

CRISIS CORONAVIRUS (COVID-19).

MAIN MEASURES COUNCIL OF MINISTERS TUESDAY, MARCH 17, 2020.

Good Morning,

Below we inform you of the main measures approved by Royal Decree Law 8/2020 published in the Official State Gazette today, Wednesday, March 18, 2020. They are grouped into 4 areas:

I. MEASURES TO SUPPORT FAMILIES

- ✓ Guarantee of water, electricity and natural gas supply to vulnerable consumers.
- ✓ Guarantee of maintenance of electronic communication services (internet) by the supplier providers.
- ✓ During the alarm status period, the period for the return of products is interrupted (either purchased in the face-to-face store, or through online channels)
- ✓ Automatically extended until September 15 electric social bond.
- ✓ Moratorium on the mortgage debt for the acquisition of a habitual home in a situation of special vulnerability with difficulties in meeting its payment as a consequence of the COVID-19 crisis.

II. MEASURES TO SUPPORT WORKERS

- ✓ Right of adaptation of the schedule and reduction of hours, for workers who accredit duties of care to relatives when exceptional circumstances necessary to avoid the community transmission of the Covid-19 (with the consequent proportional decrease in wages in cases of reduction of hours) .
- ✓ Exceptional measures in relation to the procedures for suspension of contracts and reduction of working hours due to force majeure. Temporary Employment Regulation File (ERTE):
 - Contract suspensions and hours reductions that have their direct cause in loss of activity as a consequence of COVID-19 will be considered as arising from a situation of force majeure, with the consequences derived from article 47 of the consolidated text of the Workers' Statute Law.
 - The procedure will begin at the request of the company, which will be accompanied by a report regarding the link of the loss of activity as a consequence of COVID-19.
 - The existence of force majeure, as a motivating cause for the suspension of contracts or the reduction in working hours provided for in this article, must be verified by the labor authority, regardless of the number of workers affected.
 - The resolution of the labor authority will be issued within five days from the request.

- In the expedients of suspension of contracts and reduction of working hours authorized based on TEMPORARY MAJOR FORCE linked to Covid-19, the General Treasury of Social Security WILL EXEMPT the company when on February 29, 2020 it had less than 50 employees workers of the payment of 100% of the business contribution (exemption of 75% if at that date it had a staff of 50 or more workers)

- The worker shall be entitled to the contributory unemployment benefit even if he does not reach the minimum contribution periods required for it, and it will not count as unemployment benefit already received in order to consume the maximum periods of perceived unemployment established.

IMPORTANT TO TAKE INTO ACCOUNT

Note regarding employment: EXTRAORDINARY MEASURES in the workplace set forth in Royal Decree Law will be SUBJECT TO THE COMPANY'S COMMITMENT TO MAINTAIN EMPLOYMENT DURING THE PERIOD OF 6 MONTHS FROM THE REACTIVATION OF ACTIVITY.

THE SUSPENSION of the terms and the interruption of the administrative terms established in the Royal Decree by which the state of alarm is declared WILL NOT APPLY to the ADMINISTRATIVE PROCEDURES IN THE FIELDS OF AFFILIATION, LIQUIDATION AND LISTING OF SOCIAL SECURITY

III. SUPPORT MEASURES FOR COMPANIES AND SELF-EMPLOYED

- ✓ EXTRAORDINARY BENEFIT FOR CESSATION OF ACTIVITY for SELF-EMPLOYED affected by declaration of alarm status. Terms:
 - **ACTIVITY:** That it has been suspended, or in another case when its billing in the month prior to the one requesting benefit is reduced and it is credited, at least 75% in relation to the billing average of the previous semester.
 - **SITUATION:** Affiliate, registered and up to date with payments in the Special Regime for Self-Employed Workers (RETA) as of the date of declaration of the state of alarm.
 - **AMOUNT:** 70% of the regulatory base
 - **DURATION:** 1 month (Expandable if the alarm status is extended for more than one month).
 - **INCOMPATIBILITY:** With any other benefit of the Social Security system. • **QUOTE:** The time of receipt will be understood as listed and will not reduce the periods of benefit for cessation of activity to which the beneficiary may be entitled in the future.
 - **QUOTE:** The period for perception will be understood as normally paid and will not reduce the periods of benefit for cessation of activity to which the beneficiary may be entitled in the future.
- ✓ **LIQUIDITY TO COMPANIES.** Through the approval of a line of public guarantee guarantees of up to 100,000 million euros. The state will be the guarantor of the operations, to meet its needs derived, among others, from the management of invoices, the need for currency, maturities of financial or tax obligations or other liquidity needs.

- ✓ **LIQUIDITY TO EXPORTING COMPANIES.** The creation of an insurance coverage line is authorized for PIMES (Small and medium size companies) that are international or in the process of internationalization that face a liquidity problem or lack of access to financing due to the impact of the COVID-19 crisis.

IV. TAX MEASURES and OTHER FLEXIBILIZATION MEASURES

- ✓ **EXTENSION OF TAX DEADLINES:**

TYPE OF PROCEDURE	SITUATION	
	NOT CONCLUDED BEFORE 18/03/2020	SUBMITTED SINCE 18/03/2020
EXPIRATION of the terms of the deferment and FRACTIONATION agreements ALREADY GRANTED PERIOD	DEADLINE UNTIL APRIL 30 th	DEADLINE UNTIL MAY 20 th (Unless the one granted by the general rule is higher, in which case it will be applicable)
AUCTION development and property award deadlines		
Deadlines to meet the REQUIREMENTS		
Deadlines to attend SEIZURE DILIGENCES		
Deadlines to attend REQUESTS for tax INFORMATION		
To formulate CLAIMS on time in procedures of application of taxes and in some of revision in tax matters: sanctions, declaration of nullity, refund of improper income, rectification of material errors.		

IMPORTANT:

With respect to the SUSPENSION OF ADMINISTRATIVE DEADLINES established in RD 463/2020 of declaration of alarm status, IT WILL NOT APPLY TO THE TAX DEADLINES, SUBJECT TO SPECIAL REGULATIONS, OR TO THE DEADLINES FOR THE SUBMISSION OF TAX DECLARATIONS AND SELF-SETTLEMENTS, according to Royal Decree 465/2020 published in BOE dated March 18, 2020.

- ✓ **APPRECIATION PROCEDURE**, there will be no execution of guarantees that fall on real estate from March 18th 2020 to April 30th 2020.
- ✓ **SESSIONS OF THE GOVERNING BODIES AND ADMINISTRATION OF LEGAL ENTITIES.** Although the statutes may have not provided it, during the alarm period, the sessions of the governing and administrative bodies of associations, civil and mercantile societies, cooperative societies and the trustees of foundations may be held by videoconference to ensure the Authenticity and bilateral or plurilateral connection in real time with image and sound of remote assistants.
- ✓ **EXTENSION DEADLINE TO FORMULATE ANNUAL ACCOUNTS.** The period of three months from the end of the fiscal year for the administrative body to formulate the annual accounts is suspended until the state of alarm ends, reactivating again for another three months from that date.

- ✓ **EXTENSION OF THE TERM FOR AUDITING ANNUAL ACCOUNTS THAT HAVE ALREADY BEEN FORMULATED.** In the event that, on the date of the declaration of the state of alarm, the accounts have been drawn up, the period for verification, if the audit is mandatory, shall be understood to be extended by two months from the end of the state of alarm.
- ✓ **EXTENSION OF THE VALIDITY OF THE NATIONAL IDENTITY DOCUMENT (DNI).** The validity of the national identity document of the elderly holders of a document that expires from March 14th 2020 is extended for one year, with the extension of the associated digital certificates for the same period.
- ✓ **CREATION OF THE WEBSITE “ACELERA PYME”** with grants and subsidies to companies that will be approved to provide teleworking solutions and the purchase and leasing of equipment and services for digitization.

Likewise, in the Official Gazette of March 18th, 2020, RD 465/2020 was published to modify the state of alarm decree, with the new wording “suspension of the opening to the public of retail establishments, with the exception of commercial establishments of food, beverage, essential goods and products retailers, pharmaceutical, healthcare, veterinary centers or clinics, optical and orthopedic products, hygiene products, press and stationery, automotive fuel, tobacconists, technological and telecommunications equipment, food for pets, internet commerce, telephone or correspondence, dry cleaners, laundries and the professional practice of hairdressing at home. In any case, will be suspended the activity of any establishment that, in the opinion of the competent authority, may suppose a risk of contagion due to the conditions in which it is taking place”

We want this situation to pass as quickly as possible and with the least consequences for health, family and economy. As always, we are at your disposal for any questions on this matter.

Sincerely



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