhatsApp, videoconferences, etc.) and exceptionally in person.
 - In the case that non-compliance is detected, the AAT (Administrative Work Authority) may order the closure of the area or establishment as a precautionary measure.
 - The main issues on which the audit will focus are: work accidents followed by death, arbitrary dismissals, paid leave to be compensated, perfect suspension of work, application of remote work for risk groups, implementation of the surveillance plan, prevention and control of COVID-19, acts of hostility, etc.
3. Acts of investigation:
- Inspectors will assess the following in their investigative task:
 - Inspections may be conducted in person or virtually.
 - If the inspection was initiated by a complaint, the inspector will contact the complainant using technological tools. The meeting between the complainant and the head of the work center may be recorded with the prior authorisation of both parties.

Regarding the work center that is subject to inspection, the inspector will verify the following:

Inspectors have the power to physically enter, without prior notice and at any time, the workplace and remain there as long as necessary until the investigation is completed. This can also be done by video call, with the help of the person in charge of the work center, in order to visit and virtually recognize the facilities of the center and verify if they comply with the minimum required measures.



(Last updated: July 27th)



3.3. Chile

Updates up to March 25th

The country governed by Sebastian Piñera is another example of a Latin American economy who reacted rapidly. They declared the State of crisis for 90 days, Chile is now under quarantine with a curfew. Regarding companies, initiatives have also been established in labour and tax matters.

The measures include the postponement of VAT payment for the next 3 months for all companies with sales of less than 350,000 UF, making it possible to pay in 6 or 12 monthly instalments at zero real interest rates, depending on their size. In addition, the anticipation of the income tax refund that corresponds to SMEs, which will materialize in April.

The government also announced the protection of jobs and the continuity of companies during the health emergency of the coronavirus COVID-19. These measures will inject US \$ 11,750 million in fiscal resources, which represents 4.7% of annual GDP.

The following is a summary of the tax measures taken by the government to support the economy of people and small and medium-sized companies:

- Release of PPMs for 3 months: PPMs to be paid in April, May and June 2020
- 3-month VAT deferral (annual sales <350 thousand UF): VAT to be paid in April, May and June 2020
- Payment of VAT deferred in 6 or 12 instalments (without interest or fines): from July 2020
- Early refund of income tax for SMEs: Operation 2020 Income
- Postponement of the payment of income tax for SMEs until July 2020: in Operation Income 2020
- Postponement of contributions (subject to eligibility): April 2020 contribution quota
- Transitory Release of Stamp and Stamp Tax for 6 months: from April 2020
- Flexibility in Payment Agreements with TGR: from April 2020

In addition, the Government of Chile announced an economic emergency plan for the Coronavirus pandemic. The economic measures were communicated by the President of the Republic, Sebastián Piñera. The plan involves 11,750 million dollars, approximately 4.7% of the Gross Domestic Product. It has also established the use of constitutional 2%, which empowers the President (according to the Constitution) to realise payments not authorized by law, when there are urgent needs and when there is public calamity.

At work, the following measures stand out:

- Draft Law Ley Covid-19 'to protect work income. The income payment of those who, due to the emergency, must remain in their home without the possibility of remote work (teleworking) will be guaranteed their salary. This guarantee will be allowed when:
 - There is a mutual agreement with your employer



- There is a mandate from the health authority. Once these conditions are fulfilled, the worker will receive income from the unemployment insurance, according to the current regulations, but maintaining the employment relationship and all their labour rights, so the employer will continue to pay their contributions. For this to be possible, up to \$ 2 billion will be injected into the Solidarity Unemployment Fund.
- Urgency to Draft Law on Employment Protection. An immediate discussion will be held on the employment protection PDL that allows the reduction of the working day, compensating for the decrease in remuneration with resources from the Solidarity Unemployment Fund.
- Covid-19 bond. A bonus equivalent to the Single-Families Subsidy (SUF) bonus will be promoted, which will benefit two million people without formal work. This effort considers resources of US \$ 130 million dollars.
- Solidarity Fund to face the crisis. Creation of a Solidarity Fund of US \$ 100 million destined to attend social emergencies derived from falling sales.





Updates from March 25th to March 31st

During the afternoon of Wednesday, March 25, the Government has announced new measures decreeing total quarantine in seven municipalities of the city of Santiago de Chile, these measures will be effective as of Thursday, March 26 at 10 p.m. The seven municipalities that will have total quarantine are the following: Las Condes, Santiago Centro, Providencia, Vitacura, Lo Barnechea, Independencia, Ñuñoa.

During this time, to be able to move within these municipalities or to be able to go to one of these, an individual temporary permit must be requested at the police station, which will be granted for the following activities and for the following time:

Activity	Time
Assistance to Health Centers. In this case the person can go with a companion	24 hours of Free Transit
Assistance to basic Centers (Pharmacies, Supermarkets or others) to buy basic products	4 hours of Free Transit
Walking pets with reduced displacement two blocks from the place of residence	30 minutes
Payment of basic services, collection of pensions and bank procedures	4 hours
Return to place of residence from a place that is under quarantine	24 hours. Subsequently, the person must remain 14 days of mandatory quarantine.
Food withdrawal from public centers	6 hours
Attendance at a legal center to which a lawyer or other person must attend under the law	Until management compliance
Other cases that the authority authorizes	-

For those who provide some basic service, the institutional, public or private credential that accredits their quality as a worker in the specific area indicated in the instructions will always be considered as valid permission, always having the national ID.

The items defined in the instructions are: Health, Emergencies, Public Utility Services, Transportation, Security, Food and essential commerce, Press, Education, Public Sector, others.

Updates from March 31st to April 8th

Project that allows to cover salaries with unemployment insurance during emergency Covid-19 in Chile was approved. This initiative was already promulgated on March 31 by the Deputies chamber and seeks to avoid layoffs, allowing employers to exceptionally pay compensation to



workers who cannot perform their duties due to any health restriction ordered by the authority. As is the case of the Covid-19 pandemic, because many places or employers must close absolutely and will not be able to generate income.

Employees who continue producing and are generating by telework do not benefit from this right.

The main points of these measures allow the reduction of working hours for a maximum period of 5 months for workers with an indefinite contract and for a maximum of 3 continuous months for workers with a fixed-term contract and the temporary suspension for a specified period, however, employers must maintain the payment of social security and social security contributions, in addition to making it easier for their workers to access unemployment insurance during this period.

Who will be eligible for this? Employees who have three continuous contributions in the last three months or six contributions (continuous or discontinuous) in the last twelve months (last two contributions with the same employer). All these conditions must be met immediately before the emergency is decreed.





Updates from April 8th to April 16th

Chile employment protection law. From April 15 the employer registration is enabled on the AFC Chile website where the employer can avail to the temporary suspension of the employment contract, which allows employers to request the suspension modality, by agreement of the workers or act or declaration of authority.

The process of requesting suspension must be done by the employer and may be carried out retroactively from March 18 for those who have entered into agreements or initiated termination processes from that date.

This application is addressed to employers who need to benefit from the employment protection law because, due to the Covid-19 health emergency, their activities were affected, and in this way this law allows “protecting income and relationships of workers when the acts of the authority, such as quarantines or company closings, prevent the employee from providing their services.”

Workers who apply to this benefit must meet any of the following requirements:

- Have 3 continuous contributions registered in the Unemployment Insurance in the last 3 months immediately before to the act of authority (quarantine).
- Have a minimum of 6 continuous or discontinuous contributions registered in the Unemployment Insurance during the last 12 months, provided that they register at least the last 2 contributions with the same employer in the 2 months immediately before to the act of authority (quarantine).

The duration of the agreements will depend on the type of work:

- Three months (continuous) in the case of workers with a fixed-term contract, for work, task or service.
- Five months (continuous) for male and female workers with an indefinite contract.

Support plan for small and medium-sized companies. By the health emergency situation originated for Covid-19 pandemic President Sebastián Piñera E. in his presidential speech regarding the presentation of the new business support plan, has indicated that banks Santander, Banco de Chile, BCI, Scotiabank, Itaú and Banco del Estado will grant credits with a state guarantee (This can change when the law is processed) in a massive, expedited, standardized way and without excessive procedures. Any taxpayer with less than one million UF of sales will be able to access to these credits.

The Government may make available to commercial banks a credit line with a State guarantee in the amount of USD 24 billion as a measure to protect economic activity.

The Law that is currently being processed urgently includes mainly the following points:

- The benefit will be available until September 30, 2020
- The state guarantee will have limits. For example, a company that has sales for less than 25,000 UF will have as a State guarantee up to 85% on the new credit.



- The credits will be used only to cover working capital needs and obligations such as payment of taxes, payment of payroll, social laws, to suppliers, leases, among others.
- When one of these banks give this type of credits it is obliged to reschedule all the credits that the taxpayer maintains with the financial institution as of that date.
- The banks that grant these credits with a state guarantee must reprogram all the credits that the respective companies have with them at that date.

Updates from April 16th to July 2nd

June 1st, the official newspaper published the “short law” No. 21,232 by which extraordinary measures were added to the employment protection law No. 21,227, thus introducing important changes to the labor measures already implemented in the country, in order to ensure and guarantee job continuity during the contingency period.

The most significant changes regarding temporary contract suspensions and temporary working hours reductions during the pandemic are highlighted below:

Changes in the title of the suspension employment contract

There are 2 types of suspensions to the employment contract:

1. Suspension by act of authority (Due to a territorial quarantine or to the closure of the authority of some money orders)
2. Suspension by agreement with the employer (Accessed by agreement with the employer. The agreement must be in writing and signed, so that in case of inspections the document can be provided).

Changes in the way of calculating the payment of social laws for those cases covered by the employment protection law due to a temporary contract suspension

The mandatory contribution that has to be paid by AFP and SIS must be made for the 100% of the amount paid by the AFC to the worker, which means that the payment schedules reported by the AFC must be reviewed and supervised month by month. In addition, the payment to the AFP becomes more flexible as it will be possible to declare and not pay it, also the term to pay without interest or fines is increased to 24 installments.

Regarding the payment of Health, SANNA Law and AFC, the employer must pay the contributions at 100% of the taxable income corresponding to the last month remuneration received by the worker, prior to the work suspension, and it remains the non-payment of the social security stated in the Law 16,744 (Mutuality).

These are some other updates:

- It is forbidden to dismiss by company needs to those workers whose dismissal date is from this June 1, 2020, regarding to workers who have applied this employment protection law.
- The **option of being able to dismiss workers is maintained**, for the reasons stated in the article 159, numbers 1 to 5, of the Labor Code, maintaining *force majeure* excluded.



- The possibility is allowed for those companies whose activities are excluded from the stoppage, because they were essential services, and today they **can enter into suspension agreements with workers** who provide services that are not essential for the mentioned company. The foregoing is allowed since it will be presumed that the employer's activity is partially affected, always when in the month prior to the signing of the agreement, their income from net sales or services of the Value Added Tax have experienced a drop equal to or greater than 20% with respect to the same month of the previous year.
- The **right to claim by workers or unions** is incorporated for all those who are affected by the suspension agreements concluded between worker and employer, therefore, they could make a complaint to the work management when they consider that all the necessary conditions of the company's activity that justify the temporary suspensions of the contract are not being complied.
- Regarding the **alimony payments of the suspended workers** that are paid through a court order, will be paid in proportion to what corresponds, through the funds that are paid through the unemployment insurance, and for this to happen the employer must expressly indicate which workers are obliged to withhold and pay alimony, all this so that the holder of the maintenance right does not have to carry out any procedure, such withholdings will be subject to withholding up to 50% of the same ones.
- To **women with fuero maternal (maternal immunity)**, temporary suspension of the contract or temporary reduction of the working day cannot be applied. Consequently, a prohibition to apply the suspension of the employment relationship was incorporated, regarding workers who are in this situation.
- Regarding the **calculation of the compensation for future dismissals**, it was expressly stated that, in the case of dismissal after the suspension agreements, as well as the dismissal that occurs during the reduction of working hours agreement, the calculation basis for the compensation recorded in the art. 163 and following of the Labor Code, will be the gross remuneration that the worker had agreed, without considering the benefit he received from the unemployment insurance.

(Last updated: June 9th)



3.4. Ecuador

Updates up to March 25th

Ecuador is one of the Latin American countries that quickly and more decisively has taken measures to stop the spread of the Coronavirus, such as the establishment of the quarantine state until April 5, 2020. In addition, the Ecuadorian government has implemented several measures of a tax, labor and legal nature, to face the challenges that the Companies and individuals are going through, as a result of the Covid19. The main measures are detailed below.

The country's Ministry of Labour has issued guidelines for the application of the reduction, modification or suspension of the working day applicable to the private sector. Those Guide lines will be effective during the declaration of a health emergency by Covid19, in accordance with the following:

- It will be up to the employer to adopt the reduction, modification or suspension of the working day, the same will be applicable by type of commercial activity, groups or work places.
- While the state health emergency is effective, for a period not exceeding six months, renewable for up to six more months on one occasion; It will be agreed to adopt the reduction of the regular working day.
- To document the registration and authorization of these guidelines, the employer will complete and register the form that appears in the SUT (Unified Work System). Finally, the Regional Director of Labour and Public Service will issue the respective electronic authorization through the SUT digital platform.
- In the event that, due to the nature of the work activity, it is impossible to allow teleworking and / or modification of the working day, the employer will notify the suspension of the working day, without this implying the end of the working relationship.
- The recovery of the working day will be carried out once the declaration of sanitary emergency has been completed. For this, the employer will determine the form and schedule of recovery up to 12 hours per week and on Saturdays 8 hours per day
- **Remuneration payments.** The employer and the workers will be able to, freely and voluntarily, establish a payment schedule for remunerating purposes during the period of the State of Emergency, considering that the remuneration of the employees is irrevocable.
- **Vacation planning.** The employer will be able to fix the start and end date of the accumulated holiday period, of which the workers have the right. In addition, providing that the workers have consent, the employer may allow the enjoyment of periods of early leave and the employer may take measures that reasonably avoid aggravating the worker's situation.
- **Modes of work.** The employer and his/her workers will be able to, mutually and considering the particular circumstances of the business and work, agree on a way to complete work taking into account conditions such as the impossibility of movement,



the prevention of health risks to all and the economic climate that the business is facing. The goal of this agreement is to protect employment and these measures shall not roll back the rights of the workers.

The Internal Revenue Service has decided, for its part, to extend the deadline for submission of the due dates that are during March and April 2020, which have been transferred to August 2020, based on the ninth digit of the RUC (Single Registry Taxpayer - Tax Identification):

- Annex Report of Operations and Financial Economic Transactions (ROTEF)
- Annex International Currency Movement (MID)
- Annex of Notaries, Property Registrars and Business Registrars
- Annex of Shareholders, Participants, Partners, Members of the Board of Directors and Administrators (APS)
- Annex of Mercantile Trusts, Investment Funds and Complementary Funds (AFIC)

In addition, the Superintendency of Companies, Securities and Insurance has extended for a period of 30 days, counted from the expiration of the original term (that is, until May 30) for the delivery of the following information: Financial Statements, Reports and Reports of the Administrators, Nominee of Administrators, Legal Representatives and Partners or Shareholders.

Also, it has ordered the suspension of the payments and terms of all the administrative, coercive, tax and prescription processes of the collection action. In general, of all processes whose substantiation is inherent to the powers of the Superintendency of Companies, Securities and Insurances, which are in force during the period of one month, between March 16 to April 16, 2020.

Termination of employment due to force majeure or unforeseen circumstances. Individual employment contracts that have been terminated on the grounds of the application of article 6 of article 169 of the Labor Code (force majeure or fortuitous event) must be registered with the Ministry of Labor in the Unified Labor System (SUT) within a maximum of 24 hours. If the corresponding registration is not made, the employer is subject to the application of a fine that may range from 3 SBU (unified basic wages) US\$1,200, to 20 SBU US\$8,000.

Updates from March 25th to March 31st

Temporary and special regulations for national tax payments. Tax payers that are:

- Micro-businesses
- Have their main tax address in the Province of Galapagos
- Their economic activity is in the airline sector or tourism sectors- exclusively in respect to the activities of accommodation services for tourists and/or consumables or the agricultural sector.
- Habitual exporters of goods, or if 50% of their revenue accounts for the exportation of goods.



They will be able to pay income tax for the 2019 tax year and the VAT for April, May and June of 2020, in accordance with the following measures.

- Income tax payments for the 2019 fiscal year will be made in 6 installments from April to September 2020.
- VAT payments will be made in the following months
 - April 2020: to September 2020
 - May 2020: to October 2020
 - June 2020: to November 2020

The payments of both obligations will be made in the following percentages: in the first and second month, 10% of the value of the tax will be paid. In the third, fourth, fifth and sixth month, 20% of the value of the tax will be paid.

Updates from March 31st to April 8th

The 'Junta de Política y Regulación Monetaria Financiera' (JPRMF), the 'Superintendencia de Bancos' (SB) and the 'Superintendencia de Economía Popular y Solidaria' (SEPS), as regulatory entities of the financial system, have taken several measures due to the effects of the health crisis. The main objectives are:

- To protect the savings of depositors, members and retired people.
- To provide financial relief to individuals, micro, small and medium enterprises.
- To ensure the stability of the social security system and the banking system.

Some updates put into force:

- Exceptionally and temporarily, the institutions controlled by the SEPS may modify the conditions originally agreed for the loans, maintaining the rating that the loan had at the time of the entry into force of the resolutions to address the health crisis.
- Acceptance of extraordinary deferment of credit obligations can be made by electronic means in accordance with the provisions of the Law on Electronic Commerce, Electronic Signatures and Data Messages.
- Credits benefiting from this procedure, and not complying with the new terms and conditions provided for, should be recognised as restructured credits.
- Prohibited the accounting reversal of provisions during the financial year 2020.
- Public and private financial institutions controlled by the Superintendency of Banks, at the sole request of their clients or on the direct initiative of the financial institutions themselves (prior notification to the client), will be allowed to modify the originally agreed conditions of the credit operations of the different segments.
- Capital and interest payments for extraordinarily deferred financial obligations will not cause interest due to moratoriums, expenses, surcharges or fines during the period or term agreed with the debtor; restructuring and refinancing do not imply the origin of a new credit operation.





Updates from April 8th to April 16th

Work relationship ended for force majeure or fortuitous case. The individual work contracts that have ended alleging the application of numeral 6 of Art. 169 of the Labor Code (force majeure or fortuitous case), must be registered with the Ministry of Labor in the Unique System of Work (SUT) within a maximum period of 24 hours.

If the corresponding registration is not made, the employer is subject to the application of a fine that may range from 3 SBU (unified basic wages) US\$1,200, to 20 SBU US\$8,000.

Termination of employment due to force majeure or unforeseen circumstances. Individual employment contracts that have been terminated on the grounds of the application of article 6 of article 169 of the Labor Code (force majeure or fortuitous event) must be registered with the Ministry of Labor in the Unified Labor System (SUT) within a maximum of 24 hours. If the corresponding registration is not made, the employer is subject to the application of a fine that may range from 3 SBU (unified basic wages) US\$1,200, to 20 SBU US\$8,000

Updates from April 16th to April 23rd

The Superintendencia de Compañías has decided to extend for 30 additional days (until June 30, 2020) the presentation of the following information: Financial Statements, Memoirs and Reports of the Directors, List of Directors, Legal Representatives and Partners or Shareholders.

In other changes proposed by the Superintendencia de Compañías Valores y Seguros, it was established that the annual contribution to be made by the Companies to this organism may be paid in two installments, the first 50% payable until September 30, 2020, and the remaining 50% until December 31, 2020.

Also, it provides for the suspension of the terms and conditions of all administrative, coercive, tax and prescription processes of the collection action, and in general of all processes whose substantiation is inherent to the competencies of the Superintendence of Companies, Securities and Insurance, which are in force during the period of one additional month with respect to the last postponement (until May 17, 2020).

Updates from April 23rd to May 21st

National Assembly of Ecuador passed the Ecuadorian law of humanitarian support (*Ley Orgánica de Apoyo Humanitario*) last 15th May. This law is based on three main issues, which are

- Solidarity and welfare measures system
- Reforms to guarantee the employment situation
- A temporary system to prevent bankruptcy proceedings and encourage successful agreements between debtors and creditors

These are the main measures introduced.



Employment and Social Security

The Ecuadorian Institute of Social Security (IESS, by its acronym in Spanish) will extend the coverage of health benefits up to sixty (60) additional days besides the established ones. Such coverage will be provided due to the ceasing of contributions of those members who have become unemployed or in arrears due to loss of income after the declaration of the state of exception.

Individuals engaged in economic activities, micro and small companies, as well as the remaining businesses and cooperatives that remained closed during the state of exception that have not been able to pay their social security contributions during March, April, May and June 2020, will be able to do it with no interest, fines or surcharges. Also, there will be no employer's liability.

As a measure to support the sustainability of employment, workers and employers may, by mutual agreement, modify the economic conditions of the employment relationship in order to maintain sources of employment. The agreements duly recorded must be reviewed and approved by the Ministry of Labour of Ecuador. The following are the basic requirements to validate the agreement:

- Employers must provide the employee a complete, truthful and integrated set of financial statements
- Employers may not distribute dividends for the years in which the agreements are in force, nor reduce the company's capital during the time the agreements are in force
- If agreements are reached with most employees and the employer, these agreements will be required even for employees who have not signed them
- In cases where signing the agreement is essential for the subsistence of the company and no agreement is reached between employers and employees, the employer may start the liquidation process immediately
- During the duration of the agreement, the fraudulent use of the company's resources for the benefit of its shareholders or administrators will be considered grounds for fraudulent bankruptcy

Special emerging employment contract. This is a fixed-term agreement signed for the sustainability of production and sources of income in emerging situations as well as for new investments or business areas, products or services, business growth or extensions, changes within operations, or an increase in the supply of goods and services. This agreement will be valid for a period of up to 2 years and can be renewed once for the same length of time. The working day of this contract will be either partial or complete, with a minimum of 20 hours and a maximum of 40 hours per week, divided into a maximum of 6 days per week without exceeding 8 hours per day.

Reduced working hours can happen due to force majeure or by chance. The employer has the right to shorten the working day by up to 50 %; the employee's wage must not be less than 55 % of that set before the reduction. The social security contribution must be paid based on the shortened working day. Such a reduction shall be notified to the Ministry of Labour of Ecuador.



Once the working day has been shortened and for as long as it lasts, companies that have implemented the shortened working day may not distribute dividends.

In addition, it is established:

- In the event of dismissal, the compensation and bonus due to eviction will be based on the last monthly wage received by the employee before the shortened working day
- The employers will have the power of notifying the worker individually regarding the schedule wherein his or her vacation will be used, within two years of the law's release.
- Teleworking has been officially incorporated into the Employment Code of Ecuador. It has all the features related to the working day, the worker (mobile, part-time, temporary, self-employed), the place where the services are provided, etc.
- "Acute respiratory diseases caused by viruses" have been added to the Employment Code of Ecuador as an additional type of occupational disease
- An explanation of how labour agreements can be terminated by force majeure or by accident has been included. It says: "the impossibility of carrying out the work by force majeure or chance will be related to the total and definitive cessation of the employer's economic activity, that is to say, there will be impossibility when the work cannot be carried out both by usual physical means and by alternative means, not even by telematic means".

Tax Aspects

Any financial entity that provides loans to MSMEs of the ordinary commercial, productive or microcredit type exceeding US\$25,000, for at least 48 months from April 2020 to 31st December 2020, as well as loans granted to companies that are modified in the short term to structure them as long term (at least 2 years) will be able to deduct 50 % of the value of the interest received from the payment of these loans from income tax.

Taxable persons may make voluntary advance payments on their tax obligations to the Ecuadoran treasury. In such case, the corresponding interest shall be recognised in their favour, which shall be calculated from the date of payment until the date on which the tax obligation expires.

The contribution of one per thousand on the value of fixed assets that was paid annually by tourism service providers is abolished.

The opening of new businesses will be guaranteed from the first day without requirements. Therefore, the Ecuadorian internal revenue service (*Servicio de Rentas Internas*) and the local governments, as applicable, will issue provisional operating permissions valid for 180 days. In the meantime, the entrepreneur must regularize his activity in terms of tax, municipal issues and permits required of any nature.



For the purposes of tax returns for the years 2020 and 2021, expenses for domestic tourism will be considered as deductible personal expenses, in an amount equal to the categories already in force.

Contractual Aspects Between Debtors and Creditors

Companies, all types of assets, self-employed individuals, trusts, and natural persons, except for financial institutions, may benefit from the following procedures:

Debtors by mutual agreement may enter into exceptional precautionary agreements and debt management measures with their creditors. Conditions, deadlines and the reduction, capitalization or restructuring of outstanding obligations of any nature may thus be established. These agreements may be agreed upon through mediation.

The pre-bankruptcy agreement will at least include

- The clear and precise identification of the debtor and the creditors who sign it
- Clear and precise identification of other creditors
- The sworn statement detailing the obligations due
- The pre-bankruptcy agreement reached
- Means of verification that all creditors have been notified of the intention to enter into the agreement
- The supervisor who has been appointed by the parties

Another mechanism of agreement between debtors and creditors will be the so-called "*Concurso preventivo*" (preventive insolvency proceeding). For this purpose, the debtor must submit a sworn statement before a notary public, in order to establish that he will not be able to comply on a regular basis with his obligations, or when he foresees that he will not be able to comply on a regular and timely basis with his obligations.





Financial and Insurance

As long as the state of exception lasts, prepaid medical insurance companies and insurance companies who offer health care policies cannot terminate health insurance policies. They may not terminate prepaid medicine agreements, nor suspend coverage of these or health benefits, if the contracting parties of these insurances do not except for delays in payments of up to three consecutive months.

The entities of the national financial system will offer quick-disbursing credit lines that will include special conditions such as grace periods, long terms and preferential interest rates.

Financial institutions, especially public banks, will create specific credit lines to cover payroll and working capital payments, for amounts equivalent to 3 months of operation. The credit operations will give priority to the productive and educational sector.

The Ecuadorian monetary and financial policy and regulation board (*Junta Política y Regulación Monetaria y Financiera*) foresees an interest rate review process for all credit segments, especially the productive ones. Furthermore, until the state of emergency is in effect, and for 60 days thereafter, all financial sector entities must reschedule the collection of monthly quotas generated by any type of credit operation, without generating interest on arrears.

General and life insurance companies shall reschedule the collection of monthly insurance fees. This will be applied in favour of natural or legal persons that are prevented from carrying out their activities as a result of the state of exception. This will not involve loss or suspension of coverage and benefits in favour of the insured.

Other Aspects

Educational institutions may not suspend student attendance and assessments for justified delays in monthly payments for the duration of the exception. Private universities must increase the percentage of scholarships by 10 % to what is already established by law and they must approve higher education virtual study programs.

Temporary suspension of eviction in matters of tenancy No evictions may be carried out on tenants of real estate during the period of the state of exception and for 60 days thereafter. In order to benefit from the temporary suspension, tenants must pay at least 20 % of the value of outstanding fees and, in the case of commercial premises, the tenant must prove that his income has been affected by at least 30 % compared to February 2020.

Between the time the state of exception comes into effect and one year later, any increase in values, rates or fees for basic services, including telecommunications and Internet services, are prohibited. Such service suppliers must guarantee the stability and quality of the service.

A 10 % drop in electricity consumption values for March, April, May and June 2020 is provided for electricity users in the first two income level quintiles.

(Last updated: May 15th)



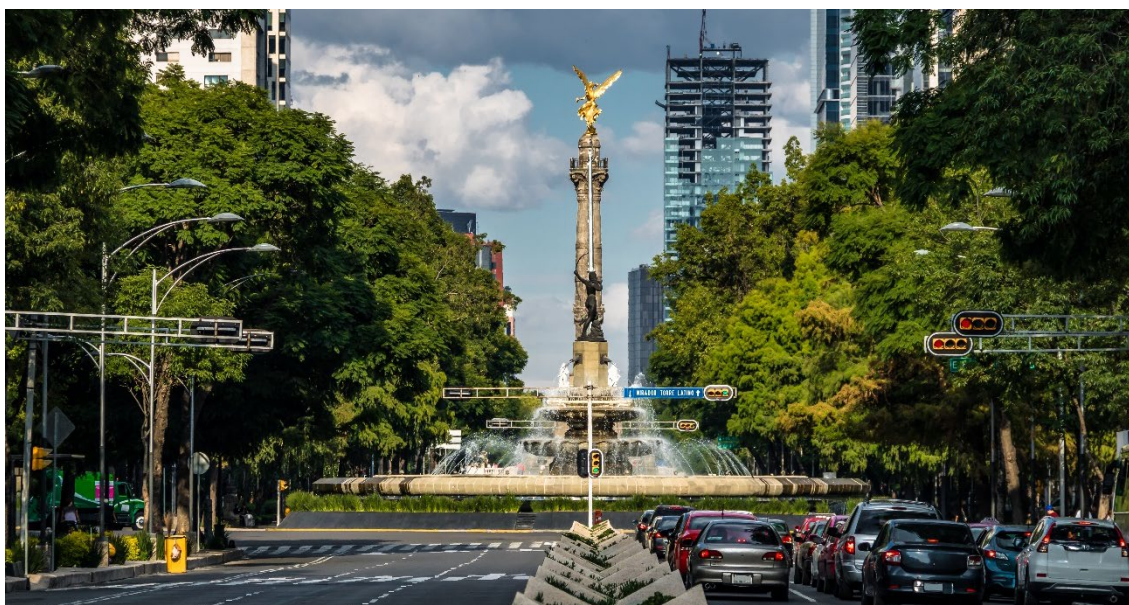
3.5. Mexico

Updates up to March 25th

Mexico is one of the countries in Latin America that is acting at a slower pace, compared to its neighbors. However, the cases of those affected by the Coronavirus continue to grow, which is forcing the government to take measures and updates on various fronts. The Ministry of Health, whose visible face in this crisis is being Hugo López-Gatell, Undersecretary for Prevention and Health Promotion, has already launched initiatives such as the gradual suspension of classes.

As for updates that affect the activity of companies, these are some of the main ones:

- **Tax Administration System (SAT)**, as part of the Ministry of Finance and Public Credit: Services in the Internet rooms of its Decentralized Administrations and Tax Service Modules have been suspended from March 17 until further notice.
- **Federal Court of Administrative Justice, Collegiate Courts and District Courts:** The processes are halted until April 17, 2020. For now, the activities and the calculation of terms will restart on April 20, 2020. Work is suspended for the general plenary of the upper court of justice until 19th April.
- On March 20, the 'Agreement suspending the terms and deadlines inherent in administrative procedures and procedures and granting administrative facilities to comply with tax obligations, to prevent taxation, is published in the Gaceta de la Ciudad de México. spread of Covid-19'. In this sense, said text suspends the terms and deadlines for the practice of actions and proceedings in the administrative procedures that are developed before the Dependencies, Decentralized Bodies, Mayors and Entities of the Public Administration of Mexico City. From March 23 to April 16, 2020, until the health emergency lasts





In turn, as established by the Federal Labour Law (in force since the 2012 labour reform), in cases where the competent authorities issue a declaration of health contingency, in accordance with the applicable provisions, which implies the suspension of work, the employer shall be obliged to pay his workers compensation equivalent to a general minimum wage in force, for each day the suspension lasts, without exceeding one month.

Updates up to March 31st

- **Tax Administration System (SAT).** The declaration date for annual Income tax has not been extended. The Finance Department is advising the tax payments to be made by 31st March for Moral People and by 30th April for Physical People.
- **The Secretary of Labour (Federal Labour Law-LFT).** Conciliation and arbitration proceedings scheduled until April 19 are suspended. In addition, in this period or the legal terms will run in ordinary and special procedures of an individual and collective nature.
- **Mexican Institute of Intellectual Property.** The attention and receiving of documents have been suspended, as well as the deadlines. There will be no legal terms in this institute until 19th April.

Moreover, the Federal Government headed by Andres Manuel Lopez Obrador decrees and Health Emergency after the number of infected people rose above 1000 cases on 30th March.

Updates from March 31st to April 8th

Preventive measures have been established that must be implemented due to the Covid-19 virus, it has been established that all workers will have to receive their full salary during April since an "emergency" has been declared due to "force majeure" or "emergency" and not as a "health contingency" that would allow employers to pay only the minimum wage (articles 42 bis and 429 section IV Federal Labor Law). Furthermore:

Energy Regulatory Commission: The Agreement declaring the suspension of deadlines and terms in the acts and procedures substantiated in the Commission was published in the DOF. March. From 24 to April 17, 2020.

Federal Commission on Economic Competition: On March 24, the Agreement was published in the DOF, determining that the days will be working days, but the terms and terms of the procedures processed before the Commission will not run, except in the cases indicated, without this leading to closure. of the offices of the Commission, which will maintain regular office hours, without prejudice. From March 23 to April 17, 2020.

Mexican Social Security Institute. On March 31, a Technical Council Agreement was published in the DOF authorizing, within the scope of the Incorporation and Collection Directorate, to declare as unfit for the practice of actions, proceedings, hearings, notifications or requests the days from the day of publication of this Agreement until it is determined that the causes that



gave rise to the Strategic Plan for Contingency for COVID19; period during which there will be no deadlines or terms.

The Federal Government headed by Andrés Manuel López Obrador presented a plan to reduce the impact that the emergency by Covid-19 can have on the country's economy and public finances.

In general terms, a speech where he promised two million jobs, greater public investment and the expansion of social welfare programs in a brief plan for economic recovery to alleviate the coronavirus crisis, which was received with doubts by businessmen. In fiscal terms, he only mentioned that "taxes will not increase, nor will new ones be created. VAT will be promptly returned to taxpayers."

Updates from April 8th to April 16th

Federal government. President Andrés Manuel López Obrador has signed a collaboration agreement with private hospitals in Mexico so that "at no cost", in order to provide medical assistance to people registered in public health organizations such as IMSS, ISSSTE, Insabi, PEMEX, SEDENA, during the Covid-19 contingency. The agreement will be from April 23 to May 23 and indicates that private hospitals will grant 50% of their beds, equivalent to 3,115 beds, so that beneficiaries of public health institutes with different conditions are treated.

Secretariat of Finance and Public Credit. Arturo Herrera, Secretary of the Ministry of Finance, said that in support of families and companies to face the economic impact of Covid-19, the delivery of 40 billion pesos in payments associated with social programs and granting loans of around 25 billion pesos to the formal and informal sector.

Secretary of labor and social security. Since March 20, with an update on April 1, the Ministry of Labor and Social Welfare, in coordination with the Ministry of Health, has made available the "Action Guide for Work Centers before Covid-19", so that it may adopt measures that collaborate with the prevention and care of Coronavirus, have a classification of risks of workers by occupation or vulnerable condition; as well as a series of practical recommendations for planning, training, prevention, protection and monitoring in the workplace.

Updates from April 16th to April 23rd

Federal Ministry of Energy. Today the Federal Ministry of Energy ("SENER") published in the Official Federal Gazette the "Ruling that modifies the ruling establishing the suspension of time periods and legal terms in the Federal Ministry of Energy, as a preventive measure against the spread of the coronavirus COVID-19 pandemic" ("Ruling").

National Banking and Securities Commission (CNBV). Special Accounting Criteria issued by the National Banking and Securities Commission (CNBV), applicable to Credit Institutions, SOFIPOS, SOCAPS, and Credit Unions to address the COVID-19 contingency.



The CNBV, for the benefit and support of the Mexican population, has issued special temporary accounting criteria to mitigate the economic effects of the COVID-19 pandemic, which are applicable to Credit Institutions, SOFIPOS, SOCAPS, and Credit Unions ("Financial Institutions").

Ministry of Finance (SHCP). The SAT offered the website to generate the PIN from home. Taxpayers can generate and update their password on the new website; facilitates the process and prevents the spread of Covid. SAT ID: <https://satid.sat.gob.mx>

Social Security (IMSS), IMSS reminds taxpayers of its contribution deferment program, although this is not a new benefit related to Covid-19. Recently, the Mexican Social Security Institute ("IMSS") issued a press release in which it once again announced various legal instruments for the correct payment of social security contributions and certain other procedures that employees can carry out before said Institute.

Updates from April 23rd to April 30th

Tax Revenue Office -SAT

Last Wednesday, April 22, the SAT communicates the memo number 012/2020, which extends the deadline for the presentation of the annual declaration of Natural Persons until the last day of June. On April 24 the SAT confirms that the option to pay in six payments the annual income tax by Natural Persons is possible.

Mexican Social Security Institute

On April 21, 2020 in a press conference No. 213/2020, establishes that IMSS offers advice to all interested employers to perform, in a simplified way, a deferred payment agreement without the need to charge interests. Under this scenario, under the basics that the minimum amount to be covered is 20% of the employer's quota and 100% of the worker's quota, employers may choose between the following options:

Deferral period Monthly interest (1)

- Up to 12 months 1.26%
- From 12 to 24 months 1.53%
- From 24 to 48 months 1.82%

(1) Rates provided for in article 8 of the Federation Income Law for Fiscal Year 2020.

On the other hand, to mitigate risks of contracting coronavirus, the IMSS has made the insured available to carry out the "Maternity Leaving" process through IMSS Digital.

INFONAVIT

In order to counteract the effects of the health emergency due to COVID-19, an obstacle provision is made, the following protection measures can be applied from April 27, 2020 on the Business Portal.

Regarding payments:



For SMEs (companies with up to 250 workers):

- To extend the payment of the contributions of its workers without housing credit for the second and third two-month periods, paying in September 2020
- To extend the payment of the monthly installments of the partial payment agreements that the employers have in force, paying in September 2020.

For companies with more than 250 workers:

- To extend the payment of the contributions of the Employer's workers, without housing credit for the second two-month period, paying in July 2020.
- To extend the payment of the monthly installments of the partial payment agreements that are in force, paying in July 2020.

You can also request to pay the bimesters carried over up to 12 payments. INFONAVIT will soon inform the date when this service will be available. The payment of the amortizations and contributions of workers with credit will not be extended.

From the date of publication in the Official Gazette of the Federation and until INFONAVIT publishes the lifting of the suspension in the same media, suspend the following actions:

- The audits carried out by INFONAVIT (audits).
- The collection actions and the Administrative Procedure of Execution undertaken by INFONAVIT.

Updates from April 30th to May 7th

Ministry of Economy

With the economy growth recovery after the global sanitary emergency forced by COVID-19, on April 28 the government of Mexico, through the Ministry of Economy, announced via press release the conclusion of the negotiation to modernize the existing trade agreement with the European Union.

Social Security (IMSS)

The Mexican Social Security Institute issued criteria for determining in what cases infection with Coronavirus SARS-CoV-2 (COVID-19) should be considered an occupational illness. According to those criteria, first the risk of exposure of the employees should be classified in four levels, depending on the repeated or extended contact with possible sources of contagion:

- a) Very high risk of exposure.
- b) High risk of exposure.
- c) Medium risk of exposure.
- d) Low risk of exposure.

It is also necessary for a worker to have had contact with a person confirmed or suspected of infection with SARS-CoV-2 (COVID-19), in addition to having a level of risk of exposure when performing work activities, to be certified under a probable occupational illness. It will be



certified that SARS-CoV-2 (COVID-19) is an occupational illness if the following requirements are met:

- a) That the worker meets the criteria of a suspect or confirmed case through public or private laboratories of the National Public Health Laboratories Network.
- b) That the worker meets the criteria of personnel occupationally exposed.
- c) That there is a latency period of 1 to 14 days between the labor contact or exposure and the initiation of the clinical presentation in the worker, and identifying that such exposure occurred before the suspension of work, for non-essential activities, or that, even with the suspension, the workplace continued operating without being an essential activity.
- d) That it is shown that the worker was exposed while working or because of work to a person with SARS-CoV-2 (COVID-19) and the exposure outside of work is minimal.

BANXICO

The Bank of Mexico has reduced the benchmark interest rates by 50 points, leaving it at 6%, it also has approved different initiatives to maintain liquidity in the domestic markets in order to keep the granting of loans and maintain the stability of the financial markets.

Updates from May 7th to May 21st

Ministry of Finance (SHCP)

On May 12, 2020, the Ministry of Finance was published in the Official Federal Gazette the First Resolution of Modifications to the Miscellaneous Tax Resolution for 2020 ("First Resolution of Modifications"). In this version added several rules, including rule 13.3. which contemplates the suspension of the calculation of the time periods and legal terms of the following acts and procedures that should be carried out by and before the SAT because of the health emergency, provided they cannot be done electronically. The time periods and terms will be suspended from May 4 to May 29, 2020

Based on the above, the procedures subject to the above-mentioned suspension include:

- The filing and resolution of revocation and nonconformity appeals.
- The response and conclusion of customs administrative procedures and administrative procedures regarding omitted duties.
- The beginning or conclusion of audit procedures.
- The filing or resolution of permits, authorizations, concessions, inscriptions or registrations, as well as the beginning or resolution of procedures regarding the suspension, cancellation or revocation of such.
- Those related to the Anti Money Laundering Law.



Ministry of Health

On May 14, 2020, the Ministry of Health was published in the Official Federal Gazette that included the manufacturing of transportation equipment, mining and construction as essential activities, not subject to suspension. Therefore, those industries and activities can reinstate their activities on June 1, provided they have implemented the health safety guidelines and conditions published by the competent authorities in their workplace.

Ministry of Energy

On May 15, 2020, the Ministry of Energy ("SENER") published the edition of the Federal Official Gazette, the "Policy for Reliability, Security, Continuity and Quality in the National Electricity System" ("Reliability Policy"), which establishes the guidelines that the Members of the Electricity Industry, the Energy Regulatory Commission ("CRE"), the governments of the states and their municipalities, as well as any authority of the federal public administration and constitutionally autonomous bodies, must follow to guarantee the reliable supply of electricity throughout the country.

Updates from May 21st to June 4th

Mexican Social Security Institute

Return to the "new normal" in primarily sectors of banking, pharmaceutical industry, agribusiness, markets and supermarkets, the food industry, the press, homes for the elderly, cargo transportation, warehousing, transportation, delivery services, gas and petrol, telecommunications, chemical and cleaning products industry, funeral services and essential activity providers.

According to the approval of the Mexican Institute of Social Security (IMSS) through the platform were medium and large companies had available by completing a questionnaire of approximately 80 questions in which the health risk is evaluated to determine the reopening of activities.

Protocols and recommendations to be followed published in the institution's official website have been provided <https://coronavirus.gob.mx/>

Bank of Mexico

Exchange rate recovers gradually, the peso appreciates and gains value after the big drop presented in the in the previous weeks and after having reached historical rates in March.

Global optimism after the economic reopening in international financial markets helps the recovery of the Mexican currency.



Updates from June 4th to July 2nd

Ministry of Economy

On June 29, 2020, the promulgating executive order was published in the Official Federal Gazette, which contains the full text of the agreement, its Protocol of Amendment and various parallel agreement, in preparation for the entrance into force of the Agreement between the United States of America, the United Mexican States and Canada (USMCA) on July 1, 2020.

Updates from July 2nd to August 6th

New laws are issued that impact the import and export of merchandise

As part of the process of implementing the United States-Mexico-Canada Agreement (USMCA), in force as of July 1, 2020, the enactment of a new General Import and Export Taxes Act (GIETA) and amendments to the Customs Act (CA) was published in the Official Federal Gazette.

The purpose of the new GIETA is to include the Commercial Identification Number of the merchandise as a complement of the tariff classifications, and to update the tariff of the general import and export taxes to be consistent with the reality of current commercial exchange and the agreements adopted in the World Customs Organization. The primary purpose of the amendments to the CA is to incorporate the operation of the Commercial Identification Number and the obligations of the international trade participants in this respect, including the possible adverse legal consequences and sanctions.

Bill reforming the Federal Labor Law regarding Telework

July 21, the Commission of Labor and Social Welfare, and of Legislative Studies of the Chamber of Deputies approved the bill reforming and adding various provisions to the Federal Labor Law regarding Telework, which has become relevant due to the health emergency we are experiencing and was not included in the labor reform of May 1, 2019.

The bill is still being processed and its approval is pending; therefore, it will be important that companies have “Home Office” policies or guidelines that establish clear rules and parameters for carrying out the activities.

Bill reforming the Social Security Law with respect to the Pension System

On July 22, the President of Mexico announced the presentation of a bill reforming the Social Security Law, in order to strengthen the Pension System through an increase in the amount of the pensions and an increase in the percentage of workers that will have access to a guaranteed pension. This bill is still not in the legislative process, and therefore it could suffer changes before being passed. *(Last updated: June 2nd)*





3.6. Brazil

Updates up to March 25th

With a size of 8,5m square kilometers and a population of more than 200 million inhabitants, Coronavirus poses Brazil many huge challenges. With a population largely centered on the coast, the government of Jair Bolsonaro has already announced a State of Emergency as well as revising their growth forecasts for this year. With this in mind, Brazil has announced a range of new measures.

Federal Taxes

The federal government announced two measures to reduce the economic effects related to the coronavirus pandemic on micro and small companies.

The first of these deals with the postponement of the Union's part in the payment of the Simples Nacional tax for a period of three months. The measure will benefit approximately 4.9 million companies, which are opting for the tax regime, and the payment of taxes will be postponed to the second half of this year.

The second measure will be the release of R \$ 5 billion by the Income Generation Program (Proger), maintained with resources from the Workers' Support Fund (FAT). The amount will be passed on to public banks so that they grant loans aimed at working capital of micro and small companies.

Labor Law

Coronavirus: government announces measures to protect jobs and distribute income the federal government announced on Wednesday, March 18, a series of measures to protect employment and low-income people in the country. Among the proposals are the creation of an emergency aid of R \$ 200 and the temporary simplification of labor rules. They will be sent to the National Congress for consideration by deputies and senators.

Temporary changes include:

- **Home office** - allow the company to determine the transfer to the remote system directly with the employee with a notification period of 48 hours. Infrastructure issues must be in the individual employment contract.
- **Anticipation of vacation** - the procedure is simplified so that it is agreed with the employee, also with 48-hour notification. It also opens up the possibility for a prorated vacation time for employees who have not yet reached the 12-month acquisitive period. Additionally, companies can anticipate the period of collective vacation by notifying the worker with a minimum of 48 hours, without the need to notify the unions and the Ministry of Economy.



- **Hour bank** - making the use of the hour bank more dynamic to allow the employee to stay at home right now. Days not worked as an hour bank will be used in favor of the company in the future.
- **Reduction of working hours and salaries** - the possibility opens up for there to be a proportional reduction of salaries and working hours in the limit of 50% through individual agreement, with the guarantee of minimum remuneration of a minimum salary and the irreducibility of the hourly salary.
- **Anticipation of holidays** - non-religious holidays can be anticipated without financial loss so that the employee stays at home at this moment.
- **In addition, mandatory occupational medical examinations**, with the exception of admissions, will be suspended to avoid overburdening public and private health systems. The mandatory periodic training is also suspended.

Updates from March 25th to March 31st

Furthermore, The IRS expanded the list of products that will have their import dispatch carried out in a priority manner to help fight the pandemic caused by the new coronavirus, Covid-19. Normative Instruction RFB nº 1,929, published on March 27th in the Federal Official Gazette, provides for priority dispatch for products such as chloroquine and its derivatives, test kits for Covid-19 and automatic DNA sequencers, among others.

Updates from March 31st to April 8th

Government announces measures to protect jobs and distribute income. On March 31, 2020, the federal government announced **Provisional Measure 932/2020**. **Those are some of the main changes.**

Exceptionally, for the period from April 1, 2020 to June 30, 2020, the rates of contributions to autonomous social services are reduced to the following percentages:

- SESCOP: 1,25%
- SESI, SESC and SEST: 0,75%
- SENAC, SENAI and SENAT: 0,5%
- SENAR: 1,25%

In summary, for companies that paid the percentage of INSS 5.8 % to other entities, they will start to pay the percentage of 4.55% during this period.

Individual or collective agreement. All employees will be able to make collective agreements with the companies for the measures of workload reduction or suspension of contracts. Employees who receive up to R\$ 3,135 monthly or above R\$ 12,202.12 with university graduate may make individual agreements.

Employees who do not fit the requirements, can only have the **salary reduction** or **contractual suspension** through the Union Agreement (except for the 25 % reduction that can have an



individual agreement even if not have the requirements). All individual agreements will need to be communicated to the unions within 10 calendar days of signing the agreement.

Reduction of hours and salaries. You can reduce salaries / work hours up to 90 days, preserving the hourly salary, and the agreement must be sent to the employee at least 2 days in advance. That is, the employee must agree to the reduction.

In the individual agreements, percentages will be fixed: 25 %, 50 % or 70 %, with equal compensation from the government on unemployment insurance to which the worker would be entitled. In the collective agreements, the reduction percentage is flexible, but compensation is fixed, according to the ranges below:

- Up to 25%: without compensation from the federal government.
- From 25% to 49.99%: compensation of 25% of the unemployment insurance share to which the worker would be entitled.
- From 50% to 69.99%: compensation of 50% of the unemployment insurance share to which the worker would be entitled.
- 70% or above: compensation of 70% of the unemployment insurance share to which the worker would be entitled.

The employer will have a period of 2 calendar days, counted from the date of the end of the calamity, the date established in the agreement of the end of the reduction or the date of communication of the employer informing the anticipation of the end of the reduction.

Suspension of labor contract. Maximum validity of 60 days, which can be divided into 2 periods of 30 days. The agreement must be sent to the employee at least 2 days in advance. That is, the employee must agree to the suspension. By Union agreement, it can be extended to all employees. The contract is temporarily interrupted, and the employee cannot work either partially or telecommuting. During the suspension period all benefits granted to the employee must be maintained (Medical Assistance, Meal Voucher, etc.)

Simples Nacional companies (with annual gross revenue of up to R\$ 4.8 million): compensation paid per company is optional. The government, on the other hand, covers 100% of the unemployment insurance to which the worker would be entitled.

Companies with annual gross revenue above R\$ 4.8 million: compensation paid by the company is mandatory, in an amount equivalent to 30% of the salary. The government, on the other hand, covers 70% of the unemployment insurance to which the employee would be entitled.

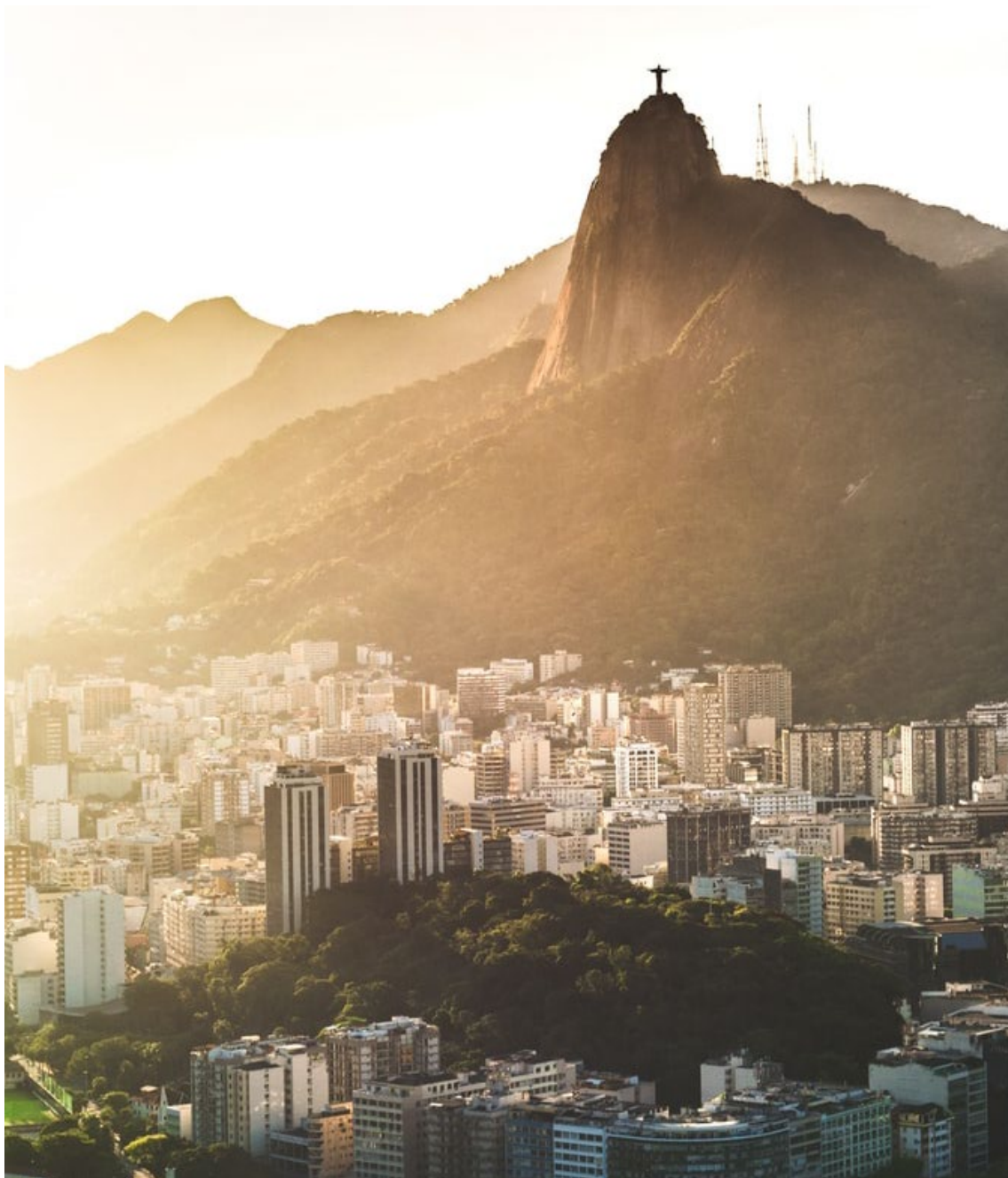
The employer will have a period of 2 calendar days, counted from the date of the end of the calamity, the date established in the agreement of the end of the suspension or the date of communication of the employer informing the anticipation of the end of the suspension.

Temporary stability. Employees who sign agreements to reduce work hours and salaries or labor contract suspension will have temporary stability, that is, they cannot be dismissed for the same duration of the extraordinary measure.



And, amongst other rules, the employee cannot work, even in "home office", in case of temporary suspension of the labor contract. The compensation paid by the company as an incentive to adhere to the agreements will not have a salary nature and will be exempt from IRPF and social security contribution. They will also be deducted from the tax calculation base paid by companies and the FGTS.

The union agreements entered into before the Emergency Program may be renegotiated within 10 days after publication of the Provisional Measure to adjust its terms. If even with the measures the employee is dismissed after the crisis, nothing changes in the amount of unemployment insurance to which he will be entitled.





Updates from April 8th to April 16th

Deadline payment taxes extension. Among the measures to deal with the coronavirus pandemic, the Federal government extended the deadlines for the payment of some Federal taxes. Ordinance 139/20 was published in the DOU on Friday, April 3, 2020.

The following taxes and contributions were extended: Social Security Contributions (INSS), contribution to PIS / Pasep, Cofins and contribution due by the domestic employer referring to the months of March and April 2020, for the collection days of the months of July and September 2020.

The measure was being claimed by class entities and companies from the most varied sectors, as a way of reducing the effects of social isolation due to the coronavirus pandemic and allowing companies a relief in the cash flow, but we emphasize that the other taxes were not extended.

Updates from April 16th to July 2nd

The Office of the Attorney General of the National Treasury (PGFN) regulated, through Ordinance No. 14,402 of 16 June 2020, the Exceptional Transaction in the collection of the Union's active debt, due to the effects of the Coronavirus pandemic on the capacity to generate results for the legal entity and on the commitment of people's income.

Membership is subject to the submission of information related to the economic and financial impacts suffered by the taxpayer due to the pandemic and verification of the ability to pay.

The new modality will be available for membership, on the REGULARIZE portal, from July 1 to December 29, 2020. Benefits, such as reduced admission, discounts and differentiated terms, will be granted according to the taxpayer's ability to pay, for debts up to R\$150 million.

The Exceptional Transaction does not cover debts with the Severance Pay Fund (FGTS), Simple National and criminal fines; and, for debts exceeding R\$ 150 million, the taxpayer must resort to the Individual Transaction Agreement to negotiate.

The Exceptional Transaction is intended for debts considered by the PGFN as difficult to recover or unrecoverable. For this verification, the taxpayer's ability to pay will be assessed, taking into account the economic and financial impacts caused by the pandemic.

For this purpose, in the case of a legal entity, an impact on the capacity to generate results is considered a reduction, in any percentage, of the sum of the gross monthly income for 2020, starting in March and ending in the immediately preceding month per month of membership - in relation to the sum of the gross monthly income for the same period of 2019, calculated in the form of Art. 12 of Decree Law No. 1598 / 1977.

Therefore, the taxpayer interested in the Exceptional Transaction must provide information, before the PGFN, showing these financial impacts suffered. This information will be compared with the other economic tax information available in the PGFN database, in order to assess the



ability to pay. Based on the estimated ability to pay, the PGFN will provide proposals for membership by the taxpayer.

This type of transaction allows the entry, which refers to 4% of the total value of the selected records, to be paid in up to 12 months, with the payment of the remaining balance divided into up to 72 months for legal entities, with the possibility of discounts of up to 100% in the amounts of fines, interest and charges, respecting the limit of up to 50% of the total amount of the debt - divided into up to 133 months for individuals, individual entrepreneurs, micro enterprises, small businesses, educational institutions, Santas Casas de Misericórdia, cooperative societies and other civil society organizations covered by the Law no. 13,019 / 2014, with the possibility of discounts of up to 100% in the amounts of fines, interest and charges, respecting the limit of up to 70% of the total amount of the debt.

It should be noted that, for the transaction of social security debts, the number of fees is maintained at a maximum of 60 times, due to constitutional limitations.

The accession procedure has three stages, all of which are carried out through REGULARIZE, under the option Debt Negotiation> Access to SISPAR. It is recalled that the modality will be available for members only from July 1st.

Updates from July 2nd to August 6th

Government allows rehiring of employee dismissed without cause within 90 days.

The federal government published Ordinance 16.665 on July 14th, 2020, which allows the rehiring of employees dismissed in less than 90 days. This practice was considered fraudulent by law, but the purpose of the permit is to facilitate the readmission of workers at a time of high dismissals.

The measure will be valid as long as the state of public calamity lasts due to the coronavirus pandemic.

The rehiring must maintain the same terms of the previous employment contract, as well as salary and benefits, unless there is a provision in a Union agreement to change the contractual terms in these cases.

The ordinance will enter into force on the date of its publication, with retroactive effect to the date of March 20th, 2020.

(Last updated: August 3rd)



3.7. Paraguay

Updates up to March 25th

Although the number of those infected in Paraguay still hasn't breached the 100 barrier, the government has nonetheless reacted rapidly and has implemented measures to beat the virus.

Two new laws have been implemented, 44/20 and 45/20. The first one suspends external audit reports until November 2020. The second extends the expiration of tax completion certificates for 90 days until 30th June 2020. The loan debts of the Hechauka reports for March, April and May 2020 are suspended. These reports are monthly and they show what has been brought and sold in that month.

Resolution 46/20, on the other hand, establishes the exceptional extension for the presentation of affidavits and information and the payment of tax obligations, so that they go to April 1, 2020 for the payment of the current payment facilities and the third and fourth installments of the IRACIS advances that expire between March 23 and 25 and all the terms of processes and administrative procedures carried out by the SET from Monday 23 to Tuesday 31 are suspended.

Updates from March 25th to March 31st

Through the Ley N.6.524/2020, a State of Emergency has been declared in the whole Republic through which the government will put tax, financial and administrative reforms into place.

The Finance Ministry will commence a process of signing up and updating the records of the micro, small and medium-sized business in the Register of the Sub-Secretary of State of Tax (SET) so that these businesses will be able to benefit from the actions established in the State of Emergency law.

The date for completion for the presentation of tax declarations corresponding with the financial year starting 1st January 2020 has been extended, as well as the obligations corresponding with the 2019 period that are still to be completed. During the State of Emergency, the entry of new applications for the repayment of tax credits, as well as the resolution of those pending are also suspended unless the latter are of the accelerated scheme.

The deadline for the convening of the Ordinary Assembly for the Ordinary Companies has been extended for 4-6 months until the end of the 2019 fiscal year to consider points a) and b) which are found in article N.1.709 of the Civil Code. Independent of when the Ordinary Assembly is, the tax payers affected will have until 31st August 2020 to inform and make the corresponding retention of the IDU (article 16).

The payment of invoices for basic services of ANDE, ESSAP and COPACO, corresponding to the months of March, April and May of 2020 will be able to be deferred temporarily depending on various factors such as the type of user. Exceptions will be made in certain cases.



It is envisioned that 20% of the net profits of the Banco Nacional de Fomento (BNF) from the 2019 fiscal year will be diverted to a fund with the aim of helping SMEs.

Working from home is being ordered for the public and private sector and subsidies of 25% of the minimum wage are available for informal workers. Moreover, according to the Resolution 499/2020, employers are obliged to provide their employees with paid holiday leave, both personal and collective.

The lack of notification by the employer to the Ministry of Labor shall not be deemed to be lacking in the absence of a fifteen-day notice by the employer.

The Resolution 500/2020 regulates the procedure that businesses must follow in order to cancel a labor contract with conditions such as the written notification to the workers and the Administrative Authority.

In terms of financial measures, Resolution 4 contains measures to reduce the impact of Coronavirus. Moreover, Decree 3457/2020 has established a set of rules to facilitate the payment of IRP. Decree 3477/2020 establishes another set of rules for a special IVA on 5% on sanitary products.

Until April 30, an exceptional regime of payment facilities is established for the IRP taxpayer to pay or regularize this obligation corresponding to the period 2019 and prior, applying the following rules:

- Minimum payment equivalent to 20% of the debt.
- Annual financing interest rate of 0%.
- Up to five monthly payments.

Updates from March 31st to April 8th

By means of Resolution 526 which extends the deadline for submission of the Labor Forms established in Resolution MTESS 43/2020 until 31 May 2020.

Resolution 539 simplifies the procedure established in Resolution MTESS No. 500 dated 17 March 2020, for the duration of the health emergency. It is established that in the event that the request for contract suspension is requested by a company categorized as Micro, Small or Medium in accordance with the provisions of Articles 4 and 5 of Law 4457112; the following documents will be considered as valid submissions:

- Request for Suspension of Contract Form.
- Company name, RUC, address, telephone, fax and e-mail.
- Identification and accreditation of the subscribing party as legal representative.
- Payroll of affected workers, with the respective data of each one (name and surname, C.I. number, address, telephone).
- Notification of commencement and termination of suspension to workers made by any reliable means.



- The express justification of the grounds invoked in accordance with the provisions of Article 71 of the Labour Code.

Credits to companies and MSMEs are established through the Agricultural Habilitation Credit (CAH), Development Finance Agency (AFD), MSMEs Guarantee Fund and the National Development Bank (BNF).

Banks are required to refrain from notifying the Superintendency of Banks of checks rejected for insufficient funds, up to three checks, until July.

With regard to workers, the following measures have been implemented:

- Teleworking.
- Paid vacation incurred and advanced.
- Advance salary and proportional bonus.
- Collective suspension of work with hour bank for the employer.
- Payment of salary in kind up to 30%.
- Suspension of work contracts with differential treatment for small companies.
- Occupational Safety and Health measures.

Furthermore, these other updates have entered into force.

- Subsidies to formal salaried workers who have been dismissed and suspended, through IPS records, following a resolution by the Ministry of Labour granting the suspension of the employment contract, with priority to Micro, Small and Medium Enterprises (MSMEs) affected;
- Subsidies to independent workers or self-employed persons, corresponding to 25 per cent of the minimum wage (G548,209), on two occasions, through registration with the Ministry of Finance and electronic payment;
- Extension of IPS coverage to workers in spite of employers' arrears and refinancing of the employers' contribution within 18 months;
- System of digital attention of denunciations and labor consultations before the Ministry of Work through telephone lines, electronic mail and whatsapp.
- System for the rapid resolution of labor conflicts. Mediation hearings via telephone and digital media.
- Online registration of companies and workers with the Ministry of Labor.
- Employer's permit to move to the worker exempted from the restriction.
- Resolutions regulating vacations, telecommuting, occupational safety and suspension of employment contracts.
- Delivery of 2,500 food kits for laid-off workers.



Updates from April 8th to April 16th

Resolution 023-017/2020 of the Social Security Institute mentions the exoneration of fines for late payment of contributions and fractioning of statements. Employers who are members of the electronic information registry system (REI) and who are up to date until February 2020 may finance the payrolls corresponding to the months of March, April and May 2020, in up to 18 monthly installments, with 0 % annual compensatory interest and 0 % late payment surcharge.



The forms and installments of March, April and May will have a 0 % surcharge for late payments. The provisions will be valid until June 30, 2020.

General Resolution No. 51: extends the validity of General Resolution No. 48/2020 and exceptionally extends the deadlines for submission of financial statements and the inventory of agrochemicals.

To exceptionally extend the deadline for the presentation of the Financial Statements of IRACIS and IRAGRO taxpayers who pay the tax under the General System, until July 2020 for the fiscal year ending on December 31, 2019

Such reports shall be submitted in accordance with the Schedule of Expiration of Informative Affidavits. The deadlines for the presentation of Financial Statements of those IRACIS and IRAGRO taxpayers, with a closing date in the months of April and June 2020, shall remain unchanged.

Exceptionally, the presentation of the inventory of agrochemicals in stock as of December 31, 2019 provided for in Article 3 of General Resolution No. 24/2019 "Whereby additional requirements are established in the sales vouchers for the disposal of agrochemicals" shall be made in the month of July 2020. The referred inventory must be submitted according to the Schedule of Expiration of Informative Affidavits.

Updates from April 16th to April 23rd

The President of the Republic of Paraguay has established Presidential Decree No. 3537/20 extending the total quarantine in the country from 20 to 26 April. This measure is intended to prevent the movement of persons during the period of isolation, for the protection of health and in the interest of the community.

Updates from April 23rd to April 30th

The quarantine was extended from April 27 to Sunday May 3 as mentioned in Decree 3564. In addition, the National Government presented the "smart quarantine" which consists of 4 phases and the complete information can be found in the [following link](#).

The deadlines for filing the Legal Entities and Final Beneficiaries forms with the Treasury Law Office were extended for the month of June for companies with RUC 4 to 6 and for the month of July for those with RUC 7 to 9 according to Decree 3572.

Also, the Ministry of Labor issued an act where it mentions the "General Control Guide for Labor in Relation to Preventive Measures to be Applied for COVID-19". With this form, companies will be controlled with the aim of complying with all the health measures established by the Ministry of Public Health and Social Welfare. To this end, the Ministry of Labor created the Network of Occupational Safety Agents where a coordinator and a substitute coordinator from each company will be trained starting on Monday, May 4. These coordinators from each company must be registered through the Ministry's REOP system.



Updates from April 30th to May 7th

General Resolution No. 52/20 was issued, regulating the legal provisions regarding tax refunds, repetition of undue or excess payments, offsetting of debts and liquid and enforceable credits, transfer of credits to third parties and establishing their procedures.

The SET's in-person procedures will be carried out only and exclusively through previously scheduled appointments.

Suspended administrative deadlines related to processes of Determination, Application of Sanctions, Administrative Summaries referring to the return of tax credits and Appeals for Reconsideration will be resumed as of May 6.

The periods of expiration or prescription of the tax credits in favor of the taxpayer are suspended from March 27 to December 31, 2020.

Updates from May 7th to June 4th

The Executive has issued Decree No. 3605/2020, which establishes exceptional measures so that, during this exceptional period of the pandemic, societies can hold assemblies and other meetings remotely, through telematic means. These provisions will be in force until 31 December 2020.

Updates from June 4th to July 2nd

Decree 3740/20, which establishes an exceptional regime of facilities for the payment of the tax on income from commercial, industrial or service activities (IRACIS) and the tax on income from agricultural activities (IRAGRO); and extends the regularization period for the compliance with formal tax obligations.

The period provided for in Article 3 of Decree No. 3457/2020 is extended until 31 October 2020. Until such date, the penalty for failure to comply with formal duties set forth in Article 176 of Law No. 125/1991 as a contravention, including those set forth in General Resolution No. 13/2019, shall not be applicable to those taxpayers who comply with their tax obligations late.

It also provides that, exceptionally, as from November 1, 2020 until December 31, 2020, failure to comply with formal tax obligations shall be sanctioned with a fine of fifty thousand guaranies (0 50,000.) for each infraction, the application of the sanctions provided for in the Annex to General Resolution No. 13/2019 being suspended.

Updates from July 2nd to August 6th

Currently Paraguay is in phase 4 of the Intelligent Quarantine, except for the capital Asunción and the departments of Central and Alto Paraná, according to [Decree 3835/20](#).

(Last update: July 27th)



3.8. Argentina

Updates up to March 25th



The Ministry of Economy and Productive Development announced a series of economic measures in response to the state of health emergency due to the Coronavirus.

Employers

- Temporary exemption from employers' contributions for the most impacted sectors (public entertainment, culinary and passenger transport companies).
- Extension of the production recovery program with a subsidy for the payment of salaries
- Financing of working capital at a preferential rate of 26% per year.
- Plan now 12 and Credits for SMEs aimed at promoting teleworking.
- Creation of a "Digital Program for SMEs".

Social Benefits

- Reinforcement of unemployment insurance.
- Extraordinary payment of the Universal Child Allowance.
- Special bonus for retirees who receive the minimum credit.

Foreign trade measures



- Authorization to export medical products related to coronavirus.
- Accelerated refund for exporters.

Updates from March 25th to March 31st

Ministry of Productive Development:

- **Maximum prices.** Maximum prices will be established for 30 days for food products, personal hygiene products, medicines and medical implements (dates from March 6)
- **Refunds to Exports.** Acceleration in payment.
- **Now 12.** The program is renewed for a period of 6 months.
- **Soft credits.** New lines of financing for working capital and liquidity (\$ 350,000 M):
 - \$ 320,000 M for the launch of a line for working capital to companies at preferential rates (26%) for a period of 180 days.
 - \$ 25,000 M in loans from Banco Nación at differential rate for food, personal hygiene and cleaning producers and producers of medical supplies.
 - \$ 8,000 M in financing for the production of technological equipment
 - \$ 2,800 M for financing infrastructure in industrial parks

Ministry of Economy

- **Employer contributions.** The sectors affected by the crisis are exempt from payment (leisure activities, transportation, hotels, restaurants, tourism, cinemas and theaters).
- **REPRO.** The Productive Recovery Program will be expanded for affected companies (help to pay wages)
- **Unemployment insurance.** Unemployment insurance will be reinforced across the board.
- **Social containment sectors.** Strengthening the provision of food in dining rooms.
- **Public work.** \$ 100,000 is allocated for capital spending for infrastructure works.
- **ProCreAr.** Relaunch of the program for the purchase or renovation of the home (300,000 new credits)

Updates from March 31st to April 8th

Through **Decree 332/20**, the **Emergency Assistance Program to Work and Production** is established for employers and workers affected by the health emergency. Among the main measures, it includes the following benefits

- Postponement or reduction of up to 95 % of the payment of employer contributions to the Argentine Integrated Social Security System.
- **Compensatory Wage Allowance:** Allowance paid by the State for all workers in dependent relationships in the private sector, covered by the collective bargaining regime under the terms of Law No. 14,250 (ordered text 2004) and its amendments, for companies with up to 100 employees.



- REPRO Assistance for the Health Emergency: Non-contributory amount with respect to the Argentine Integrated Social Security System paid by the State for workers in a relationship of dependence on the private sector, included and covered by the collective bargaining regime under the terms of Law No. 14,250 (ordered text 2004) and its amendments in employers that exceed 10 employees.
- Unemployment benefit system: workers who meet the requirements set forth in Laws Nos. 24,013 and 25,371 shall be entitled to economic benefits for unemployment in accordance with the considerations set forth in Article 11 of this Decree.

Criteria

- Economic activity was critically affected in the geographical area
- Relevant number of workers infected by Covid-19, in obligatory isolation or with dispensation.
- Substantial reduction in sales after 20/3/2020.

More information [here](#).

Updates from April 8th to April 16th

Extension of the quarantine until 27/04/2020 (to be confirmed by DNU) and flexibility of activities that do not adhere to the compulsory quarantine, with the new list of sectors exempted from quarantine:

1. Sale of building supplies.
2. Activities related to the production, distribution and marketing of forestry and mining.
3. Tanneries, sawmills and wood product factories, mattress factories and road and agricultural machinery factories.
4. Activities linked to foreign trade: exports of already processed products and imports essential to the functioning of the economy.
5. Exploration, prospecting, production, transformation and commercialisation of nuclear fuel.
6. Essential maintenance and fumigation services.
7. Mutual and cooperative credit societies, by means of minimum watchfulness, for the sole purpose of guaranteeing the operation of the credit and/or payment system.
8. Registration, identification and documentation of persons.

Postponement of tax due dates. AFIP will postpone for two months the payment of April employer's contributions. This was confirmed by the agency through an official statement in which it reported that the measure will reach 56% of the country's companies. AFIP explained that the benefit is available to those firms included in the list of activities within the Emergency Assistance Program for Work and Production (ATP), which had already been extended to companies that perform activities and services declared essential in the midst of the coronavirus pandemic.



They also detailed that the only requirement for access is to be registered in the AFIP's website. Companies may register in the ATP through the web service enabled by the organization between April 9 and 15.

Updates from April 16th to April 23rd

The Government authorized eleven industries to go back into business throughout the country, (subject to certain conditions):

1. Businesses that carry out service and tax collection activities.
2. Revenue offices in the provinces, the city of Buenos Aires and the municipalities, with minimum shift and guard systems.
3. National and provincial registry activity, with a system of shifts and minimum guards.
4. Sale of ready-made goods from retail stores, through e-commerce platforms, telephone sales and other mechanisms that do not require personal contact with customers and only through home delivery modality with the proper sanitary guards, protocols and logistics planning. Under no circumstances may the aforementioned businesses open their doors to the public.
5. Scheduled medical and dental care, of a preventive nature, and monitoring of chronic diseases, with a preliminary appointments system.
6. Clinical analysis laboratories and image diagnosis centres, with a preliminary appointment system.
7. Opticians, with a previous shift system.
8. Insurance company claims adjusters and valuers to enable the settlement and payment of claims reported to beneficiaries. Under no circumstances may the public be served and all procedures must be carried out virtually, including the corresponding payments.
9. Institutions for the care of victims of gender violence.
10. Production for export, with prior authorization from the Ministry of Production Development.
11. Specific industrial processes, with prior authorization from the Ministry of Production Development.

Article 3 further emphasizes that "each provincial jurisdiction shall issue the regulations necessary for the development of the exempted activities and services, and may limit their scope to certain geographical areas or municipalities or establish specific requirements for their development, taking into account the local epidemiological situation and the characteristics of the place, in order to minimize the risk of spreading the virus".

In addition, in the city of Buenos Aires, the use of masks was established as a mandatory requirement for circulation.

Updates from April 23rd to May 7th



The quarantine was extended on a mandatory basis except for the activities listed exhaustively until 10 May 2020.

Advance payment 3 of the gross income tax (due in May) is considered to have been paid on time, as long as the corresponding amount is paid up to and including 15 July 2020.

In addition, the obligation to close bank accounts due to the refusal of cheques for lack of funds continues until 30 June 2020 inclusive.

The AFIP regulated the procedure for single taxpayers and self-employed workers to access the "Zero Rate Credit". For such purpose, a web service called "Crédito Tasa Cero" (Zero Rate Credit) was created, to which taxpayers with a tax code must enter between May 4 and May 29, 2020. The system will indicate the minimum and maximum amounts of the credit available, and the taxpayer must pay the amount requested, within the range stipulated by the AFIP. In addition, if the taxpayer has a bank credit card number, the amount of the credit will be credited to that card. If the taxpayer does not have a credit card, the bank selected for this procedure must be informed.

AFIP shall make available to the Central Bank of the Republic of Argentina the information corresponding to the credit that may be granted, in accordance with the taxpayer's request and the total amounts corresponding to the three (3) fiscal periods with expiration after the granting of the credit, for integrated tax and social security contributions, in the case of single-tax payers, or for social security contributions, in the case of self-employed workers.

The Bank will make the corresponding disbursements and pay the aforementioned obligations on behalf of the taxpayer through the VEP. We point out that these provisions are applicable as from April 30, but consultations on AFIP's web service must be made as from May 4.

Updates from May 7th to May 21st

Federación Argentina de Consejos Profesionales de Ciencias Económicas presents the Guide on the application of accounting and auditing standards for the purposes of COVID-19. This text is intended to be a practical tool for professionals in Economic Sciences involved in the preparation or audit of accounting statements, which is useful to resolve issues arising from the current context marked by the COVID-19. This Guide does not create new accounting or auditing standards, but rather presents guidance on how to apply existing standards when preparing and auditing financial statements in the current context.

The ATP programme of aid to companies was extended for the month of May on the same terms as those discussed for April, with the exception that, in order to qualify, AFIP compares the sales figures for April 2020 with those for April 2019, the former not being more than 5 % higher than the latter.

Updates from May 21st to June 4th



Quarantine extended until June 7th. The activities that are allowed to operate are :

- Apparel manufacturing
- Shoe manufacturing
- Furniture and wood manufacturing
- Electronics manufacturing
- Manufacture of plastics and by-products
- Manufacture of metallurgical products
- Graphics editions and prints

The deadline of the income and personal property tax returns of individuals was postponed to July. The operation in the MULC (single free market) was limited to companies with foreign currency accounts abroad. having to cancel payments abroad (loans and imports) from abroad and not from their local accounts.

Extension to 30 June of zero-rate loans for the self-employed and sole traders, as well as the IFE (emergency family income) subsidy.

Updates from June 4th to August 6th

The Senate approved the project that regulates the labour conditions for those who work from their homes, under the Law 27555. The Legal Regime of Teleworking, approved with 40 votes in favor and 30 against after an intense debate in the Upper House, establishes the right to digital disconnection, same rights and obligations with those who work in the face-to-face modality, training and union representation, among other things. Among some of the main novelties, we can mention

- Persons working under this modality, under the terms of article 102 bis of the Employment Contract Regime approved by Law 20744 (t.o. 1976) and its amendments, will enjoy the same rights and obligations as those working under the face-to-face modality.
- The working day must be previously agreed upon in writing
- The person who works under the telework modality will have the right not to be contacted and to disconnect from digital devices and/or information and communication technologies, outside his working hours and during the periods of leave.
- The persons who work under this modality and who can prove that they are responsible, solely or jointly, for the care of persons under thirteen (13) years of age, persons with disabilities or older adults who live with the working person and who require specific assistance, shall have the right to schedules compatible with the care tasks they are responsible for and/or to interrupt the working day.
- The transfer of those who work in a face-to-face position to the telework modality, except in cases of duly accredited force majeure, must be voluntary and provided in writing.
- The employer must provide the equipment -hardware and software-, the work tools and the support necessary for the performance of the tasks, and assume the costs of



installation, maintenance and repair of the same, or compensation for the use of the person's own tools.

- The person who works under the telework modality will have the right to compensation for the higher expenses in connectivity and/or consumption of services that he/she has to face.
- The employer must guarantee the correct training of its employees in new technologies.
- In the case of transnational telework benefits, the law of the place of performance of the tasks or the law of the employer's domicile, whichever is more favourable to the person working, shall apply to the respective employment contract.



(Last updated: August 4th)



3.9. Guatemala

Updates up to March 25th

Guatemala currently finds itself under quarantine until 31st March and has declared a State of Emergency in the whole country. As a consequence of this, all types of commercial and labor activity have been stopped with the exception of the health sector and sectors of basic necessity. The country has decreed a curfew from 4 p.m. to 4 a.m. until April 12, a halt to public transportation and the closure of companies that are not of vital importance such as shopping centers, offices, shops where many people stay, restaurants may only serve take-out or home delivery.

Due to this, every business that is not exempt from these rules will be working from home. In the case of those who are not able, their workers will enjoy paid leave until the quarantine has been lifted. All businesses must continue to comply with their labor payments and employer fees to the Government if the proposed laws are not approved.

Congress has still not authorized any fiscal changes and so the expiration of any tax declaration must be presented by the currently stipulated dates. Although it is important to mention that the President has asked for a series of laws (pending to be approved by Congress) which include the following:

- Payments to SAT for March can be changed to April without fines up to the day after of the declaration of State of Emergency. Additionally, it is possible for an agreement to be signed to make March, April and May's payments in a series of 10 installments. This doesn't apply to large contributors.
- A tax and duty exemption for donations to the church, NGO's and charity organizations during March, April and May.
- Banking: mandatory waiver of delays, interest rates and credit cards reduction during the months of March, April and May. Access to low-rate credit for SMEs. Interest rate drop on mortgages or cards during March and April.
- Job Security: because of age, health or vulnerability. Employees will be protected without losing job benefits. During the period of State of Emergency, they cannot be fired.
- The Ministries of Work and of Agriculture will deliver redeemable payments in basic products to families without a stable income or who are above 65 years of age without income. For this, they have put aside 1bn Quetzales.
- Fiscal amnesty and tax exemption that does not come from a crime. 80% of the tax if paid in 30 days, 65% if paid in 60 days or 50% if the payment is in 90 days. The President is urged to waive fines and other charges. It excludes those that are already in discussion.
- Sick leave of a minimum of 15 days (until the State of Emergency is lifted) to people older than 60 years of age, diagnosed with diabetes, cancer, auto-immune disease,



hyper tension, cardiovascular or respiratory illnesses, dialysis, liver disease, neuropathies or any other pathologies or mental illnesses.

Updates from March 25th to March 31st

The Superintendence of Tax Administration has declared as non-working days March 24, 25, 26, 27, 30, 31 and April 1, 2, 3, 6, 7, 8, 13, and 14 inclusive as indicated in the tax code in Article 8, with this the due dates of the taxes that were scheduled for March 31 are postponed to April 15 and all the declarations that are counted with days. The SAT virtual platform has been made available to taxpayers for procedures, updates and other matters.

In addition, the Guatemalan Social Security Institute has considered being able to assist employers by deferring employer contributions as follows:

- That the payments of the contributions are normally made with the stipulated due dates.
- Defer payments for the months of March, April and May to the quotas of July, August and September, that is to say, that a double payment is made in those months.
- Defer payments for the months of March, April and May in installments for 18 months.

The executive has left open the possibility for employers and employees to reach agreements such as temporarily suspending work contracts, negotiating vacation days or recovering time in some way in order to leave as little affected as possible by the parties.

Updates from March 31st to May 7th

Presidential Provisions in Case of Public Calamity and Orders for Strict Compliance.

- The presidential provisions of March 28, 2020, and those of April 3, 2020, are repealed; the last day of applicability was Sunday, April 12, 2020.
- All inhabitants, individuals or legal entities, private or public, must implement occupational health and private health measures, protocols and recommendations to prevent the spread of COVID-19. The use of masks with necessary levels of protection is mandatory, in any place or public or private space and any type of transportation. Employers in any sector are required to provide the necessary and adequate health and protection equipment for the performance of their activities.
- Attendance at work and activities at State entities, including the Judicial Branch, as well as in the private sector are suspended until Sunday, April 19, 2020. Exceptions apply, such as health or medical services, water supply services, public safety, transportation of media of exchange, air navigation, telecommunications, food industry and agricultural production, among others.
- All shopping centers, related or similar, are closed 24 hours a day. Exceptions apply from 4:00 a.m. to 4:00 p.m. for supermarkets, banks, restaurants providing pass-through window services, etc.



- Public events of any kind, sports, cultural and social activities, as well as urban and extra-urban collective public transport, and prison visits are prohibited. The hoarding of basic necessities, medicines, fuel, and any goods that are necessary or related to combatting COVID-19 is prohibited.
- The closure of national territory borders to entry by air, land or sea is ordered, except for the entrance of Guatemalans, permanent residents, and diplomatic corps members, all of whom must submit to the mandatory quarantine. An exception applies to the entry into the country of cargo transportation for imports and exports.
- The curfew from 2:00 p.m. to 4:00 a.m. remains in effect. The mobility, circulation and transit of inhabitants subject only to their own or current address is limited. Exceptions apply. Likewise, freedom of movement is restricted to people over 60, pregnant women, and sick people, among others.
- Visits for personal, family or social recreation are prohibited in all sectors of the national territory; exceptions apply.





Government Decree 8-20 (April 29, 2020)

- The State of Public Calamity declared in Government Decree 5-2020, ratified by Decree 9-2020 of the Congress of the Republic, is extended for 30 days.
- The purchase or contracting of imported goods related to the State of Calamity decreed for COVID 19 is authorized under the Government Procurement Law.
- The National Statistics Institute will immediately form a commission to verify that the prices of goods and supplies to be imported are below the local market price or that they are convenient for the State's interests.
- The extension of the State of Calamity is decreed because the spread of COVID-19 persists and increases exponentially, putting the lives of the inhabitants at risk.

Ministerial Press release dated April 16, 2020. The Ministry of Labor informs that the suspension of employment contracts for pregnant workers will not be authorized. Only suspensions of employment contracts processed and authorized under MINTRAB Ministerial Agreement No.140-2020 will be taken into account to grant the employment protection bonus of Q. 75.00 per day.

Governmental Agreement 57-2020 (April 16, 2020). The authorities have agreed upon the regulation of the “Family Bond” fund to develop and facilitate its application according to Decree 13-2020 of the Congress of the Republic. The conditions and the procedure by which the bond will be paid to the neediest families are established.

Government Agreement 58-2020 (April 16, 2020). The regulation for granting an employment protection fund is created, establishing the conditions and requirements to access the economic benefit that the State will grant to workers in the private sector, whose contracts have been subject to suspension, duly authorized by the Ministry of Labor, as a consequence of the pandemic caused by COVID 19.

Decree 59-2020 (April 16, 2020). The regulation that contains the provisions and procedures for the issuance, negotiation, placement and payment of Treasury Bonds ordered in Decree 13-2020 is created.

Updates from May 7th to May 21st

Resolution JM-63-2020 (May 15, 2020). The special temporary measures issued in resolution JM-32-2020 are extended until December 31, 2020.

- Subparagraphs a) and c) of numeral 1 of resolution JM-32-2020 are amended to provide that, where any credit assets that as of February 29, 2020, are not more than one month past due, supervised institutions may review their interest rate and other terms and conditions. The corresponding modifications may be made at the simple request of the debtors or by the direct initiative of the institutions themselves and will not generate additional costs to the debtor.



- Subparagraph d) of numeral 1 of resolution JM-37-2020 is modified to subject the temporary measures issued in this resolution to the special temporary measures issued in resolution JM-32-2020 and its modifications.

Updates from May 21st to June 4th

Presidential provisions in case of public calamity and orders for strict compliance

- The provisions apply from Monday, May 18 to Friday, May 22, 2020. On Saturday, May 23 and Sunday, May 24, 2020, pedestrian and vehicular mobility is prohibited, and convenience stores, supermarkets, and authorized shops remain closed.
- The home delivery service by restaurants and supermarkets have no time restriction.
- Commercial banks may open from Monday to Friday from 5:00 a.m. at 5:00 p.m.
- Pedestrian and vehicular mobility is restricted from 5:00 a.m. to 5:00 p.m.
- Markets and supermarkets may open from 6:00 a.m. at 4:00 p.m.
- Free mobility is available for people with chronic diseases who attend treatments, pharmacies, the media, transportation of essential foods, and garbage collectors, among others.

Presidential provisions in case of public calamity and orders for strict compliance:

- The provisions apply from Monday, May 25 to Friday, May 29, 2020. On Saturday, May 30 and Sunday, May 31, 2020, pedestrian and vehicular mobility is prohibited, and convenience stores, supermarkets, and authorized shops will remain closed.
- Home delivery by restaurants and supermarkets have no time restriction.
- The banks may open from Monday to Friday from 5:00 a.m. to 5:00 p.m.
- Pedestrian and vehicular mobility is restricted to the hours of 5:00 a.m. to 5:00 p.m.
- Convenience stores and supermarkets may open from 6:00 a.m. to 4:00 p.m.
- Free mobility is permitted by people with chronic illnesses to attend treatment, pharmacies, the media, transportation of essential foods, and garbage collectors, among others.

Government Decree 9-2020. The state of public calamity proclaimed in Government Decree 5-2020 dated March 5, 2020, approved by Decree 8-2020 of the Congress of the Republic, amended by Government Decree 6-2020 dated March 21, 2020, extended by Government Decree 7-2020 both ratified by Decree 9-2020 of the Congress of the Republic and extended by Government Decree 8-2020 dated April 20, 2020, approved by Decree 21- 2020 of the Congress of the Republic, is extended for 30 days.

Presidential Provisions in Case of Public Calamity and Orders for Strict Compliance:

- The temporary restrictions established in Presidential Provisions dated May 14, 2020, and amended on May 17 and 24, 2020, remain in force, until further pronouncement, of mandatory compliance. The provisions take effect from June 1 to 8, 2020.



- The transit of persons is limited between 6:00 p.m. and 5:00 a.m. during which inhabitants must remain at home. The restriction includes the transit and circulation of individuals, crew, passengers, vehicles, and all types of private or passenger land transportation. Exceptions apply.

POJ-28/2020 Presidency of the Judicial Branch. The suspension of the work of the Courts and Administrative Units is extended from May 19 to May 28, 2020. Exceptions apply.

Updates from June 4th to July 2nd

Government Decree 5-2020, 6-2020 and 7-2020. "State of Public Calamity" throughout the national territory due to the COVID-19 pandemic. (June 14, 2020)

- Interdepartmental mobility to and from the departments of Guatemala, Sacatepéquez, El Progreso, and San Marcos is totally restricted, except for the transport of food, securities, health, and cargo in general to which the following sequential vehicular permission to circulate will apply:

From June 15 to 21, 2020:

- On Tuesday, Thursday, and Saturday vehicles with plates ending in even numbers may circulate.
- On Wednesday and Friday vehicles with plates ending in odd numbers may circulate.
- Sunday total curfew.

From June 22 to 28, 2020:

- On Monday, Wednesday, and Friday vehicles with plates ending in even numbers may circulate.
- On Tuesday, Thursday, and Saturday vehicles with plates ending in odd numbers may circulate.
- Sunday total curfew.

(Last update: June 30th)



3.10. Panama

Updates up to March 31st

The President, Laurentino Cortizo ordered through the Executive Decree no.500 on the 19th March 2020 the temporary closure of commercial establishments and all businesses in the country for a period of 30 days, starting at midnight on Friday 20th March. The measure that was published on 'La Gaceta Oficial Digital' No.28985 on the 20th March 2020 established exceptions for 11 activities or industries.

1. Chains of production, distribution, commercialization and sales of: food, medicine and hygiene products, security teams, construction materials, agricultural and domestic vets, distributors of medical equipment, printers, laundrettes and producers of packaging.
2. All related to maritime transport, terrestrial, areal and logistic: Panama Canal, airports, naval and air services, ports, Panama metro, MiBus and gas stations.
3. Private security.
4. Lawyers for the defence of those detained between the curfew hours of 9pm and 5am.
5. Restaurants (only for delivery at home and take away)
6. Distribution companies and combustible transportation companies.
7. Banks, co-operatives and insurance companies.
8. Businesses that provide public services: communications and transport, call centres, gas stations, light and electricity, cleaning, distribution of water, hospitals, private clinics, vets, funeral services, cremation services and cemeteries.
9. Construction industry: fabrication and dispatch of concrete and cement.
10. Agricultural industry.
11. Hospital medical equipment, medicine and vaccines.

This Executive Decree, signed by Cortizo and the Health Minister, Rosario Turner, was published in Gaceta Oficial 11 days after the authorities announced the first case of Coronavirus in Panama. 'The cases grew immediately and so it is probably that the virus expanded in the homes and communities of the country. Therefore, the help and collaboration of the population is required and the local authorities as well' said the decree signed by Cortizo and Turner. In relation to the labor measures, there is a pause of 30 days all of whom will be able to work from home or receive wage permits, excluding the aforementioned sectors.

Updates from March 25th to March 31st

Moreover, the Executive Decree 251 of 24th March 2020 establishes the following fiscal measures in light of the current situation. We have highlighted the measures included in the decree below.

Income declarations can be made before 30th May 2020



- The 03 form must be presented and paid before 31st May 2020 if it turns out to be a balance in favor of the tax. This doesn't represent a change.
- The ITBMS formula must be presented within the normal deadline. The same must happen with the buying report.
- The ITBMS balance to pay for March, April and May must be paid before 17th June without fines or interests.
- The unique tax of USD 300.00 must be paid by the normal deadline of 15th July.

It must be pointed out that this decree doesn't regulate terms related with the Municipality of Panama, the Social Security Fund or the presentation on form 930 relating to the Price Transfer Study. If the Municipality of Panama has extended the deadline until the 30th of April to present the annual declarations. The payment of taxes will have to be completed by the regular date until the Municipality says otherwise. In regards to the Social Security Fund, this must also be presented and declared by the regular date.

In relation to labor measures, pauses of 30 days have been established, excluding the aforementioned activities. All have a right to salary or home office.

Updates from March 31st to April 16th

- A period of 120 calendar days from March 20, 2020 is granted for the payment of taxes that are caused or must be paid in that period, without generating interest or fines.
- Income Tax Return: The deadline for filing the DJR for the 2019 tax period is extended for individuals and companies until 30 May 2020.
- Estimated Tax: due to the State of National Emergency, this tax may be determined with a value of no less than 70 % (it must be paid in two parts, the first before September 30 and the second before December 31, 2020).
- Income Tax for Micro, Small and Medium Enterprises: Exemption is extended for one more year.
- Blanket bonds: Blanket bonds may be issued to taxpayers who are in arrears with their current accounts, during the 120 calendar days, as long as the corresponding application is submitted to the Director's office.

(Last updated: April 14th)





3.11. Uruguay

Updates up to March 27th

On the 13th March 2020, a Health Emergency was declared in Uruguay, just a couple of days after the number of cases exceeded 100.

The DGI have stated that the payments that are currently made in person should be made online to avoid contact with other people. They are making guides available so contributors have information on how to make these payments online.

In respect to the expiration of the taxes that were meant to be completed on 23rd and 25th March, they have been changed to the 27/03. On the other hand, for IRAE Title 4 Literal E companies (small taxpayers who do not exceed 305,000 annual indexed units equal to \$29,500 and who have chosen to pay by a unified DGI-BPS monthly fixed contribution) the payment of the February and March tax may be paid in 6 installments exceeding the first of these in May 2020.

Updates from March 27th to April 16th

In tax matters, there is no news of new tax deferrals. Until Monday 27 April, a large number of companies (due to annual closures in December 2020) are expected to pay annual income tax, wealth tax and tax on distribution of fictitious dividends. Last week the President announced at a press conference that they have decided not to tax companies' capital any more.

In labor matters, an exoneration and financing of payment has been established for certain types of taxpayers, exclusively for non-dependent personnel (for example, partners of SRLs and one-person companies whose owners make social security contributions to the Banco de Previsión Social). The exemption is 40 % of the contributions of such non-dependent personnel for the months of March and April and the remaining 60 % is financed in 6 instalments from June 2020.

On the other hand, there are certain mechanisms foreseen for unemployment benefits that offer the possibility for companies to send their workers on leave, partly dependent on the Social Security Bank, when the company does not have work available to give to a worker. For people over 65 years of age in employment, an insurance mechanism was implemented within the scope of the State Insurance Bank, giving them the possibility of not having to go to work of their own free will (as opposed to unemployment benefits, where the former can only be applied for if the company does not have a current job and for a period of time for the worker) and to receive insurance from the State Insurance Bank.

Updates from April 16th to April 23rd

Entry into force of Resolution No. 707/2020, establishing the deferral of the payment of annual income tax (IRAE), capital gains tax (IP) and corporate income tax (ICOSA) based on a table in the text that can be consulted [here](#).



The deadlines for monthly taxes of March 2020 and for companies that closed their tax balance sheets in December 2019 are extended as follows:

- The ECSL companies that had to pay this tax on 22 April have until 27 April.
- Non-EEDC companies that were due to pay on Monday 27 April were extended for 28 April.

The deadline for filing the annual affidavit, which was the same due date as the payment of previous taxes, is also extended and moved to the May 2020 payment schedule.

Updates from April 23rd to April 30th

Taxes were established to be destined to the "Solidarity Fund COVID-19" whose contributors will be:

- Government employees and public entities. The government announced in a press conference before that the salaries of public employees and politicians were going to be reduced in certain percentages depending on the amount of salary received, then that reduction was established by the employee of this tax.
- Seniors and pensioners, through the establishment of an additional IASS (Social Security Assistance Tax)

In the area of economic benefits for workers and senior citizens, the resolutions on subsidies established by the health emergency are maintained, but as a novelty, people are offered facilities to collect them.

In addition, the payment of occasional benefits other than subsidies established in the emergency is also extended.

Updates from April 30th to May 7th

A decree established the rules for exemptions, which can vary between 20% and 40% of IRAE, provided that the investment exceeds US\$ 6.4 million. The benefit scheme for large projects has already been used by the previous government, which announced in 2016 exemptions from taxes and fees on imports of equipment, machinery and materials for civil works and a reduction of between 20% and 30% - the more amount invested the greater the benefit - from the Income Tax on Business Activities (IRAE). The recent decree establishes a new definition for major works that can access exemptions. For new projects, the limit is that they have a value in civil work and personal property destined to areas of common use that exceeds 60 million Indexed Units (UI) - some US\$ 6.4 million.

Labour-wise, the Banco de Previsión Social has determined some payment facilities:

- Employers of Housework can make the payment of monthly obligations by informing only the BPS company number at the premises of Abitab and Red Pagos from 12 May.



- Subsidy for cessation of activities for holders of MIDES Social Monotribution. A monthly subsidy of \$ 6,779 (1.5 BPC) will be provided, which will be granted for the months of April and May. The collection will be effective from May 5 in collection networks throughout the country, presenting your identity card and RUT of the company.
- Loans for cessation of activities for Small Entrepreneurs and holders of Monotributo, with contribution from Industry and Commerce. This loan reaches entrepreneurs with contributions up to December 2019. The National Development Agency (ANDE) will provide a loan of \$12,000 to be granted in two equal installments, in April and May, to entrepreneurs with Industry and Commerce activity registered with BPS until March 13, 2020.

(Last updated: May 5th)





3.12. Costa Rica

Updates up to March 25th

These are some of the principal measures taken by Costa Rica in light of the Coronavirus pandemic.

- **Law of Authorization of the Reduction of the Working Day in light of the Declaration of National Emergency:** the reduction of the working day and salaries has been authorized. The business must have a gross income impact of 20% to request a decrease of 50% and an impact of 60% to request a 75% reduction in the working hours and salary. It applies to private businesses and comes into effect 21st March 2020
- **Law of Tax Alleviation in light of Covid-19.** A law approved by the Legislative Assembly to monitor the payment of IVA, the partial payment of utility taxes, the selective consumer tax and the tax to nationalize merchandise during April, May and June 2020
- **IVA:** The contributors of this tax should present their tax declarations for April, May and June 2020 and they will be able to not pay the IVA payment. If this possibility is accepted, they must tax the respective months covered by the moratorium by 31 December 2020 or make a payment arrangement with the tax administration without incurring interest payments or fines, under the conditions determined by the tax administration in the regulations. As of 1st January 2021, taxpayers who did not pay the respective tax to the months covered by the moratorium and do not have a payment arrangement will be subject to the corresponding interest, fines and penalties
- **Utility taxes:** Contributors are disclaimed from making partial tax utility payments during April, May and June 2020. The Monotorium will not apply for those contributors that, because of a special tax period previously authorized by the Tax Administration, must declare and pay the respective utility taxes in the months covered by the Monotorium.
- **Selective consumer tax:** The contributors of this tax and of whom are at the same time signed up as contributors of the 'Registro Unico Tributario de la Direccion General de Tributacion', must present their tax declarations for March, April and May and they will not have to pay the taxes during these months. If this possibility is accepted, they must enter the tax corresponding to the months covered by the moratorium by 31st December 2020; or make a payment arrangement with the tax administration without incurring interest payments or fines, under the conditions determined by the tax administration in the regulation. As of 1st January 2021, taxpayers who did not pay the respective tax to the months covered by the moratorium and do not have a payment arrangement will be subject to the corresponding interest, fines and penalties.
- **Taxes to nationalize merchandise:** Importers who are both registered as taxpayers in the Single Tax Register of the Directorate-General of Taxation may, during the months of April, May and June 2020, nationalize goods without paying the corresponding tariffs. Agricultural and livestock products classified in Chapter 1 to 24 of the Central American



Tariff System are excluded from this measure and the mechanisms established in national legislation will be maintained in the event of possible becoming of a possible requirement. If this possibility is met, they shall enter the tariffs for the months covered by the moratorium by 31st December 2020; or make a payment arrangement with the tax administration without incurring interest payments or fines, under the conditions determined by the customs administration in the regulation. As of 1 January 2021, taxpayers who did not pay the respective tax for the months covered by the moratorium and do not have a payment arrangement will be subject to interest.

- **Incapacity because of the Coronavirus.** The 'Reglamento de Seguro de Salud de la Caja Costarricense de Seguro Social' has been modified to reflect a new temporary and exceptional incapacity, for those who are suspected to have Covid-19. This will be given when an isolation order has been given and will be given by a member of the corresponding Costa Rican Social Security office.
- The Ministry of Work (MTSS) has published a guide for the implementation of working from home as well as recommendations for those working in positions that do not permit working from home.
- The Costa Rican Office of Social Security (CCSS) also has approved measures to help private businesses in light of the emergency. It includes a series of measures designed to help employers and the self-employed and to keep employees in jobs.

Updates from March 25th to April 8th

- Decreto Ejecutivo N°42271-H. Regulations to Law No. 9,839 of March 19th, 2020 on Tax Relief in the face of Covid-19 (March 29th, 2020) Regulation applying to taxpayers of VAT, selective consumption tax and/or profit tax, as well as those obliged to pay customs duties, who adopt any or all of the tax relief measures established in Law No. 9830. The full text can be consulted [here](#).
- Regulations to Law No. 9839 of March 19th, 2020 on Tax Relief in the face of Covid-19 This text stipulates the processes to be followed to opt for the moratorium of the customs tax obligation in the definitive import of goods for the months of April, May and June 2020. Agricultural and livestock products classified in chapters 1 to 24 of the Central American Tariff System are excluded from this moratorium.
- ICT agrees to a moratorium on the payment of tourism taxes. Moratorium of payment during April, May, June and July to the companies that owe taxes to the Costa Rican Tourism Institute.

In addition, during this period, new regulations have been proposed, pending approval, such as Bill N°21850, for the moratorium on the collection of Value Added Tax from the basic basket to alleviate the economic effects of COVID-19 on the vulnerable population, or Bill N°21522, Amnesty for the formalization and collection of social charges

Updates from April 8th to April 23rd



- Resolution N°MS-DM-2658-2020. Sanitary Provisions for Persons in Charge of Establishments with a Sanitary Operating Permit from April 13 to 30 The temporary closure of all establishments with a Sanitary Operating Permit that provide services to the public is established on Mondays, Tuesdays, Wednesdays, Thursdays and Fridays from 7:00 pm to 5:00 am the following day, and temporary closure is ordered on Saturdays and Sundays. These restrictions will apply from 13 April 2020 until 30 April 2020.
- The guidelines are established for all workers in food packaging plants, in the national territory. [More](#) information.
- Directive N°079-MP-MEIC. 10 working days are granted to institutions to expedite procedures. The Government of the Republic gave a period of ten working days to the institutions that make up the Central Public Administration and the Decentralized Public Administration to adjust their internal procedures, in order to provide a rapid and timely response to the needs of users. Exceptional measures seek to extend until 4 January 2021 the validity of permits, authorisations, concessions, licences that enable physical and legal persons to carry out productive, economic, commercial or any other kind of activities. [More](#) information.



Updates from April 23rd to April 30th



Law No. 9840, Law for the Protection of Working People during the Emergency due to Illness COVID-19. Creates a subsidy for the care of unemployment status, temporary suspension of the employment contract or reduction of working hours, in favor of private-sector workers, informal workers and independent workers who have seen their earnings affected as a consequence of the entry into force of executive decree 42227-MP-S, published in scope 46, of March 16, 2020, and the measures adopted by national authorities during the response and rehabilitation phase of the emergency due to COVID-19.

Guide for the Prevention, Mitigation and Business Continuity in Work Centers during the COVID-19 Pandemic. The Ministry of Health with the support of other government institutions presents a detailed guide on how to develop preventive strategies for companies within the framework of the COVID-19 national emergency and offers a tool to assess the decision of the operational continuity of organizations.

General guidelines for the donation of food during the COVID-19 health alert. Mandatory guidelines apply to wholesalers and retailers, food banks, food distribution networks, social welfare organizations and any natural or legal persons who donate food or collect and distribute food donations in the national territory.

General guidelines to reactivate human activities in the midst of COVID-19. Guidelines of mandatory application throughout the national territory aimed at reactivating human activities, as part of the preventive and mitigation actions enacted by the Ministry of Health for attending to the COVID-19 health emergency.

Executive Decree No. 42305-MTSS-MDHIS. Creation of the PROTECT Voucher. The creation of the PROTECT voucher is regulated as an extraordinary and temporary monetary transfer to contribute to the social protection of those households affected by the change in working and income conditions as a consequence of the COVID-19 National Emergency. [More information at this link.](#)

Executive Decree No. 42317-MTSS-S. Activation of health protocols and sanitary measures in the workplace by occupational health commissions and offices or departments before COVID-19. Promotes the collaboration of occupational health commissions and offices or departments in the dissemination and implementation of protocols issued by the Ministry of Health, the Executive Power and other public authorities in health matters, addressing the declaration of a state of national emergency throughout the territory of the Republic of Costa Rica due to COVID-19. [Click here for more information.](#)

Regulation DGT-R-09-2020 Payment Facilities corresponding to Law No. 9830 of March 19, 2020, Tax Relief Law before COVID-19. Regulation and requirements for requests for payment facilities corresponding to the COVID-19 Tax Relief Law (Law No. 9830 of March 19, 2020) which apply to taxpayers of the debts indicated in articles 1 ° and 3 of Law No. 9830 of March 19, 2020, and in Article 2 of its Regulations (Executive Decree No. 42271 of March 27, 2020).



The Central Bank agreed to raise the maximum amount of credit card payments without the need for a signature or ID from ₡ 15,000 to ₡ 30,000. The Board of Directors of the Central Bank of Costa Rica at session JD-5926/06 approved fast payments for those transactions that are carried out with a current payment device and that have EMV technology, eliminating verification of the card holder's identity or signature for transaction amounts less than or equal to thirty thousand colones

Central Bank agreed to suspend until July 31, 2020, the application of the 2% commission on certain currency transactions by institutions in the Non-Banking Public Sector. The Central Bank suspended until the close of business on July 31, 2020, the application of the 2% commission, established in Article 10, number 2, of the minutes of the session 5651-2014, held on June 25, 2014, for those transactions of purchase or sale of currencies not programmed



according to the current regulations, that are required to be carried out by institutions of the Non-Banking Public Sector with the Central Bank of Costa Rica.

Executive Decree No. 42323-MEIC. Extension of the validity of the SME status before COVID-19. The extension of the validity of the condition of a Small Medium-sized Enterprise is established for 9 months from April 27, 2020, for those SMEs whose status expires in April, May, June, July, August, September, October, November or December of the year 2020.

Executive Decree No. 42320-MAG-MEIC-COMEX. Import authorization of quota of rice in pellets due to shortages in the national market. The importation of 50,012 metric tons of rice is authorized, with a rate of 6.5% of Import Duties under the tariff subsection referred to in the Central American Import Tariff on rice, shelled ("paddy") rice and others.

Resolution N ° AJDIP / 0048-2020. Postponement of collection of license fees, concessions and authorizations. The collection of annual fees for commercial fishing licenses, aquaculture authorizations, transport authorizations and marketing of fishery products, except for supermarkets, is postponed provided a request for postponement is made between March 16 to June 16, 2020, which will be granted for 3 months from the expiration of the corresponding annual fee to proceed with the respective payment with the institution.

Resolution No. DJUR-0069-04-2020-JM. The Directorate General of Immigration and Nationality takes new measures. Foreigners who entered Costa Rica between December 17, 2019, and March 17, 2020, may remain in the country legally until July 17, 2020.

Updates from April 30th to May 7th

Decree No. 42328- MOPT- S. Reform to Executive Decree Number 42295-MOPT-S of April 11, 2020, called Daytime Vehicle Restriction before the State of National Emergency in the entire Costa Rican Territory by COVID-19. (April 30, 2020). [Click here for more information.](#) The vehicle restriction issued in Executive Decree number 42295-MOPT-S of April 11, 2020, is amended as follows:

- It is extended until 6:59 p.m. on May 15, 2020, inclusive;
- It includes the exception of vehicles strictly for people who must attend the Vehicle Technical Review appointment;
- It prohibits the circulation of special student, tourism or occasional vehicles, as well as special bus, minibuses and bus services, except as provided in subsection b) of article 5 of Executive Decree Number 42295-MOPT- S dated April 11, 2020, and those cases duly justified and approved by the Public Transport Council.

Decree N 42330- MOPT- S. Reform to Executive Decree Number 42295-MOPT-S of April 11, 2020, Daytime Vehicle Restriction throughout the entire Costa Rican Territory because of COVID-19. (May 4, 2020).

Article 4 of Executive Decree number 42295-MOPT-S of April 11, 2020, is amended as follows:



On Saturdays and Sundays, between 5:00 a.m. and 6:59 p.m, vehicular traffic will not be allowed in the entire national territory according to the final number (last digit) of the vehicle circulation plate or the special AGV circulation permit and it will only be possible to circulate on the corresponding day solely for travel to establishments with a sanitary permit that the Ministry of Health allows open during the weekends on the day mentioned in this article, detailed as follows:

- Saturday: Plates or AGV permits ending in 0, 2, 4, 6 and 8.
- Sunday: Plates or AGV permits ending in 1, 3, 5, 7 and 9.
- Exceptions indicated in article 5 of Executive Decree number 42295-MOPT-S of April 11, 2020, continue to apply.

Law No. 9844, Authorization Law for the Automatic Extension of the Management Period of the Boards of Directors and the Prosecutor Bodies of Associations, Federations and Confederations established under Law 218, Associations Law of August 8, 1939, per COVID-19 Pandemic. (May 4, 2020). The appointment of the essential organs of all the associations, federations and confederations that are duly registered within the Registry of Legal Persons under the protection of Law 218, Law of Associations of August 8, 1939, which have expired as of March 1, 2020, and expire before December 31, 2020, inclusive, unless the sanitary measures defined by the Ministry of Health allow the organization to hold the general assembly or meeting according to the law.

Resolution No. MS-DM-3874-2020. Sanitary measures are issued in order to Regulate the Operation of Commercial Establishments Serving the Public. (April 30, 2020). The temporary closure of all establishments with sanitary operating permits that provide service to the public on Monday through and Friday is established from 7:00 p.m. to 5:00 a.m. of the following day with complete closure temporarily ordered on Saturdays and Sundays. These restrictions will apply from May 1, 2020, to May 15, 2020. Exceptions can be found at this link.

General guidelines for beauty salons, aesthetics and barber shops, due to the coronavirus health alert (COVID-19). (April 30, 2020). Mandatory guidelines are established for service activities in beauty salons, esthetic clinics, barbershops, and similar businesses to create safe spaces for the prevention of COVID-19.

Guidelines for the operation of physical conditioning centers or spaces for physical activity without physical contact. (April 30, 2020). Mandatory guidelines are established to regulate the use of physical fitness centers or spaces for physical conditioning within the framework of disease prevention under the national alert due to COVID 19

Sessions N ° 1570-2020 and 1571-2020 of the Central Bank approved the amendment to article 38, Extensions of the Financial Information Regulation (RIF). (April 28, 2020). Article 38 of the RIF is modified to provide flexibility in presenting information required in such regulation by entities supervised by the National Council for the Supervision of the Financial System.



Resolution No. 1490-2020. Administrative provisions for the suspension by the Public Force of the execution of administrative evictions and those requested by judicial authorities during the national emergency of COVID-19. From April 29, 2020, and until further notice, the execution of administrative evictions processed by the Department of Administrative Evictions of the Directorate of Legal Advice enforced by the Public Force, as well as those ordered by other administrative or judicial authorities, is suspended.

Updates from May 7th to May 21st

Decree No. 42335 - MOPT-S. Restriction measure for the entry into the national territory of international flights during the validity of the sanitary measures issued by the Executive Power in immigration matters to prevent the effects of COVID-19. International flights that transport those who need to return to the national territory due to COVID-19 can only enter and land in the national territory through the Juan Santamaría International Airport. [Click here for more information.](#)

Government presents Schedule of Reopening of Activities. The gradual reopening of the national economy in 2020, is scheduled in four phases as follows:

- Phase 1: May 16-31
- Phase 2: June 1-20
- Phase 3: June 21-July 11
- Phase 4: July 12-August 2

New Restriction Measures Will be in force from May 16 to 31, 2020. The following measures apply from May 16 to 31:

- From Monday to Friday, vehicle traffic restrictions are extended until 10 p.m., as well as the operation of premises with sanitary permits: restaurants, shops, shopping centers, and theaters.
- Motels may open up to 20 rooms at 50% of their capacity.
- Twelve national parks and a private reserve will reopen to the public, limiting entry to 50% of their capacity.
- Beaches will open Monday through Friday from 5 a.m. to 8 a.m.

Law No. 9844, Authorization Law for the Automatic Extension of the Management Period of the Boards of Directors and the Prosecutor Bodies of Associations, Federations and Confederations established under Law 218, Associations Law of August 8, 1939, per COVID-19 Pandemic. The appointment of the essential organs of all the associations, federations and confederations that are duly registered within the Registry of Legal Persons under the protection of Law 218, Law of Associations of August 8, 1939, which have expired as of March 1, 2020, and expire before December 31, 2020, inclusive, unless the sanitary measures defined by the Ministry of Health allow the organization to hold the general assembly or meeting according to the law.



General guidelines for the attention of transporters (drivers) and their companions who enter through land border posts during the COVID-19 emergency. Guidelines are established for border health areas, drivers and their companions that transport and enter goods into the national territory, and to the public transport services that operate throughout the national territory, as part of the preventive and mitigation actions dictated by the Ministry of Health under the alert by COVID-19.

Resolution No. MS-DM-4149-2020, Sanitary provisions in effect from May 16-31, 2020, is aimed at persons in charge of establishments that have an operating health permit. During the period, May 16-31, 2020, all establishments with sanitary operating permits that serve the public will close between the hours of 10:00 p.m. and 5:00 a.m., Monday through Friday, and all day Saturday and Sunday.

Sessions N ° 1573-2020 and 1574-2020 of the Central Bank. Article 16 is modified and a transitory VIII of SUGEF Agreement 30-18, Financial Information Regulation is included. Reduce the impact of the estimate that entities supervised by SUGEF must record monthly on assets awarded in court auction and received as payment, extending the period from 24 to 48 months for the asset to be estimated at 100%.

Guideline No. 083-H-MIDEPLAN. Promotion of Credit under Favorable Conditions for Working and Investment Capital for Individuals and Companies Affected by COVID-19. The State banks are urged to constitute a financing mechanism in favor of natural and legal persons affected by circumstances caused by COVID-19.

Updates from May 21st to June 4th

Decree N 42373- MOPT-S. Reform of Executive Decree Number 42295-MOPT-S dated April 11, 2020, Daytime Vehicular Restriction throughout the Costa Rican Territory due to the State of National Emergency for COVID-19. The restriction of vehicles issued in Executive Decree number 42295-MOPT-S of April 11, 2020, is amended as follows:

- The daytime vehicular restriction is extended until 9:59 p.m. on June 19, 2020, inclusive with the following exceptions:
 - Vehicles carrying persons strictly to honor a reservation at hotels, cabins or accommodation establishments authorized by the Ministry of Health, either for entry or exit, duly accredited with the corresponding reservation voucher;
 - Vehicles carrying persons required to move strictly to attend their driving test, duly accredited with proof of registration issued by the appointment system of the General Directorate of Road Education;
 - Except as provided in subsection b) of Article 5 of Executive Decree 42295-MOPT-S and those cases duly justified and approved by the Public Transport Council, required for the continuity of public services or attention to the state



of national emergency, the circulation of special student or occasional vehicles, as well as special bus, minibus and bus services, is prohibited.

- The circulation of special tourism transport vehicles will be allowed, in compliance with the sanitary guidelines issued by the Ministry of Health on COVID-19 and under the corresponding provisions issued by the Public Transport Council to regulate the transit of this type of public transport.

Law No.9847, Law to Authorize Capital Transfer of the National Insurance Institute in favor of the State for the attention of the Emergency of the Pandemic COVID-19. The National Insurance Institute (INS) must withdraw, for a single time, the sum of seventy-five billion colones (¢75,000,000,000.00) of its accumulated capital, which will be deposited to the account of the Ministry of Treasury to deal with the COVID-19 emergency declaration and will be used exclusively for transfers to the benefit of persons who have been economically affected by the emergency. [More information at this link.](#)

Law No. 9848, Law to Support the Local Taxpayer and Strengthen the Financial Management of the Municipalities, in light of the National Emergency due to the COVID-19 Pandemic. Provisions are issued to strengthen the financial management of the municipalities and municipal actions are approved to support the taxpayer in the payment of municipal taxes, including a moratorium on taxes, fees, public prices and municipal services, and leases. [More information at this link.](#)

Resolution No. MS-DM-4467-2020. Sanitary provisions aimed at persons in charge of establishments that have an operating sanitary permit from June 1 to June 19, 2020. It is resolved to order temporarily the closure from 10:00 p.m. to 5:00 a.m. Monday through Friday of all establishments with sanitary operating permits that provide service to the public. Likewise, the temporary closure of these establishments is ordered all day on Saturdays and Sundays. These restrictions will apply from June 1, 2020, to June 19, 2020.

CIRCULAR No. 112-2020 Extension of the Effects of Agreement 18-2020. Extends the effects of the agreement of the session No. 18-2020 held on April 2 of the current year, Sole Article, as well as the provisions of the extraordinary session agreement No. 26-2020, held on May 13, 2020, Sole article, as of June 1, 2020, and until June 15, 2020, and reminds all offices of the duty to respect sanitary measures, maximum capacity and social distance established by the Ministry of Health in its different guidelines, as well as in the agreements of this Court and the Superior Council.

Guideline No. 085-MIDEPLAN-MEIC. Measures to accelerate the simplification of proceedings, requirements or procedures that have a favorable impact on the citizen and the productive sector. Accelerate under the principles of efficiency and effectiveness in the Public Administration, the implementation of the affidavit, the Single Window for Investment, and institutional regulatory improvement plans, in order to improve the performance of the Public Administration, contribute to the economic recovery and generate jobs. [Click here for more information.](#)



Guideline No. 088-S-MTSS-MIDEPLAN. Reforms articles 2 and 9, adds article 5 bis to directive No. 077-S-MTSS-MIDEPLAN of March 25, 2020, on the operation of state institutions during the COVID-19 national emergency. Added the possibility for employees to work in cumulative days and/or staggered hours:

- Cumulative days: officials may request the modification of the workweek to work four continuous days up to 10 hours per day, with the fifth day of the week, which may be any day from Monday to Friday totally or partially, free, in proportion to the number of hours that make up their workday.
- Staggered hours: work entry is authorized at 6:30 a.m., 8:00 a.m., and 9:30 a.m. The departure times must be adapted to the specific rules that govern the workday at each institution.

Updates from June 4th to July 2nd

Third Phase: Reopening is Canceled due to an Increase in COVID-19 Cases. The weekend opening of cinemas, theaters, museums, shops, and places of worship is postponed, along with the weekend extension of beach hours. The list of exceptions such as productive activities and transportation to work centers, public transport, and taxis is maintained. Home delivery service may operate. Persons who must return from hotels, with the respective proof of reservation, may transit.

Masks are Mandatory in Various Services and Shops Starting on Saturday, June 27, 2020.

Law No. 9866, Authorization to Extend in the Appointments of Boards of Directors and Other Bodies in Civil Organizations expiring in 2020, the term is extended to the Year 2021 in an Automatic Way, due to COVID-19 National Emergency.

Updates from July 2nd to August 6th

The Government of the Republic of Costa Rica announced on Thursday, July 23, 2020, the start of the gradual and safe opening of international flights at the Juan Santamaria (San Jose) and Daniel Oduber Quirós (Liberia) International Airports.

Resolution No. MS-DM-5051-2020. The Ministry of Health provided special investiture to the Costa Rican Social Security so that civil servants who make notification of health events are empowered to issue the corresponding COVID-19 sanitary order.

- Officers of the Costa Rican Social Security are empowered to carry out notification of health events and report COVID-19 cases with the corresponding health order, as health authority and with the pertinent powers for that specific act. [Click here for more information.](#)

Resolution No. MS-DM-6195-2020. Modification of ministerial resolution No. MS-DM-4907-2020 of the fourteen hours of June twenty-six of two thousand twenty, in turn, modified by resolution No. MS-DM-6002-2020 of fourteen hours thirty minutes of two July two thousand



and twenty, through which sanitary provisions are established addressed to the Ministry of Public Works and Transport, the Public Transport Council, the Ministry of Public Security, the 9-1-1 Emergency System and the Municipalities, to establish the mandatory use of a mouth and nose mask or a face mask with visor as personal protective equipment, to reduce the increase in the spread of COVID-19. [Click here for more information.](#)

Decree No. 42478-MTSS. Regulatory Flexibility to Help Employers with Debt before DESAF as a provisional measure to face the COVID-19 Emergency. [Click here for more information.](#)

- Creates provisional measures as extraordinary and temporary aid for employers who are indebted to DESAF because of a change in their economic conditions as a consequence of the National Emergency caused by COVID-19 and to mitigate the decrease in collections due to employer's insolvency.

Circular DGA-CIR-016-2020. Restriction of entry to Costa Rica by empty cargo vehicles and exit of loaded containers with Panamanian license plates that enter and exit through the Paso Canoas Customs. *(July 14, 2020).*

- International terrestrial cargo carriers that drive transport units with Panamanian plates can only enter the national territory under the modalities of entry to the facilities of a customs warehouse or a duly authorized company, where they can only unload merchandise.
- The entry of empty transport units by the Paso Canoas Customs will only be allowed in transit from border to border, and the vehicles of transport units with Panamanian plates will not be allowed to leave the national territory loaded.
- Provisions will not apply to the means of transportation that enter the facilities of authorized companies and that have specific technical and infrastructure specifications to carry out the loading and unloading of the transport unit, namely: 1) refrigerated trucks or trucks that have a cooling system; 2) trucks that transport bulk goods without packing, in large quantities of mass and volume, where the means of transport itself acts as a container; 3) tank trucks; 4) vehicles that transport live animals.

(Last updated: June 1st)



3.13.Honduras

Updates up to March 25th

The Republic of Honduras, with a population of 9 million inhabitants, is not immune to the consequences of the worldwide pandemic. In light of this, it has introduced strong measures in spite of the number of cases barely reaching above 10.

Firstly, working from home has been implemented across the country. Moreover, any employee that shows symptoms relating to Coronavirus or any other similar symptoms is required to report to their employer in order to absent themselves temporarily and go to the hospital where they will take a test for Coronavirus. In the case that the test comes back negative, they will go back to work. In a positive case, they will take the necessary measures and the business will provide guarantees regarding the confidentiality of the information.

In tax matters, measures have been put in place such as the suspension of the legal deadlines for formalities initiated at the request of the Revenue Management Service (SAR) between 16th and 20th March 2020, as well as the tax exemption (DAI and VAT) for the importing of materials for the production of antibacterial gel.

Moreover, additional measures have been put in place such as the suspension of work in the public sector, the obligatory application of hygiene protocols and security measures for all businesses that are still operating.

Updates from March 25th to April 8th

CNBS approves temporary measures to mitigate the economic repercussions in the insurance sector (26th March 2020). The insurance institutions will be able to grant a period of grace for premium payments, which will not be able to exceed 30th June 2020. During this period, the freezing of the default of fractional premium payments will be allowed. The insurance institutions are prohibited from applying administrative charges or any other additional charges to those that ask for this period of grace.

The period of suspension of work of the judiciary at the national level is extended until 5 April 2020 (29 March 2020). The Judiciary, through Agreement No.PCSJ 13-2020, reports that the period for the suspension of work at the national level will be extended until 5 April 2020. The days during this period must be considered unavailable for the purposes of proceedings and procedural deadlines.

The suspension of work will be maintained until 12th April 2020. Remote working through electronic means is permitted. The terms and legal deadlines will remain suspended until the first possible day.

The Secretary of Economic Development has established a maximum price across the whole country for all products to the final consumers. The prices of 30 basic products have been



brought together. Moreover, the General Management of Consumer Protection has been ordered to impose sanctions on those who do not comply with this measure.

Income Administration Services. The legal deadlines for procedures has been extended until 13th April 2020. The legal deadlines that have already started to come into effect in the procedures initiated in the SAR have been extended until 13th April.

The Secretary of State of the Office of Labour and Social Security has informed workers and employers of the private sector that they can agree that the days during the State of Emergency are enjoyed as holiday. Workers and employers of the private sector have been authorized so that the relevant parties can meet to agree that the days lost due to the State of Emergency are enjoyed as holiday days. They must enter into written agreements regarding this.

Secretary of State in the offices of natural resources and the environment. The applications of Environmental Licenses online are permitted.

Moreover, pending approval, on the 30th March the Government presented a project for the discussion and approval of Congress concerning the proroguing of declarations and tax payments, among other fiscal measures.

Executive Decree PCM-23-2020. The fundamental rights restriction measures are extended for 7 days from April 5, 2020:

The Absolute Curfew is declared for the Department of Cortés and El Progreso, Yoro from April 6 to April 12, 2020, with some exceptions.

The capture of photographs, images, interviews or personal data and their disclosure in the mass media and others of people infected with COVID-19 or their families are prohibited to safeguard human dignity.

Executive Decree PCM 28-2020. Support for the food producing sector and food agribusiness is declared a national priority and measures are decreed to ensure national sovereignty and security. Fiscal, national and ejido lands for food production are made available to producers.

- A single permit is established for the operation of agricultural production projects, food collection and distribution centers, and economic agents in the food supply chain.
- The Honduran Institute of Land Transportation is ordered to authorize all resolutions and permits that are pending within 10 business days from April 9, 2020.
- The obstruction of public roads that impede the passage of workers from the agribusiness and the food supply chain is prohibited.

Prices are frozen for certain products in the national territory. The prices of the masks are frozen and the prices established for antibacterial gel and alcohol are maintained throughout the national territory.





The Decree 33-2020 creates the Law to Aid the Productive Sector and Workers in the Face of the Effects of the Pandemic Provoked by COVID-19 in order to adopt tax relief measures for companies such as the extension of the term for the presentation of a declaration of Income Tax, Solidarity Contribution and Net Assets, Contribution of the Social Sector of the Economy, Specific Tax of Single Income on Rent or Rental of homes or Apartment Buildings, Special Contribution on Operating Surpluses obtained by the Private Universities, Schools and Institutes of Preschool, Primary and Middle Education, and the Social Contribution of the Cooperative Sector. An 8.5% discount is established for those taxpayers who pay their corresponding Income Tax returns before April 30.

The installments of the payments on account must be calculated at 75% of the amount of the Income Tax determined for the fiscal period 2019 and will be payable on the last day of August, October and December.

- The process of suspension of employment contracts and the obligation to render a solidarity contribution to the worker during the period of suspension of contracts are established.
- An additional 10% incentive is given to the deductible expense of the returns for companies that do not dismiss or suspend workers during the period from March to December 2020.
- The Sales Tax and import duties are exempt from the payment on the local purchase or import of raw materials, machinery, supplies, equipment, spare parts, accessories and packaging material necessary for the manufacture of medical supplies or others necessary to combat the epidemic.

It is communicated to all taxpayers classified as Large Taxpayers who enjoy tax benefits by Special Laws and Decrees that proceed to submit their corresponding exemption request (April 6, 2020). It is communicated to taxpayers classified as Large Taxpayers who remit their Tax exemption request generated by the PAMEH system that are in process before the General Directorate of Control of Customs Franchises to the emails: kjec1286@gmail.com or kjescoto@sefin.gob.hn.

Updates from April 23rd to April 30th

Judiciary work at the national level will remain suspended until May 4, 2020.

The Revenue Administration Service (SAR) authorized the use of non-working days for administrative actions. SAR determined that non-working days and hours for the period from April 19, 2020, to July 19, 2020, may be used for compliance with the inspection, control, verification, examination, notification, recovery of debts, and other actions under the competence of the SAR at the national level.

Public clarification is issued on the SAR-191-2020 Agreement. The public is informed that the measures taken in the SAR-191-2020 Agreement were adopted to (1) protect consumers from



the wave of abuses in the price of commodities; and (2) collaborate with the comptrollers and investigators in the reporting of corruption cases arising out of the COVID-19 health emergency.

Suspension of legal deadlines is extended until May 4, 2020. The suspension of deadlines in legal proceedings already begun will be extended until May 4, 2020.

Airport terminal operations are still closed.

Ministry of Labor and Social Security announces the procedure to follow for suspension of employment contracts. The Ministry of Labor and Social Security under Legislative Decree No. 33-2020 introduces the procedure to comply with the provisions regarding the suspension of employment contracts by requesting and filing legally required documents via email to secretariageneralstss@gmail.com. [More information at this link.](#)

Updates from April 30th to May 7th

The absolute curfew is extended until May 17, 2020 (May 3, 2020)

The absolute curfew is extended throughout the national territory with modification to the segmentation for the circulation of the population. The segmentation will be subject to the termination of the identity card, passport and/or residence card number, allowing the circulation on weekdays of one number per day, starting with termination 1 for May 4, 2020, and ending with 0 for 15 May 2020. Circulation on Saturday and Sunday is prohibited.

Personnel engaged in heavy transport, the agro-food sector and healthcare may transit normally, with waivers still in force.

Updates from May 7th to May 21st

PCM decree 41-2020 approves reform to articles 4, 5 numeral 1 and 24 of PCM Executive Decree 30-2020

- A registry of ejidal, fiscal and national lands will be created to make them available to the Secretary of State in the Offices of Agriculture and Livestock to ensure the effective use of the land and to make them available to national producers for food production.
- An amount of L. 200,000,000.00 in national indebtedness is assigned to the Alliance for Dry Corridor project to continue with the reactivation of the agri-food sector.
- The Central Bank of Honduras is directed to structure an efficient mechanism for allocating the resources derived from the legal reserve to the institutions of the national banking and financial system that directly link an applicant for new credits or refinancing of existing credits.

Measures to promote the reduction and prevention of diseases in Honduras are proposed through PCM Decree 42-2020



- The measures restricting fundamental rights are extended for an additional 7 days, effective as of May 10, 2020, as are the special provisions for the municipalities in the department of Colón, Cortés, the municipality of El Progreso Yoro, and the Vegas, Santa Barbara. It is reiterated that public institutions may use non-working days and hours for telework or work by electronic means.
- SINAGER is authorized to agree on measures of social distancing and intelligent opening of the economy in Honduras. Industries that comply with governmental biosafety protocols are empowered to carry out their activities.
- Government institutions whose performance is imperative for the intelligent reactivation process of the economy are empowered to attend to and resolve in person the requests of citizens, observing the strictest biosecurity measures recommended by the Ministry of Health.

The Government through PCM decree 43-2020 creates the Inter-institutional Commission

- Workers and companies authorized to operate are obliged to apply and comply with Government-approved biosecurity protocols. Likewise, companies should require their customers to use a mask, alcohol-based gel, social distancing, and any other measure that prevents the spread of COVID-19.
- An Inter-institutional Commission is created to verify and guarantee compliance with the corresponding biosafety protocols and to order the immediate closure for the period of the national health emergency of any company that fails to comply.

The Law to Aid the Productive Sector and Workers due to the Effects of the Pandemic Provoked by COVID-19 is amended

- Tourism Sector workers who are not affiliated with the RAP must obtain solidarity contributions from their employers and the State of Honduras. If necessary, they may seek financing from the IHSS and INFOP.
- A period of suspension of employment contracts up to 180 days is authorized for workers in the tourism sector.
- The companies authorized to work must notify the Secretary of Labor, and they must restore the rights of employment contracts to their workers.
- Companies in the tourism sector can separate restaurants and hotel areas.
- All solidarity contributions are deductible from Income Tax. Neither the IHSS nor INFOP will make surcharges to employers' contributions during the National Emergency period.

Executive Decrees PCM 28-2020, PCM 31-2020, PCM 33-2020, PCM 36-2020 are ratified



- The National Congress ratifies Executive Decrees CM 28-2020, PCM 31-2020, PCM 33-2020, PCM 36-2020 approved in the context of the COVID-19 pandemic.

Measures to regulate imports and for the use of electronic signatures are adopted.

- Sales tax, customs duties, and other import taxes are exempt from payment on the local purchase and import of supplies, medical equipment, raw materials, machinery, supplies, equipment, spare parts, accessories, and packaging materials necessary for the manufacture of medical supplies, antiseptics, and disinfectants.
- Persons who benefit from the tax measures approved in this section are prohibited from buying products outside the country if they exist in Honduras and will not enjoy the tax benefits stated for export purposes. The measures apply only to products consumed in the national territory.
- The CNBS authorizes the institutions it supervises to comply with transactions to which they are allowed to proceed with their clients, together with the rights and obligations that arise from them electronically.

The Municipal Government of the Central District (AMDC) is authorized to contract loans

- AMDC is authorized to obtain resources of L. 2,000,000,000.00 to finance projects for road infrastructure, urban improvement, urban mobility, vehicular and pedestrian maintenance of the city, water and sanitation, and related works that contribute to the generation of direct mass labor and support for this industry.
- AMDC is authorized to issue Municipal Bonds or contract loans for L. 3,000,000,000.00 to leverage the operation of the Municipal Unit for Drinking Water and Sanitation in the Central District.

The Health Risk and Biosecurity Control Unit of the Secretary of State is created in the Security Office. The Health Risk and Biosecurity Control Unit of the Secretary of State in the Security Office is created so that it can verify compliance with biosafety protocols in public and private establishments, carry out traceability studies regarding COVID-19 infections, and engage in prevention, vigilance, monitoring, control and sanitation activities.

Updates from May 21st to June 4th

SINAGER communicates to citizens abroad and foreigners within the national territory, the measures for entering and leaving the country.

- As of May 22, 2020, all procedures and coordination for the authorization of arrival flights of Hondurans or departures of foreigners from the national territory, will be done through diplomatic missions, Honduran consular representations or through direct communication with the Ministry of Foreign Relations and International Cooperation.



- Any person entering the country must complete the 14-day isolation in the Temporary Isolation Centers determined by the Government of the Republic.

Through the PCM 45-2020, gradual restrictions of constitutional guarantees are established at the national level

- Restrictions of constitutional guarantees contemplated in articles 69, 78, 81, 84, 99, and 103 of the Constitution of the Republic are adopted from May 18 to 24, 2020.
- Exceptions to restrictions are established for the private sector, such as hospitals, health care centers, medical laboratories, pharmacies, production chains, industrialization, transportation, food distribution and marketing, gas stations, financial institutions, etc.

Law on the Compulsory Use of Masks and Application of Biosafety Protocols is enacted through legislative decree 58-2020

- The Law on the Compulsory Use of Masks and Application of Biosafety Protocols is enacted, establishing the obligation to use masks for the population when they attend or stay in public places, or private places with more than 5 people, when traveling in public transport or using of elevators, as well as in those places where they carry out their tasks.
- It also establishes the obligation for companies to implement biosafety protocols authorized by the government of the republic to prevent the spread of the pandemic.
- Those who do not abide by the measures adopted may be subject to sanctions.
- [More information at this link.](#)

The term of suspension of work in the Judiciary is extended at the national level from June 1 to 7, 2020 :

- The judicial servants must carry out as much work activity in their homes as possible and that is legally permitted to continue in the elaboration of pertinent documents and reduce the judicial delay.
- The Courts of Appeals, the Courts of Letters and Justices of the Peace that hear the criminal, contentious-administrative, childhood and adolescence, family and domestic violence matters, the Execution Courts, the Public Defense, the General Supervision of Power Judicial, security and surveillance members, as well as technical administrative personnel will attend to specific questions under their urgent powers.
- Magistrates of the Courts of Appeals, judges of letters in all matters and sentencing judges who have definitive orders or pending sentences to be drafted are ordered to go to their offices at least one day a week to work behind closed doors in these judicial resolutions. These provisions do not apply to the headquarters of Comayagua,



Department of Comayagua, El Progreso, Department of Yoro, or Las Vegas, Department of Santa Bárbara due to the high levels of contagion in these areas of the country.

- The Courts of Appeals and the Labor Courts, as well as Departmental and Sectional units, will be empowered to manage labor matters of immediate attention that involve any type of violation of the rights of workers or employers.

Validity of the curfew is extended Nationwide

- The validity of the curfew period is extended nationwide until June 7, 2020, at 11:00 p.m. maintaining the segmentation by the last digit of the identity card, passport and/or residence card (foreigners) starting with number 1 for June 1 and ending with number 5 for June 5 of the current year.
- It is reiterated to the population that the waivers granted by the exceptions committee are still in force and that currently, the national police are in charge of managing these permits for which any interested party may apply at:
 - www.serviciospoliciales.gob.hn/salvoconductos

The process for the suspension of work contracts of companies in the tourism sector is approved)

- Companies that decide to avail themselves of the suspensions of employment contracts framed in Decree 33-2020, must send their forms electronically. Once the curfew is lifted, employers must present in physical form requests for authorization of suspension of employment contracts and also prove that they made the solidarity contribution payments. [More information at this link.](#)

Property Registry re-opens its doors to the public on May 21, 2020. The Property Institute informs the general population that the Francisco Morazán Property Registry located in Colonia Humuya, Edificio San José, will re-open to the public beginning on May 21, 2020, with visiting hours from 8:00 a.m. to 4:00 p.m.

Updates from May 21st to June 4th

The population is informed that as of June 8, 2020, measures contained in biosafety protocols must be applied. Companies and the general population are informed that when they are working within the framework of the reopening of the economy, the biosafety protocols authorized by the State must be applied. Companies and employers must supply their workers with the corresponding equipment and those who do not receive it are not obliged to work nor will they be subject to disciplinary or administrative sanctions as a result. Persons over 60, pregnant, hypertensive, diabetic, with cancer or with any other high-risk disease that keeps their immune system compromised, will NOT be obliged to report to work nor will they be subject to sanctions. Companies are obliged to provide a means of transportation for their employees while public transportation is not authorized to operate.



It is reported that as of June 8, 2020, several public institutions are authorized to reopen, including the National Commission of Banks and Insurance, CONATEL, Ministry of Finance, Central Bank, ARSA, Secretary of Economic Development, etc. Only 20% of the employees of each institution are to report to work in person. This 20% may not include personnel over 60 years of age or those who have a chronic illness.

The Gradual and Responsible Reincorporation Process for Face-to-Face Work is approved through Agreement No. PCSJ-34-2020. The Gradual and Responsible Reincorporation Process for Face-to-Face Work is approved, which must be carried out gradually from June 15, 2020, on non-vulnerable public servants.

The Secretary of State in the Security Office will authorize the reopening of shops and companies in general as of June 8, 2020. Shops and companies will be authorized to open for business starting June 8 taking into account the plan for smart opening adopted by the government of the republic and applying the biosafety protocols that have been approved. Companies that wish to operate must request a waiver through the channels approved by the government. Visitors to each business will be attended to upon presentation of their identity card, passport, and/or residence card.

The following businesses are excluded from reopening: urban and interurban public transportation, bars, discos, cinemas, gyms, theaters, sporting events, convention centers, airports, and educational centers at the primary, secondary and higher levels; meetings in private homes of more than 10 people are prohibited.

Movement is authorized throughout the national territory. The authorized movement of persons nationwide is regulated by the last digit of their identity card, passport, or resident card, beginning on Monday, June 8 with last number 6 authorized to circulate and ending on Friday, June 12, 2020, with last number 0. More information at this link.

The absolute curfew is extended from June 14, 2020, to June 28, 2020, segmenting the public in conducting activities by the last digit of an individual's identity card, passport, and/or residence card. The following will not reopen to the public: urban and interurban public transportation, bars, discos, cinemas, gyms, theaters, sporting events, convention centers, airports, and educational centers at their primary, secondary and higher levels. Also, gatherings in private homes of more than 10 persons are prohibited.

Suspension of legal terms is extended until June 29, 2020. The suspension of legal deadlines until June 29, 2020, for the procedures initiated at the request of the interested party and ex officio before the SAR is approved.

Airports operations remain closed until new guidelines are issued:

- Honduran international airports remain closed until the Central Government issues new guidelines. Meanwhile, Ramon Villeda Morales Airport is authorized to provide air traffic



service from 7:00 a.m. until 7:00 p.m. for regular and non-regular cargo flights of national and foreign companies established in the country.

- Flights with Honduran entry or foreign departure from national territory must be authorized by the relevant diplomatic missions or Honduran consular representations via direct communication with the Secretariat of Foreign Affairs and International Cooperation (SRE).
- The SRE will manage and coordinate the departure of foreigners upon receipt of a request sent by their diplomatic or consular representations accredited in Honduras.

With these changes and developments, Honduras seeks to respond and effectively address the challenges that arise, not only in the country but also globally. At Auxadi we are experts in providing value added services in accounting, tax compliance and international payroll management. We work every day to keep abreast of all legislative developments at an international level, which is crucial in extraordinary and uncertain times such as the ones we are experiencing. **If you need to expand on what is set out here, please do not hesitate to contact us.**

Updates from June 4th to August 6th

Executive Decree Number PCM 061-2020 creates the operation "FUERZA HONDURAS" [Click here for more information.](#)

- The operation "Fuerza Honduras" is created to support health services in the country's municipalities, to develop preventive actions, and provide care to the population affected by the global crisis caused by the COVID-19 pandemic.
- The operation will be carried out through "COVID-19 Emergency Transfers" for an amount of TWO HUNDRED FIFTY MILLION LEMPIRAS (L.250,000,000.00), which is exclusively destined for expenses to combat and prevent COVID-19.

The National Institute of Migration (INM) communicates Important Information regarding Immigration Services

- As of Monday, July 20, 2020, for the coordination of the attention of the immigration services offered by the INM through the General Secretariat and the Management of Foreign Affairs and Passports in Tegucigalpa, the call center should be contacted at. 2232-7800 where the procedure to follow will be indicated and a date and time established for later service from the Institute.
- The INM enabled the online service to process Permanent Special Permits for Indefinite Stays, Residency, and extended visits by foreigners.

Extension of the absolute curfew in the territory until August 2, 2020. (July 26, 2020). [Click here for more information.](#)



- The absolute curfew at the national level will continue except for circulation through the segmentation of the population by the last digit of the identity card, passport or resident card beginning on Monday, July 27, 2020, with the termination "1" and ending on Friday, July 31 with the ending "5".
- Phase 1 will continue throughout the country except for Central District, San Pedro Sula, Olancho, Choluteca, Atlántida, Comayagua, Santa Bárbara, Lempira and Colon, which will remain in phase 0.
- The only valid waivers are those issued by the Secretary of Security through the official platform www.serviciospolicia.gob.hn

The Secretary of Labor and Social Security communicates to the employers and workers of the country. (July 16, 2020)

- To retain the jobs in force during the pandemic, the period of labor suspension will be subject to the termination of the validity of the national health emergency decreed by the Executive Power.
- Employers must email requests to the Secretary of Labor at informaciónsuspensionestss@gmail.com

The Real State Property Registry will be attending in the following way. (July 27, 2020)

- On July 29, 2020, the offices of San Pedro Sula, Cortés and Roatán, Islas de la Bahía; on July 30 the offices of El Progreso, Yoro, on July 31 the offices of La Ceiba, Atlántida. On August 3, the offices of Comayagua, Comayagua; on August 4 the offices of Gracias, Lempira and la Esperanza, Intibucá; on August 5, the offices of Choluteca, Choluteca; on August 7, the offices of Santa Rosa de Copán, Copán; on August 11, the offices of Santa Bárbara and Marcala, La Paz; on August 12 the offices of Ocotepeque, Ocotepeque; on August 13 the offices of Puerto Cortés, Cortés; and on August 19 the offices of Olanchito, Yoro.

Payment schedule for the payment of the Single Annual Vehicle Tax for the period 2020 (July 1, 2020)

- The public is informed that as of July 1, the payment of the Single Annual Vehicle Tax for the period 2020 enters into effect. Those who are responsible for paying in July, and cannot make the payment in cash, may do so by up to 6 monthly installments payable until December 31, 2020, without incurring a fine.
- Cargo vehicles, trailers, dredges, and urban and interurban passenger transport vehicles identified with rental plates (A) and trailers with R and TR plates, may pay the Single Annual Vehicle Tax in 12 monthly installments beginning the month that payment would otherwise be due.

The Commercial Registry will be open to the public (July 12, 2020)



- The Mercantile Registry opens its doors to serve the public, strictly respecting circulation according to the segmentation set forth by the Ministry of Security.

The Property Registry opens its doors to users as of July 13, 2020. *(July 12, 2020)*

- The Property Institute informs the general public that the Francisco Morazán Property Registry located in Colonia Humuya, Edificio San José, will open to users as of July 13, 2020, from 8:00 a.m. to 4:00 p.m.

(Last Update: July 30th)



3.14.El Salvador

Updates up to March 25th

Led by the President, Nayib Bukele, El Salvador is one of the countries that has been noted for the quality and the impact of the measures to paralyze the spread of Coronavirus, with special emphasis on the citizens in particular.



It has been established that no employee in quarantine due to Coronavirus, nor anyone who is unable to return to work due to health or movement restriction is able to be fired from their job, nor is their salary able to be reduced.

The guarantee of labor stability starts from when the quarantine began and will extend until 3 months after it has been concluded, except when there are legal causes for the termination of contract. Those in quarantine will have the same protection than those who are incapable to work due to common illnesses. The El Salvador Institute for Social Security will cover the incapacity subsidies for those unable to work.

Moreover, according to the Executive Decree 7 of the 16th March 2020, the country has approved the law of Regulation of teleworking, which has the objective of promoting, harmonizing, regulating and implementing working from home practices as an instrument for the generation of employment and modernization of public, private and autonomous institutions through the utilization of IT.

The following means have been taken regarding tax compliance and are pending to be approved by the Legislative Assembly.

- Extension of the period for payment of income tax for the 2019 tax year, up to 30 days. Applicable to all persons and up to a limit of taxes payable of up to US\$5,000.
- Extension of the term to make the payment on account of the Income Tax of March, April and May for all natural and legal persons.
- For the tourism sector, the term for payment of Income Tax for fiscal year 2019 is extended to 30 days for individuals and legal entities in the sector whose tax liability is up to US\$25,000. Likewise, the payment of the special tourism contribution of 5% is suspended for three months.

In addition, on 20 March, the Legislative Assembly also approved the following measures:

- Provisions to extend the payment of the special contribution for the promotion of tourism and the payment of income tax to tourism companies for up to one month, which do not exceed US\$25,000.
- Extend income tax payment for all taxpayers with a payment of less than \$10,000, extending the payment up to a maximum of eight installments. Transitional provisions for simplification of the procedure of donations of goods by companies regulated in the Free Zones and Marketing Act.
- Extending the payment of income tax for the 2019 financial year. All companies providing electricity generation, transmission, distribution and marketing service, and telecommunications services will pay in a maximum of eight monthly installments with prior authorization from the Directorate-General for Treasury.
- Temporary elimination for the duration of the emergency for the Central American import tariff on essential foodstuffs, respiratory medicine, and hygiene and cleaning products.



Updated from to March 31st to April 8th

Response Plan and Economic Alleviation. The 26th March 2020, the Legislative Assembly approved the Response Plan and Economic Alleviation, consisting of the temporary suspension of the Fiscal Responsibility Law, as well as the acquisition of \$2,000m USD of debt to mitigate the effects of the emergency in the face of COVID-19. Debt may be incurred by issuing securities or credits abroad. 70% will be to deal with the health emergency and the other 30% will be for the Mayrs.

The Government of El Salvador has started a plan of government economic aid in the face of the Covid-19 pandemic. On the 28th March, a plan of governmental economic aid was initiated which consists of the delivery of \$300 USD per home or family for every person directly affected by the pandemic, without employment or workers from the informal sector. From the given date, those who are able to benefit will receive aid through bank transfer or by presenting themselves at specified places, which will be set out by the government or financial institutions.

Legislative Decree N. 611- new Law of Temporary Restrictions of Concrete Constitutional Rights to Address the Covid-19 Pandemic. On the 29th March 2020, the Legislative Assembly approved a new Law of Temporary Restrictions of Concrete Constitutional Rights to Address COVID-19, through which the constitutional rights of freedom of movement, peaceful meetings and change of address will be restricted for 15 days. This new decree includes the following points: the executive body will elaborate an Integral Application Protocol of the decree, as well as observing the collecting measures established by the Constitutional Office of the Supreme Justice Court on the 26th March 2020 in relation to the Habaes Corpus 148-2020.

Transitional Provisions to guarantee the continuity of health services of the El Salvador Institute of Social Security (ISSS) to unemployed workers or those who have had their contracts terminated. On the 1st April 2020, the Legislative Assembly approved the Transitional Provisions to guarantee the continuity of the health services of the El Salvador Institute of Social Security (ISSS) to unemployed workers or those who have had their contracts suspended or terminated. Through these provisions, the ISSS must guarantee the general coverage of health to workers who, at the time that the State of Emergency came into effect, were unemployed or who were affected because of the suspension of their contract, regardless of whether or not employers have complied with the payment of employer and employment contributions or have fallen into arrears.

Modification to the Decree No.593 from 14th March 2020, through which the State of Emergency was declared. On the 1st April 2020, the Legislative Assembly approved measures to modify Decree N.593 of 14th March 2020, through which all businesses related to food and drink, including their chains of productions and distributors were obliged to stay open to guarantee the nutrition of the Salvadorian people.

Special measures and procedures for the exoneration of taxes on the importing of beans, rice and maize. On the 1st April 2020, the Legislative Assembly approved special measures to exonerate the Ministry of Agriculture and Livestock (MAG) and individual importers from the



payment of Importation Tariffs (DAI) as well as the Transfer of Moveable Property and the Supply of Services (IVA), when buying white maize, red beans, white, precooked rice for human consumption.

Updated from April 8th to April 23rd

Government of El Salvador announces suspension of payment of electricity services. The Superintendencia General de Electricidad y Comunicaciones (SIGET) announced that as of 15 April 2020, payment of the tariff for electricity service is suspended until further notice. The service will not be suspended in any case for non-payment, and this measure is intended to provide economic assistance to the Salvadoran population in view of the measures taken by the national emergency caused by the COVID-19 pandemic.

Provisions for the mandatory use of masks. The President of the Republic Nayib Bukele announced that from April 13, 2020, the use of masks will be mandatory for all persons who, in a justified manner, must leave their homes in application of the home quarantine decree. Those not wearing a mask will be sent for 30 days to controlled quarantine centers.

Executive Decree No. 19 - Extraordinary Prevention and Containment Measures to Declare the National Territory as a Zone Subject to Health Control, in order to Contain the COVID-19 Pandemic. On April 13, 2020, the Executive Body issued Executive Decree No. 19, which renews Executive Decree No. 12 under the same terms and restrictions, adding the mandatory use of a mask for all persons who, in a justified manner, must leave their homes in application of the domiciliary quarantine decree. Those not wearing a mask will be sent for 30 days to Controlled Quarantine Centers.

Updated from April 23rd to April 30th

Legislative Decree No. 620 - Provisions for the benefit of the work and protection of health and medical professionals in the fight against the COVID-19 pandemic. On April 23, 2020, the Legislative Assembly approved provisions to protect and ensure the work of medical and health personnel during the COVID-19 emergency. The measures hold the government of El Salvador accountable for providing adequate equipment to safeguard health personnel, the necessary training to combat the pandemic effectively, and guaranteeing such professionals life insurance to provide security for their families.

Government of El Salvador empowers municipalities to take sanitary measures. On April 18, 2020, the President of the Republic Nayib Bukele authorized the 262 mayors of the country to establish municipal traffic controls in addition to those established in Executive Decree 19. This measure is to combat the contagion of COVID-19 by harmonizing the efforts of local governments with that of the National Civil Police, the Armed Forces and the Municipal Agents.



Updated from April 30th to May 7th

Extension of Legislative Decree No. 593 - State of National Emergency of the Pandemic COVID-19. On April 30, 2020, the Legislative Assembly approved the extension of the National Emergency of the Pandemic COVID-19 for 15 days until May 16, 2020. The terms, conditions and obligations remain the same, including the mandatory household quarantine.

Legislative Decree No. 635 - Special Transitory Law to facilitate the presentation and payment of Income Tax, the Payment on Account of Income Tax and other formal obligations, within the framework of the COVID-19 emergency. On April 30, 2020, the Legislative Assembly



approved the Special Transitory Law to facilitate the presentation and payment of Income Tax, the Payment on Account of Income Tax and other formal obligations whereby the term for the presentation of the Income Tax declaration for medium, large and other taxpayers is extended until June 30, 2020, enabling up to 7 installment payments depending on the category of taxpayer. The advance payment on account for April, May and June is also exempted, and the fulfillment of formal obligations, such as the appointment of a fiscal auditor, the presentation of financial statements, etc., is extended for 2 months.

Legislative Decree No. 632 - Special Law to Protect the Rights of Persons during the COVID-19 State of Emergency. On April 30, 2020, the Legislative Assembly approved the Special Law to Protect the Rights of People during the State of Emergency due to the Covid-19 pandemic. The regulations created in mid-April in response to the pandemic establish a framework for action by the authorities, State institutions and individuals, that respects personal and human rights, under the laws, treaties and jurisprudence of the Constitutional Chamber.

Law to Regulate Isolation, Quarantine, Observation and Surveillance of COVID-19. On May 4, 2020, the Legislative Assembly enacted the Regulation Law for Isolation, Quarantine, Observation and Surveillance of COVID-19, authorizing a regulatory body to develop the conditions, time and form of quarantine compliance, surveillance, and observation of persons subject to control measures in the face of the COVID-19 pandemic.

Salvadoran Employment Protection Law. On May 4, 2020, the Legislative Assembly approved the Salvadoran Employment Protection Law to develop exceptional and temporary regulations to safeguard the job stability of private-sector workers, guaranteeing a decent income without undermining the sustainability of business activity. The Ministry of Labor and Social Security will supervise the measures contained in these regulations.

Updated from May 7th to May 21st

Law to Regulate Isolation, Quarantine, Observation and Surveillance of COVID-19.

On May 4, 2020, the Legislative Assembly enacted the Regulation Law for Isolation, Quarantine, Observation and Surveillance of COVID-19, authorizing a regulatory body to develop the conditions, time and form of quarantine compliance, surveillance, and observation of persons subject to control measures in the face of the COVID-19 pandemic.

Salvadoran Employment Protection Law.

On May 4, 2020, the Legislative Assembly approved the Salvadoran Employment Protection Law to develop exceptional and temporary regulations to safeguard the job stability of private-sector workers, guaranteeing a decent income without undermining the sustainability of business activity. The Ministry of Labor and Social Security will supervise the measures contained in these regulations.

Special Transitory Law on Measures for the Agricultural Sector to Guarantee Food Security in the Face of the National Emergency and the Effects due to the COVID-19 pandemic.



On May 7, 2020, the Legislative Assembly approved this special law to decree the suspension for three months of the payment of capital and interest by food producers, be they natural or legal persons, as well as agricultural cooperatives that have debts for agricultural credits with state and private banks. Quotas not canceled due to the emergency must be paid within a period of up to six months.

Transitory Law to Facilitate Voluntary Compliance with Tax Obligations under the National Emergency Caused by the Pandemic by COVID-19.

On May 14, 2020, the Legislative Assembly approved the transitional law that extends until June 30, 2020, the term for individuals, subjects qualified as others, medium or large taxpayers to file their income tax returns, without incurring fines, interest, or surcharges. The law contains an extension for other formal compliance for up to 2 months.

Transitional Provisions for the Extension of Judicial and Administrative Terms within the framework of the Regulation Law for Isolation, Quarantine, Observation and Surveillance under COVID -19.

On May 14, 2020, the Legislative Assembly approved transitional provisions that extend the suspension of administrative and judicial terms for up to 8 days, starting on May 17. The foregoing implies that those persons who are unable to fulfill their obligations because they are directly affected by the measures applied in compliance with this law will not breach contractual obligations and incur civil or commercial penalties.

Special Law for Recognition of Health Professionals and Workers in the Face of the COVID-19 Pandemic.

On May 14, 2020, the Legislative Assembly approved this provision, which guarantees health workers the training and equipment necessary to face the pandemic. Also, in the event of the death of a spouse who worked within the emergency, the State, through the Ministry of Public Health, will grant a life pension to the family of the deceased equivalent to the last salary earned by the professional at the time of death.

Updated from May 21st to June 4th

Transitional Provision for the Extension of Judicial and Administrative Terms within the framework of the Special Transitory Law for Comprehensive Health Care and the Resumption of Work in the Framework of the Pandemic by COVID-19. On May 21, 2020, the Legislative Assembly approved the above provision before the expiry of the previous extension for the suspension of administrative and procedural terms and deadlines. As a result, the procedural terms and deadlines in administrative and judicial procedures are suspended from May 25 to 29, 2020, whatever the matter or the instance in which they are found.

Extension of the Special Law to Facilitate the Cancellation of Agrarian and Agricultural Debts.

On May 21, 2020, the Legislative Assembly agreed to extend for one year, from June 1, 2020, debts for agricultural and agricultural purposes. Civil or commercial processes already started at



any stage against the debtors are suspended for that period. Financial institutions are required to report on this transitional provision by note or other means.

Extends the Transitory Provision for the Extension of Judicial and Administrative Deadlines under the Special Transitory Law for Comprehensive Health Care and the Resumption of Work in the Framework of the Pandemic by COVID-19. On May 30, 2020, the Legislative Assembly extended the effects of the aforementioned decree through which it suspended the procedural terms and deadlines in administrative and judicial procedures, whatever the matter and instances in which they may be; the provision will be valid for ten days and expires on June 10, 2020.

Executive Decree No. 27 - Special authorizations for quarantine operations in the event of the “Amanda” tropical storm emergency. On May 31, 2020, the Executive Branch, through the Minister of Health, issued special operating rules for hardware stores throughout the country, until June 4, so that they can operate and attend during the emergency without document of identification restriction, and with only 40% of store personnel.

Executive Decree No. 28 - Special authorizations for movement in quarantine in the event of “Amanda” tropical storm emergency. On May 31, 2020, the Executive Branch, through the Minister of Health, issued special regulations within the quarantine to authorize the movement of persons who are engaged in masonry, carpentry, and electricians; factories that produce beds and mattresses can work for 5 days, until Thursday, June 4, 2020.

Legislative Decree 648 - Special transitory emergency law for the pandemic COVID-19, the comprehensive care for life, health, and the reopening of the economy. On May 30, 2020, the Legislative Assembly approved a new regulation that contemplates a state of national emergency for 15 days; establishes the possibility of extending the quarantine period in case the chart of coronavirus cases does not show a flattening curve; proposes types of quarantine and isolation, and the people subjected to them; establishes four phases to reactivate the economy; contemplates sanitation measures to safeguard the lives of workers and job stability.

Updated from June 4th to July 2nd

Extension of judicial and administrative terms. On June 10, 2020, the Legislative Assembly voted to extend the effects of Legislative Decree 649, which contains the suspension of the procedural terms and deadlines in administrative and judicial procedures, whatever the matter and the instance in which they are found, extending its validity from June 11 to 19, pending approval by the Executive Branch.

Special Emergency Law for the Pandemic COVID-19, Comprehensive Care for Life, Health and Reopening of the Economy. On June 11, 2020, the Legislative Assembly approved this law in order to establish measures to protect the health of Salvadorans, instruct the implementation of other forms of work, provide job stability, and recognize the emergency by COVID-19 throughout the territory of the Republic, for fifteen calendar days from the effective date of the decree, during which time direct purchases are available from institutions linked to fighting the



pandemic. Also, the regulations establish sanitary measures that must be complied with when resuming work in four phases. The foregoing is pending approval by the Executive Branch.

Transitional Law for the Regulation of Company and Premises Registration by the Pandemic of COVID-19. On June 11, 2020, the Legislative Assembly approved the Transitory Law for the Regulation of Company Registration and Registration of Premises before the COVID-19 Pandemic, through which the term to renew registrations and premises of companies without penalty and interest is extended to December. The benefit of regulating registrations, filing them for the first time, or renewing them, will apply to individuals and companies who to date do not have their permits in force. The foregoing is pending approval by the Executive Branch.

Amendments to the Law of the Integrated National Health System. On June 11, 2020, the Legislative Assembly amended the Law of the Integrated National Health System to guarantee that in cases of sanitary emergencies, epidemics, or pandemics, top-quality protection equipment is acquired in a flexible and timely manner to enable distribution to all health personnel in the country.

Executive Decree 31. On June 13, 2020, the Executive Branch, through the Minister of Health, announced the gradual reopening of the economy from June 16, 2020, by planning 5 gradual phases by sector and economic activity. The measures are expected to end by August 21, 2020, with the full resumption of economic, social, and cultural activities.

Updated from July 2nd to August 6th

Government of El Salvador suspends the second phase of economic reopening. On July 19, 2020, the Government of El Salvador, in response to the behavior of the pandemic by COVID-19 in Salvadoran territory, suspended the start of the second phase of economic reopening, which was scheduled for July 21. The President of the Republic, Nayib Bukele, announced the suspension and has not set a date for this phase to take effect.

(Last updated: July 30th)



3.15. Dominican Republic

Updates up to March 25th

From the closing of the borders to the suspension of acts of all kinds, the Dominican Republic is introducing commercial, tax, labor and economic measures to help people and businesses who are facing complexities.

Commercially, the measures that have been put in place encompass 4 large initiatives:

- The Internal Tax Office (DGII) will cease applying the APA tax to the hotel sector.
- Income Tax will be split into four payments.
- Pre-payment facilities.
- The Tax Office will co-ordinate assistance to help with paying taxes.

Moreover, the Tax Minister through the DGPLT and DGII has digitalized the process of applying for exoneration from the ITBIS and ISC for the people and businesses that will need to receive this benefit. From 23rd March, the virtual office of the DGII will only receive the applications online.

The Directorate-General for Internal Revenue (DGII) has also implemented the following facilities for the fulfilment of tax obligations:

- Taxpayers may request payment agreements of up to four installments for the Industrialized Goods and Services Transfer Tax (ITBIS) for the February 2020 tax period, whose filing and payment deadline is March 20th 2020. The fees of the payment agreement will not be subject to the indemnification interest applied for each month of validity.
- The fees for all payment agreements in force as of the date of this notice are reduced to half of their current value; doubling the term of unpaid fees.
- Regulatory facilities for taxpayers who have fees delayed to date, without charging additional penalties.
- Extension for the filing and payment of the Affidavit of Legal Income Tax (IR-2) with the closing date of December 31st, deferring the deadline from April 29th, 2020 to May 29th, 2020. This deferral shall also apply to the following obligations:
- Affidavit of Income Tax for Individuals with Sole Owner Business.
 - First share of The Asset Tax of Physical Persons with Sole Owner Businesses.
 - First share of Tax on Legal Entity Assets with a closing date of December 31st.
 - Affidavit of The Non-Profit Institutions with the closing date of December 31st.
 - Extension for the submission of the Information Declaration of Operations with Related Parties (DIOR) with the closing date of 30 September, deferring the deadline from 30th March 2020 to 30th April 2020.
 - Deferral of ten days at the deadline for filing and payment of Industrialized Goods and Services Transfer Tax (ITBIS), whose new filing and payment deadline is March 30th, 2020. At the time of the affidavit of the tax, four payment authorizations will be generated equivalent each of them to 25% of the total payable.



Updates from March 25th to March 31st

On March 26, the Dominican government has launched a series of initiatives that will be active from April 1 to May 31.

- In the economic sectors that have ceased operations, the Government agrees to deliver up to RD \$ 8,500 of the salary of suspended employees.
- In companies that have not closed operations, but are having difficulties and decreases in their economic activities, an Economic Commission will work directly with these companies, so that they have coverage of a percentage of the salary, which will be provided by the Government, which may reach RD \$ 8,500 per month, and companies must cover the difference until they complete at least 70% of each worker's salary, always in exchange for keeping those workers on their payroll.
- The Government has identified sources of financing in the amount of RD\$ 32,062 million. Of these, RD\$ 12,000 million will be obtained from excess technical reserves held by the Dominican Institute for the Prevention and Protection of Occupational Risks (IDOPPRIL). RD \$ 12,000 million through a Central Bank loan to the Government, in response to the national emergency situation declared by the National Congress. US \$ 150 million of financing already contracted for emergencies with the World Bank.

In addition, in support of the exceptional situation in our country in the face of the circulation of the Covid-19 virus and in accordance with the provisions of article 17 of the Tax Code, the General Direction of Internal Taxes (DGII) will grant extensions for compliance with the Tax on the Income of natural persons (IR-1) for the 2019 fiscal period and the Income Tax for taxpayers under the Simplified Tax Regime (RST). Payment deadlines will be deferred to the following dates:

Obligation	Actual closing schedule	New closing schedule
Sworn declaration for taxpayers under the simplified tax regime 1st. Quota of taxpayers under the simplified taxation regime (RST) based on personal income and the agricultural sector	20 of March 2020	30 of April 2020
1 st installment of taxpayers covered by the simplified tax regime (RST) based on income, legal entities and purchases	31 of march 2020	30 of April 2020
Taxes on the income of individuals and undivided successions	30 of march 2020	30 of April 2020

The DGII also announced that as of this Tuesday, March 24, face-to-face care is temporarily suspended in the Local Administrations, Service Centers, Collecting Offices, Payment Offices and Motor Vehicle Offices. Local administrations will be giving remote support to taxpayers.



On the other hand, the DGII reported that in order to comply with the measures for the prevention of contagion by the COVID-19 virus, it digitized the process of processing requests for exemption from the Tax on the Transfer of Industrialized Goods and Services (ITBIS) and Tax. Selective Consumption (ISC) of taxpayers under special regimes.

He indicated that this provision will apply as of this Tuesday, March 24, 2020 for all requests for exemption from ITBIS and ISC expressly provided in laws, contracts or resolutions ratified by the National Congress.

Updates from March 31st to April 8th

The Government launched a package of measures to protect citizens' health, preserve jobs and support productive sectors. Protection includes tax assistance for companies of all sizes and ranges from deferral of tax payments due to adjustment of advance payments, including relief at the time of execution.

Aid programs, as well as support for citizens and businesses, will be financed with RD\$32,062.5 million that will come from the following financial sources: RD\$12 billion of the technical reserves held by the Dominican Institute for Prevention and Prevention and Occupational Risk Protection (Idopril); RD\$12 billion of a loan the Central Bank will make to the government and \$150 million from a loan that was contracted with the World Bank in 2017 for emergencies. **The economic measures prepared by the management of the government to mitigate COVID-19:**

- Launch the "Stay at Home" program to subsidize 1.5 million Dominican households, identified as poor or vulnerable and mainly informal. The program will transfer RD\$5,000 pesos per month to 811,003 families who currently benefit from "Eat First". In addition, coverage will be increased to include 688,997 new households over a 2-month period.

The program will also make an additional transfer reaching up to RD\$7.00 to households with a member over the age of 60 or with precondition of health that makes him vulnerable to COVID-19. This targeted intervention will involve resources for RD\$16,981.7 MM.

- Create the Employee Solidarity Assistance Fund (FASE), which will transfer RD\$8,500 per month to formal employees who have been suspended from their duties. FASE will impact more than 754,000 families, representing an injection of liquidity into the economy of up to RD\$15 billion.
- Ensure the cost of coronavirus diagnostic tests for adults over the age of 59 and people who have at least two of the symptoms of the disease. (Must have a medical prescription)
- Reduce the Monetary Policy Rate by 100 basis points to drive a widespread drop in interest rates in the national financial system.
- Provide liquidity to financial intermediation entities for more than RD\$80 million and US\$600 million.



- Increase resources released from legal entities to RD\$30,133.4 million to provide loans to households and productive sectors.
- To postpone the application of the fee to the Advance Price Agreements to the tourism sector so that it can have resources to meet its commitments.
- Grant an extension of one month, until 30 April, in the submission of the declaration to be made by companies of the transactions they carry out with a related one.
- Grant an extension of one month, until May 29, for the declaration and payment of the ISR of the companies. In addition, they can separate the payment into four equal and consecutive installments, without penalty.
- Defer for one month, until the end of April, the declaration and payment of the ISR of individuals and those taxpayers under the Simplified Taxation Regime (RST).
- Postpone for 10 days the declaration and payment of the ITBIS, being able to make the payment in four equivalent installments, without penalty.
- Halve the value of the fees for all current payment agreements, the doubled term.
- Provide regularization facilities for taxpayers who have late payments, without charging for penalties.

Updates from April 8th to April 16th

ITBIS amendment for the 2019 and 2020 periods through the virtual office.

In the framework of the measures to prevent contagion by the COVID-19 virus, the General Directorate of Internal Taxes (DGII) makes available to taxpayers the Rectification of the Tax on the Transfer of Industrialized Goods and Services (ITBIS) for the periods 2019 and 2020 through the Virtual Office. This new procedure allows the taxpayer to correct errors and inconsistencies on a voluntary basis that are detected in the affidavits regarding the increase in income, decrease in advances or balances in favour, without having to go to our offices.

Extension of validity of the ITBIS exemption card for companies in free zones.

The General Directorate of Internal Taxes (DGII) informs all free zone companies and operators of free zone parks covered by Law 8-90 on the Promotion of Free Zone, as well as their suppliers. Those measures will be extending to June 30, 2020 the term of validity of the ITBIS exemption card, for those with an expiration date of March 19, 2020.

Postponement of selective consumption taxes (ISC) on fuels and special contribution of liquefied petroleum gas (LPG).

The General Directorate of Internal Taxes (DGII) informs all taxpayers of the Selective Consumption Tax on Fossil Fuels and Petroleum Derivatives (IH) and the Special Tax on Liquefied Petroleum Gas (LPG), which has provided for an extension for the declaration and payment of these taxes in accordance with the following:



Obligation	Actual closing schedule	New closing schedule
IH4- 032020: Fiscal Week from the 28 th of march to the 03 rd of April 2020. Contribution GLP: Fiscal week 30 th of march to the 05 th of April 2020.	09 th of April 2020	23 rd of April 2020
IH1- 042020: Fiscal Week from the 28 th of march to the 03 rd of April 2020. - Contribution GLP: Fiscal week 30 th of march to the 05 th of April 2020.	16 th of April 2020	23 rd of April 2020
IH2- 042020: Fiscal Week from the 11 th to the 17 th of April 2020. Contribution GLP: Fiscal week 13 th to the 19 th of April 2020.	23 rd of April 2020	30 th of April 2020
IH4- 032020: Fiscal Week from the 28 th of march to the 03 rd of April 2020. Contribution GLP: Fiscal week 30 th of march to the 05 th of April 2020.	09 th of April 2020	23 rd of April 2020

Measures to facilitate the presentation and payment of tax obligations for April 2020. The General Directorate of Internal Taxes (DGII) informs all taxpayers that, in addition to the measures taken in recent weeks to support the different economic sectors, that have been impacted by the effects of the Coronavirus pandemic (COVID19). The DGII has provided the following facilities for compliance with the tax obligations for the month of April 2020. The deadlines for the presentation and payment of the following obligations are postponed:

Obligation	Actual closing schedule	New closing schedule
Other recommendation and Complementary retribution (IR17)	13 th of April 2020	24 th of April 2020 30
2 nd quota of taxes on actives of societies with deadline on the 30 th of Jun	30 th of April 2020	29 th of May 2020
Taxes on income for Fisical persons and undivided succession	30 th of April 2020	29 th of May 2020
Affidavit for taxpayers under the simplified tax regime: - 1st IRS fee for taxpayers covered by the simplified tax regime (RST) based on income, individuals and the agricultural sector - 1st IRS fee for taxpayers under the Simplified Tax Regime (RST) based on legal persons and purchases income	30 th of April 2020	29 th of May 2020



An agreement to pay three equal and consecutive monthly instalments is granted to all taxpayers of the Tax on Transfers of Industrialized Goods and Services (ITBIS) for the period March 2020. The instalments of the agreement will not be subject to the compensatory interest and will be automatically generated at time to file the ITBIS Affidavit (IT-1), whose filing deadline is maintained for April 20, 2020.

IS grants an agreement to pay three equal and consecutive monthly instalments to all taxpayers of the Selective Consumption Tax (ISC) for Alcohol and Tobacco products for the period March 2020. The instalments of the agreement will not be subject to compensatory interest and will be Automatically generated at the time of filing the ISC Affidavit of Alcohol and Tobacco products (ISC-02), whose filing deadline is maintained for April 20, 2020.





Updates from April 16th to April 23rd

Notice 46.20. Internal Taxes informs taxpayers of the **Transfer Tax of Industrialized Goods and Services (ITBIS)** who wish to perform the rectifying through the Virtual Office must have their Token or Code Card at the time of filing. Taxpayers who do not own these security devices will be sent a code to the email linked to the OFV, which must be registered to submit the amending. To access the ITBIS Rectifying, visit Virtual Office: dgii.gov.do/ofv, "Affidavits" section, "Rectifying Statements" option.

Notice 47.20. In line with the facilities granted by the **Directorate-General of Customs (DGA)** in the importation of medical materials and equipment necessary to combat the Coronavirus pandemic (COVID-19), this **Directorate-General for Internal Revenue (DGII)** informs all taxpayers of the Tax on the Transfer of Industrialized Goods and Services (ITBIS) the temporary suspension of this tax on the transfer on the local market, free of charge or onerous, of the following products:

Number	Product description
2847.00.00	Peróxido de hidrógeno (agua oxigenada), incluso solidificado con urea
4015.11.00	Guantes de caucho para cirugía
4015.19.11	Guantes desechables para uso de exámenes médicos y laboratorios
6307.90.30	Mascarillas de tela sin tejer
6210.10.10	Prendas y complementos de vestir ("utilizadas exclusivamente en clínicas y hospitales, incluidas las desechables")
8419.20.00	Esterilizadores médicos, quirúrgicos o de laboratorios
9018.90.19	Los demás
9019.20.00	Aparatos respiratorios de reanimación
9022.12.00	Aparatos de tomografía regidos por una máquina automática de tratamiento o procesamiento de datos
9025.11.10	Termómetros de uso clínico

Notice 48.20: By Decree 143-20 dated 2 April 2020, the **Joint Employee Assistance Fund (FASE)** was established to temporarily support formal private sector employees who have been suspended, with monthly contributions ranging from RD\$5,000 to RD\$8,500. In addition to this subsidy, employers may pay their employees the remaining amount or a proportion of the salary. The supplementary payments made by employers under the FASE Program, provided that they have complied with the requirements and formalities provided by the Ministry of Labor and the Ministry of Finance, shall be deductible from income tax (ISR), in accordance with the provisions of article 287 of the Tax Code. These payments are considered deductible from the ISR because the suspension of employment is a figure set out in Article 49 of the Labor Code, which does not imply a termination of the employment contract or compromises the liability of the parties, so the supplementary payments to FASE made by the taxpayer, as an employer, to their employees, will enjoy tax treatment similar to wages paid. For these purposes, in their affidavit of Income Tax for Legal Persons (IR2), taxpayers must record these contributions in the "other personnel expenses" account of Annex B-1 of the affidavit. For the control of the Tax Administration, taxpayers must pay the additional contribution in the same account where the



employee receives the FASE contribution and keep all the documents that support these payments.

Furthermore, all natural or legal persons involved in the processes of exemptions from the Transfer of Industrialized Goods and Services (ITBIS) and the Selective Consumption Tax (ISC) are informed that payment of the fee for the service must be made electronically through the portal of the Ministry of Finance. The whole process of applying for such exemptions is carried out virtually, so that no physical requests will be received from undertakings or natural persons released from special schemes providing for such benefit.

Updates from April 23rd to May 7th

Notice 49-20. Deferral payment fees of itbis

The Directorate-General for Internal Revenue (DGII) informs all taxpayers of the Industrialized Goods and Services Transfer Tax (ITBIS), which is available for deferment until Friday, April 24 for the payment of the second installment of the February period and the first installment of the period March 2020. It is recalled that the fees for these payment agreements are automatically generated at the time of making the affidavit, without regard to indemnities, as part of the measures taken in the context of combating COVID-19.

NOTICE 50-20. Certification of legal property through the virtual office

Within the framework of facilitation measures to support the different economic sectors for the circulation of coronavirus COVID-19, this Directorate-General for Internal Revenue (DGII) makes available to legal persons the application for property certifications through the Virtual Office. This new procedure allows legal entities who own real estate, who are up to date in fulfilling their obligations related to Income Tax (ISR) and Asset Tax (ISA), to generate the certifications of the properties, without having to move to our offices. This certification is available as of Wednesday, April 22, 2020, through the Virtual Office: dgii.gov.do/ofv, section "Applications", option "Request Certification", type certification "Of real estate", concept "Company Properties".

NOTICE 51-20. Deferral for remission of shipping formats and submission of monthly affidavits

The Directorate-General for Internal Revenue (DGII) informs all taxpayers that by their economic activities they have an impediment to operating during the state of emergency ordered by the Executive Branch, by successive decrees since 19 March 2020, which is granted a deferment of thirty (30) calendar days from the restart of their operations, for the referral of the formats of shipments and submission of monthly affidavits corresponding to the tax periods concerned for the cessation of operations.

Similarly, taxpayers are reiterated to maintain their operations that they must comply with formal reporting and filing duties within the deadlines set for this purpose.



NOTICE 52-20. Exchange rate for the treatment of exchange differences fiscal year closed at march 31, 2020

In compliance with Article 293 of the Dominican Republic's Tax Code, and Articles 108 and 109 of Regulation No. 139-98 on Income Tax, it is reported that, for the treatment of exchange differences in the fiscal year closed as of March 31, 2020, the exchange rates to be used according to information provided by the Central Bank of the Dominican Republic shall be the following : RD\$/US\$ 53.8481 // RD\$/EUR\$ 58.9960

NOTICE 53-20. Expanse of display plates

The Directorate-General for Internal Revenue (DGII) reports the extension for an additional month on the effective date of vehicle display plates, due from 19 March, it extends until 30 May this year.

NOTICE 54-20. Multipliers table for inflation adjustment of fiscal year capital assets closed as of march 31, 2020

In compliance with the provisions of Article 289 of the Tax Code of the Dominican Republic, the Multiplier Table for the years 1980-2020 is then transcribed, which will serve as the basis for the determination of the Adjusted Value of Capital Assets for the fiscal year closed as of March 31, 2020.

YEARS	MULTIPLIER	YEARS	MULTIPLIER	YEARS	MULTIPLIER	YEARS	MULTIPLIER
1980 and earlier	101.3955	1990	14.3498	2000	4.4487	2010	1.3907
1981	92.8128	1991	7.9104	2001	4.0051	2011	1.2924
1982	81.4316	1992	7.8501	2002	3.8538	2012	1.2315
1983	76.7897	1993	7.3003	2003	3.2465	2013	1.1731
1984	68.6705	1994	6.9146	2004	2.0000	2014	1.1391
1985	45.3447	1995	6.0538	2005	1.9177	2015	1.1319
1986	40.9259	1996	5.6857	2006	1.7714	2016	1.1142
1987	38.1054	1997	5.3297	2007	1.6785	2017	1.0802
1988	28.5485	1998	5.0637	2008	1.5305	2018	1.0396
1989	19.4642	1999	4.7034	2009	1.4940	2019	1.0245
						2020	1.0000

NOTICE 55-20. To income tax taxpayers multiplier for adjustment for inflation fiscal year closed to march 31, 2020

In compliance with Article 327 of the Dominican Republic's Tax Code and Article 105 of Regulation No. 139-98 on Income Tax, this Directorate-General warns that, according to information provided by the Central Bank of the Dominican Republic, the Inflation Adjustment Multiplier for the fiscal year closed as of March 31, 2020, will be 1.0245.

Central Bank, Ministry of finance and superintendency of banks evaluate mechanisms for a guarantee fund aimed at SMEs

During a meeting at the Central Bank of the Dominican Republic, Governor Héctor Valdez Albizu; The Minister of Finance, Donald Guerrero Ortiz and the Superintendent of Banks, Luis Armando Asunción, discussed the possibility of creating new guarantee and financing



mechanisms for the Micro, Small and Medium-sized Enterprises (MIPYMES) sector, with the participation of entities belonging to the Dominican financial system.

(Last updated May 7th)





3.16. Puerto Rico

Updates up to March 25th

Although Puerto Rico has not been affected quite so hard as its neighbors (because of its geographic position and population), it has still put in place measures to stimulate the economy and stop the consequences associated with the pandemic.

Wanda Vasquez has presented a series of measures such as the suspension for 90 days on car payments, personal and business loans, an investment of 250m USD for software to facilitate distance learning and payments of 1.500USD to small and medium businesses of 50 employees that do not receive federal aid, as well as the 500 USD in cash for the 170.000 self-employed people that work in Puerto Rico.



Moreover, the following deferrals have been put in place for a range of taxes.

- Individual, Corporation and other forms due April 15th, 2020 and their corresponding payments. Form whose expiration of an extension duly submitted for that form. From 15th April 2020 to 15th May 2020.
- Conduct Entity Form and other Forms due March 16th, 2020 and their corresponding payments. Form whose expiration of an extension duly submitted for that form. From 15th March 2020 to 15th April 2020.
- First term of the estimated contribution for the next contribution year. From 15th April 2020 to 15th May 2020.
- Information Statements. From 28th February 2020 to 15th April 2020.
- Payment Plans: Payment is not required during the moratorium period.
- Fifteenth IVU payment for the month of March: Payment with the Plan on April 20th.
- Deposits to the Department: Any bond that has an expiration date between March 15th and 31st, 2020 is April 30th, 2020.
- Internal Revenue Licenses due between March 15th-31st, 2020: April 30th, 2020.
- Any notification of mathematical error or adjustment in a form issued by the Department: granting a term of one hundred and twenty (120) days in addition to the established period.
- Annual Reports: from 15th April 2020 to 15th May 2020.



Updates from to March 25th to March 31st

Treasury Department Secretary Francisco Pares Alicea announced that as of Monday, March 30 and until May 1, 2020, self-employed individuals will be able to apply for the \$500 economic incentive announced by the governor, through their account in *Sistema Unificado de Rentas Internas* (SURI).

In addition, the Secretary of the Treasury has informed of new dates for the filing of returns and payment of contributions. The Department determines to derogate DA 20-03 and DA 20-05 and to establish the non-applicability of interest, surcharges, and penalties for the filing of returns, payments, and deposits of contributions, as long as they are filed no later than the deadlines detailed below:

- **Impuesto sobre Ventas y Uso (IVU).** In the case of forms and payments related to the UVI, the deadline for filing this form and the corresponding payment, for the periods of February, March, April and May 2020 will be the following: February, until 20 April 2020; March, until 20 May 2020; April, until 22 June 2020 and May, until 20 July 2020.
- **Impuesto sobre Importaciones Monthly form.** The deadline for filing and the corresponding payment for the periods of March and April 2020 will be as follows: March, until 10 May 2020; April, until 10 June 2020 and May, until 10 July 2020.
- **IVU Biweekly payments.** No fines will be imposed for non-compliance during the months of March, April, May and June 2020, as long as the total UVI due is paid with the filing of the Monthly UVI Form for those periods.
- **Informative Declarations.** The deadline for filing without penalties is amended to 15 May 2020.
- **Income Tax Forms.** No interest, surcharges or fines will be imposed as long as these, together with the payment of the contribution due, are submitted on the deadlines indicated below:
 - Forms whose original due date, or the due date of a duly submitted extension for such a form, is March 15, 2020 - the deadline will be June 15, 2020 This includes any Form with an expiration date postponed to March 16, 2020.
 - Forms whose original due date, or the due date of a duly submitted extension for such form, is April 15, 2020 - the deadline for submission will be July 15, 2020.
 - Forms whose original due date or expiration date of an extension duly submitted for that form is May 15, 2020 or June 15, 2020 - the deadline for submission will be July 15, 2020.
- **Other Forms and Contribution Payments.** No interest, surcharges or penalties will be imposed, provided they are submitted by the deadlines set forth below, with certain exceptions: original due dates during the months of March and April 2020, must be submitted no later than the same due date, the month of June 2020.
 - Other Forms whose expiration dates are during the months of May and June 2020, must be submitted no later than the same day of expiration, in July 2020.



- Deposits and Internal Revenue Licenses - with expiration dates between March 15, 2020 and April 30, 2020, are automatically extended until May 31, 2020.

In addition, the DA 20-10, establishes the following measures of relief for the liquidity flow:

- Estimate Payment Requirement for Individuals and Corporations. No penalties will be imposed if the first and second installments are not paid by the date prescribed by the Law.
- Withholding tax on payments for services rendered. All withholding agents are relieved of making the withholding of contribution on income, for the provision of services during the months of April, May and June 2020. In the case of taxpayers who availed themselves of the Optional Contribution for tax year 2020 and obtained a Partial Relief Certificate, they shall ensure that they comply with their tax liability, no later than the last deadline for paying the estimated contribution for tax year 2020. If they wish, the recipient of the payment may request the withholding agent to continue to withhold the income tax at the source of the payments.
- Requirement of payment of UVI in the import and purchase of taxable items for resale. The Department determines to grant a Temporary Exemption Period from Monday, April 6, 2020, through Tuesday, June 30, 2020, for the importation or purchase of taxable items for resale, free of the payment of UVI, to any merchant who is a Reseller and who, as of the date of publication of this Determination, has a current Reseller Certificate. Any reseller merchant who has an active and current Reseller Certificate will automatically receive through his account in SURI, the Temporary Exemption Certificate.
- Refunds and Overpayments against other contributions. The Department will allow any contributor who has an overpayment and has not requested to apply it against a future contribution, to request to apply it against another type of contribution.
- Income Tax Installment Agreements for the 2019 tax year. Any taxpayer requesting Instalment Payment must agree to pay the contribution due in monthly installments and settle the total amount due by March 31, 2021. Once the Taxpayer settles the debt, the Department will proceed to eliminate the corresponding interest, surcharges and penalties.

Governor Wanda Vazquez Garced announced the release of \$21.5 million in income tax refunds, corresponding to 27,809 taxpayers. This is the second batch of payments to be processed in the midst of the emergency. In addition, more than \$37 million was disbursed to employers who retained their employees after the scourge of Hurricanes Irma and Maria in 2017.

(Last updated: March 31st)



3.17. United States

Updates up to March 25th

The United States counts Coronavirus cases by dozens of thousands and a growing number of Americans are filing for unemployment and economic assistance. The below are the measures that US Government is taking to aid their citizens.

The US Federal government has passed a Bill to help address the financial challenges Americans are experiencing as a result of COVID-19. The Bill, which applies to employers with fewer than 500 employees, has gone through several iterations as it was passed from House to Senate. It addresses the need for temporary paid employee sick and family leave, as well as other support programs to help individuals and families cope with COVID-19 disruptions.

On March 18th, the Families First Coronavirus Response Act passed the US Senate. The bill will go into effect within 15 days of its enactment.

How does the bill work?

As it stands now, the bill gives some relief to workers and their families by creating emergency paid sick leave and paid family leave in the case of school closures. The bill requires employers with up to 500 employees to provide paid sick leave and paid family leave to their employees. To cover the costs of the leave, the government will give employers a refundable payroll tax credit as well as a refundable income tax credit for self-employed individuals.

Under this bill, employers must offer:

- Two weeks (10 days) of paid sick leave for COVID-19-related reasons for eligible full-time employees. 100% of employer costs are offset for providing this mandated paid sick leave. Under the paid sick leave provision, employees who are unable to work (or telework) may take leave if they:
 - are subject to a Federal, State, or local quarantine or isolation order related to COVID-19 (100% of pay capped at \$511 per day);
 - have been advised by a health care provider to self-quarantine due to concerns related to COVID-19 (100% of pay capped at \$511 per day);
 - are experiencing symptoms of COVID-19 and seeking a medical diagnosis (100% of pay capped at \$511 per day);
 - are caring for an individual who is subject to a quarantine or isolation order related to COVID-19, or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19 (2/3 pay capped at \$200 per day);
 - are caring for a son or daughter if the school or place of care for the child has been closed, or childcare provider is unavailable due to COVID-19 precautions (2/3 pay capped at \$200 per day); or



- are experiencing any other substantially similar condition as specified by the Secretary of Health and Human Services (2/3 pay capped at \$200 per day).

Under the sick leave provision, individuals who are working part time or hourly are also eligible for paid sick leave which is to equal the number of hours the employee works on average over a two-week period.

Ten weeks of paid family leave (12 weeks total) for an employee with a minor child who is unable to work (or telework) in the event of the closure of the child's school or place of care due to COVID-19 precautions. 100% of employer costs are offset for providing this mandated paid family leave. Under the expanded paid family leave provision, the benefits are as follows:

The first 10 days are unpaid, but the employee can use the 10 days of paid sick leave during this time.

The benefit must replace at least two-thirds of the employee's wages up to a maximum of \$200 per day (and \$10,000 in aggregate) and reflect the number of hours an employee would otherwise be normally scheduled to work.

This 12-week period does not extend any time under the FMLA act, it simply adds another reason for leave and specifies payment.

The Act allows an employer of an employee who is a health care provider or an emergency responder to elect out of providing paid family leave to these employees.

The Labor Department will have the authority to exempt from the paid family leave requirement small businesses with fewer than 50 employees if the requirement to provide leave would jeopardize the viability of the business.

Who is eligible? To be eligible the employee must have worked at least thirty calendar days for the employer before they were impacted by COVID-19.

When do the Paid Family Leave and Emergency Sick Leave provisions expire? Both provisions expire on December 31, 2020.

Furthermore, on March 17th, the US Federal Government has announced that Individuals and businesses will have an extra 90 days to pay the IRS if they owe additional income tax for 2019. The Treasury Department and Internal Revenue Service announced March 21st that the federal income tax filing due date is automatically extended from April 15, 2020, to July 15, 2020.

Normally, taxpayers file incomes taxes and owe the amount due by April 15. But as part of the government's response to the coronavirus, individual and small business filers will be able to defer payments of up to \$1 million and corporations can defer up to \$10 million -- without incurring interest or penalties.

Updates from March 25th to March 31st





To help people facing the challenges of COVID-19 issues the United States, the CARES Act, Coronavirus Aid, Relief, and Economic Security Act, was passed by the US Government on March 27th. Here are some of the main highlights:

- **Direct payments:** Americans who pay taxes will receive a one-time direct deposit of up to \$1,200, and married couples will receive \$2,400, plus an additional \$500 per child. The payments will be available for incomes up to \$75,000 for individuals and \$150,000 for married couples.
- **Unemployment:** The program provides \$250 billion for an extended unemployment insurance program and expands eligibility and offers workers an additional \$600 per week for four months, on top of what state programs pay. It also extends UI benefits through Dec. 31 for eligible workers.
- **Payroll taxes:** The measure allows employers to delay the payment of their portion of 2020 payroll taxes until 2021 and 2022.
- **Use of retirement funds:** The bill waives the 10% early withdrawal penalty for distributions up to \$100,000 for coronavirus-related purposes, retroactive to Jan. 1. Withdrawals are still taxed, but taxes are spread over three years, or the taxpayer has the three-year period to roll it back over.
- **Small business relief:** \$350 billion is being dedicated to preventing layoffs and business closures while workers have to stay home during the outbreak. Companies with 500 employees or fewer that maintain their payroll during coronavirus can receive up to 8 weeks of cash-flow assistance. If employers maintain payroll, the portion of the loans used for covered payroll costs, interest on mortgage obligations, rent, and utilities would be forgiven.
- **Large corporations:** \$500 billion will be allotted to provide loans, loan guarantees, and other investments, these will be overseen by a Treasury Department inspector general. These loans will not exceed five years and cannot be forgiven. Airlines will receive \$50 billion (of the \$500 billion) for passenger air carriers, and \$8 billion for cargo air carriers.
- **Hospitals and health care:** The deal provides over \$140 billion in appropriations to support the U.S. health system, \$100 billion of which will be injected directly into hospitals. The rest will be dedicated to providing personal and protective equipment for health care workers, testing supplies, increased workforce and training, accelerated Medicare payments, and supporting the CDC, among other health investments.
- **Coronavirus testing:** All testing and potential vaccines for COVID-19 will be covered at no cost to patients.
- **States and local governments:** State, local and tribal governments will receive \$150 billion. \$30 billion is set aside for states, and educational institutions. \$45 billion is for disaster relief, and \$25 billion for transit programs.



- **Agriculture:** The deal would increase the amount the Agriculture Department can spend on its bailout program from \$30 billion to \$50 billion.

Updates from March 31st to April 8th

The U.S. Department of Labor announced on April 5 2020 the publication of Unemployment Insurance Program Letter (UIPL) providing guidance to states for implementation of the **Pandemic Unemployment Assistance (PUA)** program. Under PUA, individuals who do not qualify for regular unemployment compensation and are unable to continue working as a result of COVID-19, such as self-employed workers, independent contractors, and gig workers, are thus eligible for PUA benefits. This provision is included in the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act enacted on March 27, 2020.

PUA provides up to 39 weeks of benefits to qualifying individuals who are otherwise able to work and available for work within the meaning of applicable state law, except that they are unemployed, partially unemployed, or unable or unavailable to work due to COVID-19 related reasons, as defined in the CARES Act. Benefit payments under PUA are retroactive, for weeks of unemployment, partial employment, or inability to work due to COVID-19 reasons starting on or after January 27, 2020. The CARES Act specifies that PUA benefits cannot be paid for weeks of unemployment ending after December.

Updates from April 8th to April 23rd

The Internal Revenue Service (IRS) and the Treasury Department issued guidance on April 21, 2020 that provides relief to individuals and businesses affected by travel disruptions arising from the COVID-19 emergency. The guidance released includes the following key measures:

1. Revenue Procedure 2020-20, which provides that, under certain circumstances, up to 60 consecutive calendar days of U.S. presence that are presumed to arise from travel disruptions caused by the emergency will not be counted for purposes of determining U.S. tax residency and for purposes of determining whether an individual qualifies for tax treaty benefits for income from personal services performed in the United States.
2. Revenue Procedure 2020-27, which provides that qualification for exclusions from gross income under I.R.C. section 911 will not be impacted as a result of days spent away from a foreign country due to the COVID-19 emergency based on certain departure dates.
3. Additional information issued which provides that certain U.S. business activities conducted by a nonresident alien or foreign corporation will not be counted for up to 60 consecutive calendar days in determining whether the individual or entity is engaged in a U.S. trade or business or has a U.S. permanent establishment, but only if those activities would not have been conducted in the United States but for travel disruptions arising from the COVID-19 emergency.



Updates from April 23rd to June 4th

Under the US Department of Labour's Occupational Safety and Health Administration (OSHA) recordkeeping requirements, Coronavirus is a recordable illness, and employers are responsible for recording cases of the coronavirus, if the case:

- Is confirmed as a coronavirus illness;
- Is work-related as defined by 29 CFR 1904.5; and
- Involves one or more of the general recording criteria in 29 CFR 1904.7, such as medical treatment beyond first aid or days away from work.

Under the new policy issued, OSHA will enforce the recordkeeping requirements of 29 CFR 1904 for employee coronavirus illnesses for all employers. OSHA's guidance emphasizes that employers must make reasonable efforts, based on the evidence available to the employer, to ascertain whether a particular case of coronavirus is work-related.

(Last updated: June 1st)





3.18. Venezuela

Updates up to March 31st

Nicolás Maduro, using his investiture as president of the executive branch, decreed on March 13 a state of national alarm for 30 days, which can be extended due to the Coronavirus. In this decree he stands out:

- National social quarantine.
- The use of masks that cover mouth and nose in order to access public transportation.
- Suspension of work activities that cannot be carried out by remote means and educational activities at all levels, leaving open only work in essential sectors such as health and food.
- Prohibition of rental payments for housing and commercial premises.
- Ratification of the prohibition of employment layoffs, which was already in force.
- Prohibition of public entertainment and temporary closure of recreational facilities, as well as beaches and spas.
- Suspension of international flights.
- The national government will assume the salaries of small and medium enterprises for a period of six months.
- The Presidential Commission for the Prevention and Control of Coronavirus (Covid-19) shall be established to coordinate and advise on the implementation of the measures needed to halt and control the spread of the Coronavirus pandemic.

Subsequently, the internal borders between the states were closed. Announcements of economic subsidies have been made to the population, although the amount has not been indicated. This subsidy will only reach those who have a government-promoted identification, through which some economic subsidies are already given.

It should be noted that direct taxes in indirect, national and municipal taxes have not been suspended or extended. The deadline for the declaration and payment of income tax, both for individuals and companies, is March 31.

No complementary regulations have been issued to determine which companies are classified as small and medium sized and therefore can take advantage of the payroll benefit, nor is it known what the process will be for making this payment.

Updates from March 31st to April 8th

- The Central Bank of Venezuela (BCV) reduced the legal reserve for deposits in national currency by 7 percentage points, which means an amount of 93%. Likewise, a 31% reserve requirement was created for deposits in foreign currency.



- Exemption from the payment of Income Tax (ISLR), to individuals resident in the country, whose annual enrichment during 2019 does not exceed the amount equivalent to three (3) minimum wages in force at December 31.
- The National Government presents the website <https://covid19.patria.org.ve>, developed with the goal of informing about the updates put into force and any other relevant novelties regarding Covid-19 pandemic in Venezuela.
- Activation of Plan “**Plan Especial de Suministro de Combustible**” aimed at ensuring the mobility of priority sectors within the framework of the state of alert.
- Re-opened the frontiers with Colombia to allow the in order to allow the return of Venezuelans from different countries in South America.

Updates from April 8th to April 16th

In the last few days there have been no relevant updates on tax and labour issues. However, it has been established:

- Curfew decreed in some municipalities on the border with Colombia. Restrictions on the movement of vehicles and people from 4.00pm to 10:00am.
- Hospitalization of all cases of people with Covid-19 in health centers is ordered. This measure is intended to eliminate "home isolation".
- Classes are suspended for the remainder of the school year and the use of "distance learning pedagogical strategies" is proposed as an alternative.
- Medical supplies and inputs from the UN, PAHO, WHO, UNICEF and Russia arrive in Venezuela as humanitarian aid to support the response to COVID-19
- The state of emergency declared on March 13 is extended for thirty (30) days.

Updates from April 16th to April 30th

Although there has been no new tax compliance or labour updates in this period of time, these are some of the relevant measures and novelties:

- The "temporary and unique flexibilization" of the time slot is announced on Sunday 26 (children up to 14 years old), with its representatives, and on Monday 27, for the people of 65 years old
- Based on the Organic Law on Fair Prices (LOPJ) - G.O No. 40.340 of 23 January 2014, of the Bolivarian Republic of Venezuela, the national government announces the following measures:
 - A "table of agreed prices for 27 items" has been established between the government and the National Association of Self-Service Shops (ANSA)

Updates from April 30th to May 7th

Increase in the monthly National Minimum Wage and the Socialist Cestatickets, effective from 1 May.



List of "agreed prices" for 27 food products is established. Based on the Organic Law on Fair Prices (LOPJ).

Measures are announced to "safely relax" the quarantine that will allow children, adolescents and the elderly to go out on Saturdays and Sundays, within an established time frame.

Updates from May 7th to May 21st

The Superintendency of Banking Sector Institutions (Sudeban) has ordered the suspension of charges for point of sale service to users who do not generate transactional activity.

In addition, the Capital District Tax Unit (UTDC) has been established as the applicable unit of measure for determining the amount corresponding to tax obligations, equivalent to one point seven percent (1.7%) of the value of the crypto-asset PETRO.

Furthermore, the National Government extended for thirty (30) days the State of Alarm to attend the Coronavirus Health Emergency (COVID-19). Measures have been announced to "relax" the quarantine, which will allow children, adolescents and the elderly to leave on Saturdays and Sundays, within an established time frame.

Updates from May 21st to August 6th

- The National Government decrees for thirty (30) days the State of Alarm to attend the Coronavirus Sanitary Emergency (COVID-19), until August 12. The decree may be extended for the same period, until the state of containment of the epidemic coronavirus disease (COVID-19) or its possible strains is considered adequate, and its contagious factors are controlled.
- The National Institute of Civil Aeronautics (INAC) announced the extension of the restriction on air operations throughout the country for 30 more days, until August 12 by COVID-19. Exempted are operations in a state of emergency, cargo and mail flights, technical landings, humanitarian flights, repatriation or flights authorized by the United Nations and cargo and commercial overflights.
- The National Executive announces that as from Monday 13 July and for the periods of relaxation, three different levels will apply. Level 1: radical quarantine (no relaxation period), Level 2: partial relaxation (restricted and monitored), the first sectors will be activated and Level 3: extended relaxation, all permitted sectors will be activated.
- Superintendencia de las Instituciones del Sector Bancario (SUDEBAN) announces a banking schedule exclusively for the periods of activity that will henceforth be activated at three different levels. Level 1: radical quarantine (no regular activity), Level 2: partial flexibility (reduced activity) and Level 3: extended flexibility (regular activity).

(Last updated August 5th)





3.19 Bolivia

Updates up to March 31st

On March 10, the first cases of Coronavirus were confirmed in Bolivia. Weeks later, the number of affected is already over 100. As a reflection of this, the country declared a "state of health emergency" on March 25. Some of the measures implemented at the general level include a strict quarantine (in which citizens can only go out one day a week to buy supplies) or the postponement of the presidential elections.

As for updates on labor and tax matters, the Decreto Supremo 4198 of 18 March has been issued, which, as the text itself states, "aims to establish urgent and temporary tax measures during the National Emergency situation due to the presence of the Coronavirus outbreak". This DS establishes some modifications regarding taxes, however, it is important to highlight that it depends on Law 843, so it is likely that a new law will be introduced to support what is indicated by this DS 4198.

Impuesto sobre las Utilidades de las Empresas (IUE):

- The payment is deferred until May 29, 2020 from the exercised closed on December 31, 2019.
- Taxpayers may receive payment facilities of up to three monthly payments, without recharging or interest, nor the constitution of guarantees. This benefit will proceed when the taxpayer pays fifty percent (50 %) of the amount determined before June 1, 2020.
- Donations made up to December 31, 2020 in favor of public and/or private health care centers authorized by the Ministry of Health, provided that they are used for the prevention, diagnosis, control, care and treatment of patients in the event of a Coronavirus emergency throughout the national territory, shall be deductible for the purpose of determining the Corporate Income Tax provided for in Law 843 corresponding to the 2020 fiscal period, provided that they do not exceed ten percent of the net taxable income obtained from January 1 to December 31, 2019.

Extension of the VAT tax credit:

- For the purposes of Article 8(a) of Law 843, and until December 31, 2020, the tax credit for IVA computable for self-employed professionals includes purchase of food, health and education services of their direct family nucleus.

Impuesto a las Transacciones:

- Taxpayers who, until May 15, 2020, had paid in cash the IUE until December 31, 2019, will deduct it as a payment on account of the Impuesto a las Transacciones, in the following proportion:



- For taxpayers under the General System categorized as Large and Major Taxpayers (GRACO and PRICO), a factor of 1:1.1 (one to one point one) shall be applied.
- For General Regime taxpayers categorized as Rest, a factor of 1:1.2 (one to one point two) will be applied.
- For a three-month period for General Regime taxpayers categorized as Large Taxpayers (GRACO) and Major Taxpayers (PRICO), and for a six-month period for taxpayers in the Rest category, the IVA effectively paid will not be part of the Gross Income that makes up the taxable base of the Impuesto a las Transacciones.

In addition, the text establishes the suspension of the computation of deadlines for the filing and processing of Lifting and Hierarchical Appeals before the Tax Impugnation Authority, and Determination Procedures, Determination Procedures and Sanctioning Procedures in charge of the SIN.

In addition, Resolución Normativa de Directorio 102000006 issued on March 27 establishes the extension of the deadline for certain tax obligations, such as:

- Extension of the declaration and/or payment of monthly tax obligations for the fiscal periods February and March 2020 until the due dates established for the fiscal period April 2020, according to the last digit of NIT.
- The deadline for payment of facilities plans due on February 28, 2020 and March 31 of the current year extends until April 30, 2020.
- Until April 30, 2020: the deadline for the submission of Tax Refund Applications (CEDEIM) due in March 2020.
- Until April 30, 2020: the deadline for the submission of Applications for Tax Credit Certificates (CENOCREF) under Law No. 1886, expiring in March 2020.
- Until 11 May 2020, the deadline for compliance with formal obligations such as sending the VAT Sales and Purchase Book, Information Agents and others established in specific regulations, expiring in the months of March and April 2020.
- Until May 11, 2020, the obligations of the Simplified Tax System for the two-month period January and February 2020.
- Until May 29, 2020: deadline for the submission of Affidavits, payment of taxes and compliance with formal duties of the Integrated Tax System (STI) for the fiscal period March 2020 (the quarter between the months of January, February and March 2020).
- Until May 29, 2020 the deadline for the presentation of Affidavits, payment of taxes and fulfillment of formal duties of the Complementary Regime to the Value Added Tax - Direct Taxpayer (RC-IVA CD) corresponding to the fiscal period March 2020 (quarter between the months of January, February and March 2020).
- Until Friday, May 29, 2020, the deadline for the presentation of Affidavits (Forms 500 and 510) of the IUE corresponding to companies with closure on December 31, 2019. Likewise, the physical and digital presentation of Financial Statements, Annual Report, Complementary Tax Information, Transfer Pricing information and the submission of



Electronic Form F-110 v.3 (taxpayers who exercise liberal professions or trades) as appropriate, which require to be submitted to the Tax Administration.

Updates from March 31st to April 8th

Considering the Health Emergency and Total Quarantine, being a force majeure, it is impossible for individuals and groups to fulfill their obligations in commercial matters and register all commercial acts under the Commercial Code. The Bolivian Government saw it convenient to suspend the terms of the obligations established in Articles 1, 2, 3, 4, 25, 205 and 285 of the Commercial Code based on Ministerial Resolution No. 0070.2020 dated April 2, which establishes:

For sole proprietorships, the deadlines for the presentation of the balance sheet, the income statement and other matters related to the management of the company are suspended.

Suspension of terms for collective partnerships, limited partnerships and limited liability companies. For these types of companies, the deadlines for compliance with the following commercial obligations are suspended:

- Presentation of the balance sheet, the income statement and any other matter related to the management of the company;
- Approval and distribution of profits, or where appropriate, the treatment of losses and the constitution of the legal reserve;
- Appointment and removal of managers or administrators;
- Constitution of the board of administration or board of directors and, when the partners have agreed, the members of the internal control body will be appointed.
- The additional ones to correspond according to the articles of incorporation.

Suspension of terms for limited partnerships for shares and corporations:

- Presentation of the balance sheet, the income statement and any other matter related to the management of the company;
- Presentation of the annual report and report of the trustees;
- Distribution of profits, or where appropriate, the treatment of losses and the constitution of the legal reserve;
- Appointment and removal of directors and trustees and, where appropriate, fixing of their remuneration;
- Setting and constitution of the sureties of directors and trustees;
- Determination of responsibilities of directors and trustees, if any
- Other acts that the law, the social deed or the statutes indicate and that must be dealt with in the Ordinary Meetings within this suspension.

For branches of Companies Incorporated Abroad, the terms for the fulfilment of the following commercial obligations are suspended:

- Presentation of the balance sheet, income statement and any other matter related to the management of the company's branch.



- Other acts that the law, the social deed or the statutes indicate and that must be dealt with in the meetings of partners within this suspension.

The text also establishes the suspension of terms for state companies, mixed state companies, mixed companies and intergovernmental state companies, as well as the suspension of terms for Housing Financial Entities.





Updates from April 8th to April 16th

The General Quarantine is maintained in Bolivia until 15/4 according to the DS No. 4199 and with the possibility of extending it until the end of April.

The RND N° 1020000008 issued by the National Tax Service of Bolivia has been established and it regulates the DS N° 4198. The text exposes:

IU Payment Facilities:

- The taxpayer must pay 50 % or more of the Tax on the Impuesto sobre las Utilidades de las Empresas in 2019 self-determined and declared in official form, until June 1, 2020.
- The maximum number of monthly installments for the payment of the balance of the Corporate Income Tax shall be three, whose payment deadlines shall be the last working day of the months of June, July and August 2020, respectively.
- During the term of the payment plan, the tax debt will not generate charges for maintenance of value, nor interests.
- The request for a payment plan does not require the constitution of a guarantee.

The Passive Subject must formalize its request in the Management Collection platform of its Jurisdiction with the presentation of the F-8000, from the date in which it makes the payment of 50% of the Corporate Income Tax until June 17, 2020.

Transaction Tax Compensation. Taxpayers liable for corporate income tax closing on December 31, 2019, may declare and pay in cash the full amount of this tax until May 15, 2020, proceeding to register the offset on Form 400.

If the compensation of the Corporate Income Tax effectively paid for the management closed on December 31, 2018, has not been exhausted until April 2020, the balance may be considered as a payment on account of the Transaction Tax until May 2020.

Gross income subject to Transaction Tax. For the purpose of applying Article 6 of Supreme Decree No. 4198, the Value Added Tax VAT effectively paid within the due date, corresponding to the same fiscal period, shall be deducted from the Taxable Base of the IT Transaction Tax of the fiscal period to be declared. PRICO and GRACO taxpayers shall declare, determine and pay the IT Transaction Tax with this form of determination, for the fiscal periods of March, April and May 2020; the REST taxpayers, for the IT Transaction Tax corresponding to the fiscal periods of March to August 2020.

Regarding additional measures:

- The deadline for the collection of securities (CEDEIM), which would have matured between 23 March of this year and the date on which the suspension of activities in the public administration due to the National Health Emergency ends, is extended until 11 May 2020.



- The deadline for the collection of Securities (CENOCREF) Law No. 1886, which expires between March 23, 2020 and the date on which the suspension of public and private activities ends, is extended until May 11, 2020.
- Forms 520 and 515 are incorporated into the scope of Article 9 of RND No. 1020000006 of March 27, 2020.

Updates from April 16th to April 23rd

The term of the quarantine stated by Paragraph I of Article 2 of Supreme Decree No. 4200, of March 25, 2020, is postponed to Thursday April 30, 2020, throughout the territory of the Plurinational State of Bolivia, within the framework of the declaration of sanitary emergency and total quarantine.

In addition, Supreme Decree 4216 is putted in action:

The Special Support Program for Micro, Small and Medium-sized Enterprises is established in order to secure resources to protect the sources of employment, the operation, business continuity and its operations given the national health emergency and total quarantine. The amount of up to Bs1,500,000,000 will be allocated for compliance with the preceding Paragraph.

These credits will be granted for a five (5) year term, with one (1) year of grace, the interest rate and conditions will be established by the Ministry of Economy and Public Finance, through regulations.

The Emergency Plan to Support Employment and Labor Stability is established, in order to grant resources to legally constituted companies and that their workers are registered in the Integral Pension System in order to allow support in the payment of the workers of the companies, given the national health emergency and total quarantine.

The Emergency Plan for Employment Support and Labor Stability will be carried out by granting credits through the financial system, for an amount equivalent to two (2) national minimum wages, per worker, per month, for a maximum of two (2) months.

The credits will be concessional in nature, with a term of up to eighteen (18) months and a six (6) month grace period.

In addition, according to Supreme Decree 4218, Telework is partially regulated, which is mainly focused on temporary personnel and Online Consultants in the Public Sector.

Updates from April 23rd to April 30th

The resolution of the National Tax Service No. 10200000009 establishes the exceptional extension until June 20, the presentation to the employer of the FORM-110 v.3 of the Liabilities of the RC-IVA Dependents, both from public and private institutions, for the periods April and May 2020, according to the established procedure.



According to this text, the taxpayer that maintains balances in favor of the tax authorities for the periods April and/or May 2020, these shall be withheld from its credit corresponding to the month of June 2020, which shall be recorded in the consolidated tax return as of June 2020.

Value Added Tax and Transaction Tax taxpayers may submit a request for Payment Facilities through the Virtual Office, by means of Form 8000, which shall be valid until May 29, 2020, when the initial fee shall be paid and guarantees shall be provided. The formalization of the request for Payment Facilities must be done until June 10, 2020 in the Management Collection platform of their jurisdiction.

As regards transitional dispositions, the text also states that:

- To extend until June 12, 2020, the due date for payment of installments on payment facilities plans that are due on April 30 and May 29 of the current year.
- Extend until May 29, 2020, the deadline for the submission of Tax Refund Applications (CEDEIM) due in March and April 2020.
- To extend until May 29, 2020, the deadline for the presentation of Applications for Tax Credit Certificates (CENOCREF) under Law No. 1886, with maturities in March and April 2020.
- To extend until June 11, 2020 the obligations of the Simplified Tax Regime for the January and February and March and April 2020 quarters.
- Extend until May 29, 2020 the deadline for the collection of Securities (CEDEIM), whose maturities would have occurred between March 23, 2020 and the date on which the suspension of public and private activities by the total national quarantine ends.
- The deadline for the collection of Securities (CENOCREF) Law No. 1886, which would have expired between March 23, 2020 and the date on which the suspension of public and private activities ends due to the total national quarantine, is extended until May 29, 2020.
- Without prejudice to the provisions of Article 5 of RND No 1020000006 of March 27, 2020, the term for submitting the Tax Return v.2 corresponding to the periods April and May 2020 consolidated is extended to the month of June.
- The deadline for the physical and digital presentation of Financial Statements, Annual Report, Complementary Tax Information and Transfer Pricing information, through electronic Forms 605 and 601, as applicable, by taxpayers or third parties responsible for Corporate Income Tax - IUE, who carry out activities with a closing date of December 31, 2019, is extended until June 12, 2020.

In addition, Resolutions 159 and 160 of the Ministry of Finance have been approved, extending the financial support to be given by the Government to small and medium-sized enterprises and the Emergency Plan to maintain employment stability.



Updates from April 30th to May 7th

Supreme Decree 4229 is implemented, extending the national health emergency quarantine of COVID-19 from 1 to 31 May 2020. This text establishes other additional measures, among which the following stand out

1. Continuity to the following economic activities:

- Activity in the industrial, manufacturing and agricultural sectors.
- Home delivery service will be provided from 09:00 to 22:00 hours from Monday to Sunday.
- Economic activities of the mining sector.
- Commercial services, either by telephone or internet, as long as the products are delivered at home.
- The provision of non-professional services or trades, in the homes / companies of users or customers, provided that the provider can mobilize individually.
- Economic activities in the construction sector, from 10 May 2020.



2. Production of food, articles of mass consumption, commercialization of articles of first necessity and the provision of inputs for these; as well as, the elaboration of products of hygiene and medicines, will continue developing their activities uninterruptedly or according to the modality applicable to their activity.

The activities of supplying or producing articles of basic need and articles of mass consumption shall be carried out from Monday to Sunday, twenty-four (24) hours a day, in order to guarantee the supply of products to the entire population.

The activities of supply of basic necessities and articles of mass consumption must provide the means of transport, preferably from public service providers, and manage the corresponding authorisations for the movement of their personnel.

Businesses providing services for the supply of petrol, gas, diesel and other fuels must be able to carry out their activities without interruption. Freight and goods transport service vehicles of any international, interdepartmental, interprovincial, municipal and urban nature may be mobilized in order to supply the entire country with products and inputs; and freight and goods transport service for import and export.

3. The public sector and private sector employers within their entities shall provide appropriate and sufficient sanitary equipment and adopt the necessary biosecurity protocols. All public and private entities that detect persons in their facilities who present a thermal rise, dry cough or respiratory difficulties, or any other symptom related to COVID-19, shall provide the necessary collaboration and report to Headquarters for their attention.

4. The financial services sector and banking will continue to operate from 07:00 to 15:00 hours, from Monday to Friday, throughout the country. Regardless of the risk condition, the services provided by public collection entities at the central level of the State and ETAs shall operate from 07:00 to 15:00 hours, from Monday to Friday, as from 4 May 2020, throughout the national territory.

Updates from May 7th to May 21st

Regulatory Resolution no. 1020000010 extends the declaration and/or payment of monthly tax obligations for the fiscal periods February, March, April and May 2020 until the due dates established for the fiscal period June 2020, based on the last digit of the NIT:

- Until July 31, 2020 the due dates for payment of installments of payment facilities plans that will expire on June 12, 2020 (which includes the due dates of October to December 2019 and January to May 2020) and June 30 of the current year.
- Until July 31, 2020, the deadline for the submission of Tax Refund Applications (CEDEIM) for the tax periods from September to December 2019, whose due dates correspond to the months from March to June 2020.



- Until July 30, 2020, the deadline for the presentation of Requests for Tax Credit Certificates (CENOCREF) for the tax periods from January to April 2020, whose due dates correspond to the months of March to June 2020.
- Until July 31, 2020 the term for the collection of Securities (CEDEIM), whose maturities would have been between March 23 and May 31, 2020.
- Until July 31, 2020, the deadline for the collection of Securities (CENOCREF) Law No. 1886, which would have matured between March 23 and May 31, 2020.
- The presentation of the Sales and Purchase Books, VAT, Information Agents and others established in specific regulations for the fiscal periods of February, March, April and May 2020 until the expirations established for the fiscal period June 2020, based on the last digit of the NIT.
- Until July 10, 2020 the payment of the obligations of the Simplified Tax Regime of the January to February and March to April 2020 quarters.
- Until July 22, 2020, the deadline for the presentation of Affidavits, payment of taxes and compliance with formal duties of the Integrated Tax System (STI) corresponding to the January-March 2020 quarter.
- Until July 20, 2020, the deadline for the filing of Affidavits, payment of taxes and compliance with formal duties of the Complementary System to the Value Added Tax - Direct Taxpayers (RC-IVA - CD) corresponding to the quarter January to March 2020.
- The deadline for the physical and digital filing of Financial Statements, Annual Report, Supplementary Tax Information and Transfer Pricing Information, through electronic forms 605 and 601, as applicable, that require submission to the Tax Administration, by taxpayers or third parties responsible for the Corporate Income Tax (IUE), with the end of management on December 31, 2019, until July 2020, based on the last digit of the NIT, the deadline for the payment of the Corporate Income Tax (IUE) remaining unaltered, as provided for in Article 2 of Supreme Decree No. 4198.

Updates from May 21st to August 6th

The Bolivian Government has issued Supreme Decree N4298 with a dual purpose:

1. To establish tax incentives for economic reactivation; and
2. To promote the creation of new companies through a tax system to support entrepreneurship.

This system is currently being analyzed by the Professional Associations and waiting for the regulation. There are many new things in the area of taxation with several changes that will be applied to companies once the new regulations are issued.

(Last update: July 29th)



3.20 Nicaragua

Updates until April 2nd

The impact of the Coronavirus in Nicaragua remains very low (as of 3 April there were only 4 confirmed cases, although 1 death). This is also reflected in the scope of the measures taken so far, which are detailed below:

Tripartite Labor Agreement to Address the National Emergency (24 March 2020). The Ministry of Labor, the National Free Zone Commission and several representatives of the Free Zones in the country signed the agreement in which recommendations for health measures and some business practices allowed by the current legislation are taken up. The agreement is only valid for companies within the Free Zone Regime. Some of the permitted business practices that the agreement takes up are

- Granting of work permits with percentage salary benefits;
- Granting advance payments on account of vacations;
- Reducing working hours; iv) Teleworking;
- Temporary suspension of employment contracts;
- Advance of seniority, food packages, etc.

The agreement establishes that, in cases where the temporary suspension of the labour contract is to be invoked due to force majeure or fortuitous event, the Labour Inspectorates must process the requests within 48 hours.

Updates until August 6th

Ministerial Resolution MINSA N° 346-2020. (July 13, 2020). Click here for more information. <http://www.inac.gob.ni/wp-content/uploads/2020/07/RESOLUCION-MINISTERIAL-346-2020-MINSA.pdf>

Description of the requirements to be met by persons attempting to enter Nicaraguan territory:

- Present a negative real-time PCR test result for COVID-19 performed no more than 72 hours before entry into the country.
- Non-national travelers with fever or respiratory symptoms will not be able to enter.
- National travelers with fever or respiratory symptoms may enter the country but must remain at home, complying with the protocol established in the country.
- Travelers that, upon arrival provide a negative test result and who do not have respiratory symptoms, may have free mobility in the country and will be monitored by telephone by health personnel for 14 days.

Resolution INAC N° 016-2020. (July 13, 2020). [Click here for more information.](#)



- It is resolved that the State of Nicaragua and the International Airports Management Company (EAA) are ready to resume commercial air operations.
- Commercial operators are required to submit their program to deal with COVID-19 before they receive authorization to resume commercial operations.
- The requirements are issued for operators requesting passenger/humanitarian/repatriation charter flights.

Ministerial Resolution MINSA N° 358-2020. (July 22, 2020). [Click here for more information.](#)

- The requirements set out in Resolution No. 346-2020 of 13 July are reformed as follows:

- Present a negative real-time PCR test result for COVID-19 performed no more than 72 hours before entry to the country.
- If travelers come from Asia, Africa, or Oceania, the negative PCR test result must have been performed no more than 96 hours before entry into the country.
- Non-national travelers with fever or respiratory symptoms will not be able to enter.
- National travelers with fever or respiratory symptoms may enter the country but must remain at home, complying with the protocol established in the country.
- Travelers that upon arrival provide a negative test result and who do not have respiratory symptoms may have free mobility in the country and will be followed by telephone by health personnel for 14 days.

(Last update: July 30th)





4. Others: Morocco



Updates up to March 31st

Having surpassed 500 cases according to official figures from the Moroccan government, as of March 30, with more than 30 deaths, Morocco has launched fiscal and labor measures to fight the Covid-19 crisis. So far, it has been established that the following informations will be returned advanced

- Information on the fiscal result (balance sheet and its appendices).
- Corporation tax due for fiscal year 2019.
- The first tranche pending for the current IS exercise.
- Other declarations (VAT, withholding of taxes on wages, dividends, interest, royalties, etc.) of which the companies are mere intermediate collectors must be presented and paid.

Deferral without formalities: Companies with reported income of less than 20 MDH in fiscal year 2018, can benefit from the deferral of tax returns and the payment of taxes from March 31, if they wish and without formalities until the end of June .

Postponement with agreement: companies with a turnover of 20 million dirhams or more, who suffer economic damage due to the drastic decrease in activity and face financial difficulties, may request a benevolence from the Minister in charge of finance or the person delegated for this purpose. Allowing them to benefit from a differential or deferment of tax payment. The benefit of these graceful measures is subject to an individualized review of the applications, taking into account the circumstances invoked and the evidence that justifies the financial situation and difficulties of each company.

(Last updated: March 31st)



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