

CORONAVIRUS CRISIS(COVID-19). MAIN MEASURES ROYAL DECREE LAW 11/2020

SUPPLEMENTARY URGENT MEASURES IN THE SOCIAL AND ECONOMIC FIELD

We inform you that today, Wednesday April 1, 2020, it has published in the Official State Gazette, effective tomorrow, **Royal Decree Law 11/2020, which adopts urgent complementary measures in the social and economic sphere to deal with COVID-19, of which we have grouped the main measures in the following areas:**

A) MEASURES TO SUPPORT VULNERABLE WORKERS, CONSUMERS, FAMILIES AND GROUPS

- 1. Suspension of the eviction procedure for housing lease contracts subject to Law 29/1994 on urban leases (LAU) in which the tenant person proves to be in a situation of social or economic vulnerability caused by COVID-19.**
- 2. Extraordinary extension of the leases of habitual residence that expire during the State of Alarm declaration period, for a maximum period of 6 months.**
- 3. Moratorium on the rent payment for habitual residence of people who prove to be in a vulnerable situation due to COVID-19.**
- 4. Approval of a line of guarantees for coverage by the State of financing to tenants in a **situation of social vulnerability due to COVID-19** so that banks can offer loans with a repayment term of up to 6 years (extendable for 4 more years), without accrual of expenses or interest.**
- 5. Moratorium (postponement) of MORTGAGE LOANS, for consumers and businessmen with economic vulnerability due to COVID-19, intended for the acquisition of:**
 - ✓ Habitual Usual residence (Measure that was already implemented, is expanded with this RD Law)
 - ✓ **Properties affected by economic activity developed by businessmen and professionals**
 - ✓ Dwellings other than the usual one in a rental situation and for which the mortgage debtor, individual, owner and lessor of said dwellings, has stopped receiving the rent.

There will be **1 month from the end of the Alarm Status for the request.**

The suspension **will last 3 months, which can be extended by means of a Council of Ministers Agreement.**

EFFECTS OF THE SUSPENSION: The payment of quota, capital, or interest cannot be demanded. No interest will be accrued, either ordinary or late.

6. Right to receive the **ELECTRIC SOCIAL BONUS** by **self-employed workers who have ceased their activity or have had their turnover reduced by more than 75%**, as a consequence of COVID-19, which accredit it and meet other income level requirements in the family unit.
7. **EXTRAORDINARY SUBSIDY SPECIAL REGIME OF HOUSEHOLD EMPLOYEES**, for people who, being registered before March 14, **are in any of the following situations:**
- **They have stopped providing services, totally or partially, on a temporary basis** (Accreditation must be made by means of a responsible declaration signed by the employer / s)
 - **You have terminated your employment contract due to dismissal** (Accreditation must be done by means of a letter of dismissal, or communication of the withdrawal by the employer or documentation of withdrawal from the Social Security Home Employees System).
- SUBSIDY AMOUNT:** 70% of the regulatory base of the previous month
- LIMIT:** Amount of subsidy may not be higher than the Minimum Interprofessional Salary (SMI), excluding extra payments.
- DURATION:** It will be received for monthly periods, it will have retroactive effects from the date of the causal event.
- COMPATIBILITY:** With other perceptions for activities for own account or for others, as long as the total sum of the income for such activities and the subsidy does not exceed the SMI
- INCOMPATIBILITY:** With the temporary disability subsidy, and with the recoverable paid permit established by RD Law 10/2020.
8. **A NEW EXCEPTIONAL UNEMPLOYMENT SUBSIDY IS CREATED AT THE END OF A TEMPORARY CONTRACT** for workers who have had a fixed-term contract of at least two months' duration terminated (Temporary contracts).

B) SUPPORT MEASURES FOR COMPANIES AND SELF-EMPLOYED

1. MORATORIUM IN THE PAYMENT OF SOCIAL QUOTES TO SOCIAL SECURITY.

The General Treasury of Social Security is empowered to grant moratoriums of six months, without interest, to companies and self-employed workers included in any Social Security regime, as requested and meet the specific requirements and **conditions that are will establish through the Order of the Ministry**. General conditions:

- ✓ Moratorium on the payment of Social Security contributions whose accrual period is:

COMPANIES: Between the months of April and June 2020

SELF-EMPLOYED: Between the months of May and July 2020

- ✓ Applications are requested to be submitted through the RED system, individually for each Contribution Code within the first 10 calendar days of the accrual period.
- ✓ Requests included by companies, or by self-employed workers, that contain falsehoods or inaccuracies in the data provided will give rise to the corresponding sanctions.

2. DEFERRAL IN PAYMENT OF DEBTS WITH SOCIAL SECURITY.

Companies and the self-employed, **as long as they have no other deferment in force**, may request the deferment in the payment of their debts with Social Security whose regulatory term of entry takes place **between the months of April and June 2020**, in the terms and conditions established in the Social Security regulations, **an interest of 0.5% being applicable**. Term: in the first 10 calendar days of the income regulation period.

C) MEASURES TO SUPPORT INDUSTRIALIZATION

- 1. The deadline for the provision of guarantees is modified in the calls for loans granted by the SGIPYME** pending resolution at the time of the entry into force of the Royal Decree of March 14, declaration of the State of Alarm.
- 2. Refinancing of the loans granted by the SGIPYME.** The beneficiaries of these loans will be able to request modifications in the amortization period during the period of 2 and a half years, provided that they have been affected by COVID-19.
- 3. ICEX Spain Export and Investments is empowered to return to companies that have incurred unrecoverable expenses in this or future editions**, the fees paid for participation in fairs, or other activities to promote international trade, which have been summoned by the entity, when they are canceled, seriously affected or postponed by the organizer as a consequence of COVID 19.
- 4. EMPRENDETUR. In general, interest payments and amortizations corresponding to loans granted by the Secretary of State for Tourism under the provisions: IET / 2481/2012, IET / 476/2013, IET / 2200/2014, are suspended, without prior request and for a period of one year.**

D) SUPPLY FLEXIBILIZATION

1. Flexibility of electricity supply contracts for freelancers and companies

Exceptionally and while the state of alarm is in force, the electricity supply points owned by the self-employed who accredit this condition by registering with RETA and companies may temporarily suspend or modify their supply contracts, or extensions of said contracts, to contract Another alternative offer with the marketer with whom they have a current contract, in order to adapt their contracts to their new consumption guidelines, without any penalty charge.

2. Flexibility of natural gas supply contracts.

Companies and freelancers may request their marketer the modification of the contracted daily flow, the inclusion in a toll step corresponding to a lower annual consumption or the temporary suspension of the supply contract at no cost to them.

3. Suspension of the payment of bills for electricity, natural gas and petroleum products.

EXCEPTIONALLY and while the state of alarm is in force, the points of supply of electrical energy, natural gas, manufactured gases and liquefied petroleum gases by pipeline, owned by the self-employed and small and medium-sized companies, as defined in Annex I of Regulation (EU) No. 651/2014 of the European Commission, may request

the suspension of payment of invoices corresponding to billing periods that contain days integrated in the state of alarm, including all their billing concepts.

E) OTHER MEASURES

1. **Extraordinary postponement of the REIMBURSEMENT calendar on LOANS GRANTED BY AUTONOMOUS COMMUNITIES AND LOCAL ENTITIES to entrepreneurs and self-employed** affected by the health crisis caused by COVID-19.
2. **POSTPONEMENT OF DEBTS DERIVED FROM CUSTOMS DECLARATIONS:**
 - **PRESENTED** between 04/02/2020 and 05/30/2020 both inclusive.
 - **AMOUNT:** Maximum up to 30,000 euros, and the minimum to be postponed must be greater than 100 euros.
 - **DEFERRED VAT:** It is not applicable to VAT payments settled art. 167.Two VAT Law (import deferred VAT).
 - **APPLICATION:** It will be requested in the customs declaration itself.
 - **NOT APPLICABLE TO LARGE COMPANIES:** The recipient of the imported merchandise will have a volume of operations in 2019 of no more than 6,010,121.04 euros (Not a large company for VAT purposes).
 - **TERM:** 6 months, interest will not be earned during the first 3 months, but for the rest.
3. **THE SUSPENSION AND EXTENSION OF TAX DEADLINES established in RD-Law 8/2020 for state tax terms, which are reproduced in the following table, ARE EXTENDED TO AUTONOMOUS COMMUNITIES AND LOCAL ENTITIES (City Councils) which are reproduced in the following table:**

TIPE OF PROCEDURE	SITUATION	
	NOT CONCLUDED 18/03/2020	INFORMED STARTING 18/03/2020
EXPIRATION of the terms of the deferment and FRACTIONATION agreements ALREADY GRANTED	UNTIL APRIL 30TH	UNTIL MAY 20TH (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 AUCTION 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.		

4. **MEASURES IN THE FIELD OF SUBSIDIES AND PUBLIC AID.** In the procedures for granting subsidies that have already been granted at the time of entry into force of Royal Decree 463/2020, they may be modified to extend the deadlines for execution of the subsidized activity and, where appropriate, justification and verification of said execution, even if it had not been contemplated in the corresponding regulatory bases.
5. **EXTRAORDINARY AVAILABILITY OF PENSION PLANS** (Also insured pension plans, corporate social welfare plans and social welfare mutuals) in case of unemployment or cessation of activity derived from the crisis situation caused by COVID-19.

DEADLINE: Temporarily for a period of 6 months from the declaration of the Alarm State.

AMOUNT: According to the circumstance that motivates it, it cannot be higher:

- a) **IN THE EVENT OF UNEMPLOYMENT:** To wages not received while the validity of the temporary employment regulation file remains in force.
- b) **IN CASE OF SUSPENSION OF ACTIVITY RD ALARM STATUS:** To the estimated net income that has been lost while the suspension of opening to the public is maintained.
- c) **IN THE CASE OF SELF-EMPLOYED WORKER ACTIVITY:** A The estimated net income that has been lost while the health crisis situation caused by COVID-19 is maintained (case of cessation of self-employed activity).

We are at your disposal for any questions or queries on this matter.

Kind regards,



Manuel Jódar Asesores SLP

Lorca, April 1, 2020

FINANCING SUPPORT MEASURES ARISING FROM CORONAVIRUS CRISIS

Due to the current health crisis, most companies and freelancers are currently in a situation of great economic and financial uncertainty, which forces them to visualize different scenarios and time horizons in which to ensure their financial capacity, through extraordinary temporary financing and / or refinancing of current operations.

That is why we want to comment on the following pages, in a very brief way, **the main lines of financing and financial measures approved so far**, being at your disposal to expand any information.

Funding requests through these lines will be made directly through the financial institutions with which you have been working regularly, so we recommend that you consult the specific conditions for your company or business.

Our Economic-Financial Consulting department is at your disposal to develop the plans and projections necessary to assess the current crisis situation, prepare information for financial entities, or to support them in the negotiation process.

In any case, we will continue to inform you promptly of any news.

Kind Regards,



Manuel Jódar Asesores SLP

Lorca, April 1, 2020

CROEM COVID-19 LINE

CROEM, Aválam and the financial entities of the Region of Murcia have signed an addendum to the existing collaboration agreement, for an amount of 250 million euros, with the aim of alleviating the lack of income and liquidity problems of SMEs and self-employed workers from Murcia . In turn, **the annual cost of the guarantee and interest of the operation may be subsidized 100% by the Institute of Development of the Region of Murcia.**

Directed to	SMEs and freelancers with registered office in the Region of Murcia
Financed concepts	Liquidity Need
Amount at disposal	250 million Euros
Kind of finance	Loan
Amount per applicant	Between € 30,000 and € 250,000
Period to pay it back	Between 3 and 5 years. Possibility of 1 year grace period included
Interest rate	Fixed 1.25%. => FULLY SUBSIDIZED BY INFO2 => COST 0,00%.
Conditions for	Endorsement cost: 0.75% per annum on outstanding risk, to be settled in full at the beginning ¹ => FULLY SUBSIDIZED BY INFO => COST 0%. Subscription of social participations based on the amount of the guarantee. Refundable once the transaction has been amortized
Commissions	0,25% (apertura -entidad-) + 0,25% (estudio -AVALAM-) = 0,50% sobre préstamo
Validity	Until 12/31/2020 or exhaustion of funds

Note 1. The guarantee is paid in full by the company at the signing of the operation and subsequently recovered through a grant from the INFO.

Note 2. Likewise, the INFO at the beginning of the operation subsidizes all the interest to be paid on the loan, so that the payments made to the entity in successive installments are compensated.

FINANCING LINES WITH ICO GUARANTEES COVID-2019

One of the fundamental measures of Royal Decree-Law 8/2020, of March 17, on extraordinary urgent measures to face the economic and social impact of COVID-19, was the establishment of a line of guarantees for a maximum amount of 100,000 million euros, to cover the financing granted by financial institutions to companies and the self-employed, trying to preserve the normality of the financing flows and the levels of current and liquidity, in order to allow companies and the self-employed to continue paying the salaries of the employees and supplier invoices, maintaining economic activity.

Companies and freelancers will have access to these guarantees through their financial entities, by formalizing new financing operations or renewing existing ones.

The applicable conditions and requirements to be met for the first section of the line of guarantees for financing granted by credit institutions to mitigate the effects on their activity as a consequence of COVID-19, are the following:

Directed to	Companies and freelancers of any size and sector of activity, with tax domicile in Spain As long as the applicants were not in default as of December 31, 2019 or bankruptcy as of March 17, 2020.
Financed concepts	Payment of wages Invoices Working capital needs Other liquidity needs, including those derived from maturities of financial or tax obligations
Guaranteed operations	Loans and operations have been formalized or renewed as of March 18, 2020.
Kind of finance	loan
Guarantee(aval ICO)	The term of the guarantee issued will coincide with the term of the operation up to a maximum of 5 years. The coverage of the guarantee will be: <ul style="list-style-type: none"> • For freelancers and SMEs, up to 80% of the principal of the operation for new operations and renovations. • For companies that are not considered SMEs, in all cases: <ul style="list-style-type: none"> o Up to 70% of the principal for new operations. o Up to 60% of the principal for renovations. <p>The cost of the guarantee will be borne entirely by financial institutions</p>
Amount per applicant	There is no initial limit, although each entity will determine said limit based on its risk policies and the financing needs duly accredited by the company.
Period to pay it back	Between 1 and 5 years. Possibility of 1 year grace period included
Interest rate	There is no pre-established interest rate. The costs of new loans and renewals that benefit from these guarantees will remain in line with the costs charged before the start of the COVID-19 crisis.
Validity	Until September 30, 2020, and may be extended until December 31, 2020.

Apart from the documentation required by financial institutions to verify compliance with the condition of beneficiary of ICO guarantees (CIRBE delinquency, compliance with tax obligations, Social Security, wages and labour compensation) and, together with economic-financial information usual for the formalization of any financial operation, it is presumed totally recommended the contribution of detailed cash flow forecasts and destination of the requested financing. Likewise, the documentary justification of the negative effects of COVID19 on the activity of the company (cancellation of orders, impossibility of rendering services, suspension of contracts, etc.) can be assessed in the processing of the requested line.