



T.O.R. PARTNERS

STATE OF ALERT

URGENT MEASURES REGARDING THE CRISIS TRIGGERED BY COVID-19

-INDEX-

- I. SUSPENSION OF CERTAIN ACTIVITIES** (Pag. 2)
- II. LABOUR RELATIONS AND SELF-EMPLOYED PEOPLE** (Pag. 3)
 - ❖ Isolated workers – Exceptional consideration as a situation assimilated to a workplace accident
 - ❖ Adaptation of workers' working conditions
 - ❖ Suspension of self-employed quotas
 - ❖ TERF
- III. TAX AND FINANCE** (Pag. 6)
 - ❖ Scope of suspension periods regarding tax deadlines
 - ❖ Deferral of tax debts
- IV. TOURISM SECTOR** (Pag. 8)
 - ❖ ICO funding
 - ❖ Measures to support the extension of the period of activity regarding workers with permanent seasonal contracts
- V. PRIVATE LAW AND COMPANY REGISTERS** (Pag. 9)
 - ❖ Extraordinary measures regarding legal entities in the field of Private Law
 - ❖ Company Registers
 - ❖ Bankruptcy proceeding



T.O.R. PARTNERS

VI. REGIONAL MEASURES: CATALONIA (Pag. 11)

I. SUSPENDED ACTIVITIES

BOE 14.03.2020 RD 463/2020 and subsequent amendment by BOE 18.03.2020 RD 465/2020

The following business and professional activities shall be suspended:

- Any **in-class lessons** given in public or private centers.
- ANY premises **open to public** except from:
 - Food, drink and essential goods retail establishments
 - Pharmacies
 - Sanitary establishments
 - Veterinary centers/clinics and pet food stores
 - Opticians and shops selling orthopedic products
 - Hygiene product sales establishments
 - Kiosks and stationary shops
 - Gas stations
 - Sale of technological and telecommunications equipment
 - Internet, telephone or mail order trading
 - Dry cleaners and laundries
 - Home hairdressing



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II. LABOUR LAW:

BOE 10.03.2020 RD-Ley 6/2020

- ❖ **Exceptional consideration as a situation assimilated to a workplace accident of periods of isolation or illness of workers due to the COVID-19 virus**

On March 10, 2020, Royal Decree Law 6/2020 was published in Boletín Oficial del Estado, which sets forth several urgent measures in order protect the economy and public health.

This Royal Decree Law establishes a set of urgent and exceptional measures to deal with the public health emergency regarding the COVID-19. The aim of the aforementioned measures is to guarantee the social protection of workers who are absent due to isolation and illness caused by COVID-19.

Royal Decree Law 6/2020 **exceptionally** considers periods of isolation or illness of workers due to the COVID-19 as a situation assimilated to a workplace accident.

- Leave and discharge are **processed by the corresponding Public Health Service**.
- **In no case it is necessary to attend the assistance center of the Mutual Insurance Company for Workplace Accidents.** Moreover, the company's procedures are the same as those for common contingencies.
- **Any worker in periods of isolation or illness shall receive a benefit from the day when isolation or illness is determined. The benefit shall amount the 75% of the contribution basis** for the prior month to their leave. Social Security system shall bear workers' benefits and they shall be paid through the payroll. Companies shall recover benefits' amount through the Social Security system.
- **Any worker in periods of isolation or illness shall only receive full salary if the worker's collective bargaining agreement** includes a clause committing the company to supplement the benefit until the full salary is reached.

3

BOE 18.03.2020 RD-Ley 8/2020

EXTRAORDINARY LABOUR MEASURES AND FOR SELF-EMPLOYED PEOPLE

❖ **ADJUSTMENT OF WORKING CONDITIONS**

- **Right to adjustment of working hours and right of reduction in working hours**



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Implementation of measures in order to support labor conciliation for employees who prove **duties of care to dependent persons (spouse/partner, as well as relatives by blood up to second degree)**, due to the exceptional circumstances regarding the prevention of the extension of COVID-19:

- Right of **adjustment of working hours or right of reduction of working hours**, with the consequent proportional decline of salary.

*Reduction of working hours shall be reported to the company 24 hours in advance, and may reach 100% of the day if necessary without receiving any remuneration.

- No sanctions shall be applied for **failure of the employee** to attend work who needs to care for dependents.
- Ways of adjustment of working conditions: change of shift, readjustment of schedule, flexible schedule, split or continuous working hours, change of workplace, change of functions, change in the way of work provision, including the provision of distance working.

☐ **Suspension of self-employed quotas**

Self-employed people whose activity are suspended according to the statement of state of alert period or due to the decline of their turnover under a **75%** regarding the average turnover of the previous semester, **they shall have the right to extraordinary benefit for standstill** as long as they comply with the following **REQUIREMENTS**:

- ✓ To be affiliated to and registered with RETA or the Special Regime for Sea Workers on the date of statement of the state of alert.
- ✓ To prove the forced suspension of their activity (See II.- suspended activities) or a decline of their turnover up to a 75% regarding the average turnover of the previous semester.
- ✓ To be up to date with all payments regarding contributions to Social Security.

- **Benefit's amount**: 70% of the contribution basis of the previous month.
- **Duration**: **1 month**; Nevertheless, it could be extended until the last day of the month in which the state of alert is over.
- **Service management**: Mutual insurance companies which usually deal with accidents at work.



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❖ **TEMPORARY EMPLOYMENT REGULATION FILE (TERF)**

TERFS of **FORCE MAJEURE** are considered to be those that are directly related to losses of activity as a consequence of COVID-19, including the statement of the state of alert, that cause suspension or cancellation of activities, temporary closure of premises open to public, restrictions in public transport and, mainly, affect to mobility of people and/or goods, lack of supplies that seriously affects to the ordinary development of the company's activity, urgent or extraordinary situations due to the illness of the staff or preventive isolation measures decreed by the health authority, which are duly accredited, shall be considered as coming from a situation of force majeure.

- **Exemption from Social Security contributions which are payable by the company in case of force majeure procedures for companies with less than 50 employees, otherwise the exemption reaches only 75% of the Social Security contributions.**
- Both in case of a TERF for objective reasons and in case of force majeure, the time that any worker receives unemployment benefit does not count towards the maximum period of receipt established **and unemployment shall be paid to the worker concerned, even if they do not have the minimum period of contributory employment required to do so.**
- If ERTE shall be carried out for objective reasons (productive, organizational or technical problems), the time limits regarding the period of consultation with workers' representatives become shorter.

5

Important: Companies that take advantage of both measures must commit to **maintain employment for 6 months after the date of resumption of the activity.**

To summarize, a TERF can occur for several reasons: economic, technical, organizational or productive reasons. Moreover, TERFs can be suspensive or can reduce working hours. In the first case, employment contracts are temporarily suspended, and in the second case, workers' working hours can be reduced by 10%-70%.

Under normal conditions, workers continue paying the same contributions and companies continue covering Social Security's costs. Workers receive unemployment benefits at a rate of 70% on their regulatory basis up to the first 6 months and a rate of 50% from the seventh month onwards. In case of reduction of working hours, workers receive the same amount from SEPE, but pro rata to the reduction of working hours.

Unemployment benefits are limited to the following amounts:

- No children: 1.098,09
- 1 child 1.254,96
- 2 children or more 1.411,73



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III. TAX AND FINANCE:

BOE 18.03.2020 RD-Ley 8/2020 develops and clarifies BOE 14.03.2020 RD 465/2020

❖ Scope of suspension periods regarding tax deadlines

The following deadlines shall be extended until April 30, 2020:

- **All payments regarding any settlements to which an acquittance notified by the Tax Agency is attached**

This could be: those which arise within the framework of a verification or an inspection procedure, or those which arise during tax execution. This also includes any settlement that would have been issued by the Tax Agency regarding a previous statement made by the taxpayer, such as Gains in Value of Urban Land when the city council has not provided for the self-assessment system, as well as other local taxes that are non-direct debit (such as IBI, IAE, road taxes and so on).

- **All maturities of any deferred or paid in instalments amounts by the taxpayer** and which are granted by the Tax Agency before March 14, 2020.
- All terms granted in the framework of any tax procedure of management, inspection or collection which have not been completed by March 14, 2020.
- The Tax Agency shall not proceed to the **foreclosure of warranties** encumbering real estate properties from **March 18, 2020 until April 30, 2020**.

6

** The aforementioned terms and deadlines which are reported from March 18, 2020 shall be extended until **May 20, 2020** unless those legally granted are longer, in which case the latter shall apply.

However, **THESE MEASURES SHALL NOT APPLY** to deadlines for filing **tax returns and self-assessments**. This means that for the time being quarterly taxes, VAT, withholding tax, fractioned payments, etc. as well as those regarding any legal transaction, inheritance, transfer of assets, donations and so on **ARE NOT SUSPENDED**.

The period from March 18, 2020 until April 30, 2020 shall not be deemed countable for the purposes of:

- The maximum duration of management, collection, inspection, penalty and review procedures.
- Limitation period.
- Expiry time.



T.O.R. PARTNERS

BOE 13.03.2020 RD-Ley 7/2020

❖ **Deferral of tax debts**

The postponement of collection of tax debts corresponding **to all returns-settlements and self-settlements whose deadline for submission and collection is from March 13, 2020 to May 30, 2020, both inclusive, shall be granted.**

Exceptionally, the postponement **shall NOT be granted** for the following tax debts:

- any debts whose levy is carried out by means of stamped bills;
- any debts which are considered to be receivables from the state in the event of bankruptcy;
- any debts resulting from the implementation of decisions to recover any government aid; and
- any debts resulting from the implementation of final judgements which are totally or partially dismissed in an economic-administrative complaint or in an economic-administrative appeal which have previously been suspended during the processing of the aforementioned appeal or complaint.

7

Conditions to deferral of tax debts shall be the following:

- **Deferral period shall be six months.**
- **No interest on arrear shall accrue during the first 3 months.**
- It is a requirement for granting the deferral that the debtor is a person or an entity whose turnover does not exceed **6.010.121,04 euros in 2019.**



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IV. TOURISM SECTOR

❖ **ICO funding:**

Thomas Cook line of financing is extended to companies and self-employed workers established in Spain included in the following **economic sectors**:

- ☐ Land and air passenger transport and related activities
- ☐ Taxi
- ☐ Hotel and accommodation
- ☐ Food and beverage services
- ☐ Car rental
- ☐ Travel agencies and tour operators
- ☐ Libraries, historical records, museum and cultural activities

The ICO is instructed to immediately make the necessary arrangements with financial institutions so that the line of financing can be made available to companies within a maximum of 10 days from March 13, 2020.

8

❖ **Measures to support the extension of the period of activity regarding workers with permanent seasonal contracts in the tourism, trade and hotel industry sectors linked to tourism activity**

Companies engaged in activities within the above-mentioned sectors that generate a productive activity from February to June, both inclusive, and which hire or maintain in employment workers with permanent seasonal contracts during that period, shall be entitled to **apply a 50% reduction in the companies' Social Security contributions** for common contingencies, unemployment, FOGASA and vocational training.

This shall have retroactive effects to January 1, 2020 and shall be extended to December 31, 2020.



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V. PRIVATE LAW AND COMPANY REGISTERS

❖ Extraordinary measures regarding legal entities in the field of Private Law

➤ **Meetings of shareholders, meetings of the governing body and adoption of agreements by shareholders and the governing body of private entities:**

- During the state of alert period, **any meeting of shareholders and any meeting of the governing body** of any legal entity may be held by videoconference, even if it is not provided for in bylaws. The same rule shall apply to the delegated committees and to any other compulsory or voluntary committees which are already set up. The meeting shall be considered held at the domicile of the legal entity.
- During the state of alert period, **any agreements of the shareholders or the governing body** may be reached by writing and without holding a meeting as long as the president decides so. Agreements shall also be reached in this manner if requested by at least two shareholders or two directors of the company.
- The same rule shall apply to the delegated committees and to any other compulsory or voluntary committees which are already set up. The meeting shall be considered held at the domicile of the legal entity. Article 100 from Real Decree 1784/1996, July 19, which rules the Regulation of the Companies Register shall apply to all aforementioned agreements, even if they are reached by non-trading companies.

➤ **Filling of financial statements:**

- The 3 months period for filling of financial statements and all legally binding documents regarding the filling of financial statements is **temporarily suspended** until the end of the state of alert period. The period shall be resumed again for another 3 months from the date of the end of the state of alert period.
- If financial statements had already been filled, the term to verify those statements shall be extended for 2 months from the date the state of alert period ends (provided that verification is legally compulsory).

➤ **Approval of financial statements**

- The ordinary shareholders' meeting held to agree on the **approval of financial statements** shall take place within the next 3 months since the filling of financial statements term is over.
- The governing body may change the place and time of the shareholders' meeting if the meeting's call had been published before the state of alert period statement date. However, the date of the meeting shall be later than the alert period statement date. The governing body shall publish the meeting's call at least 48 hours before the meeting in the company's



T.O.R. PARTNERS

website, if any. Otherwise, it shall be published in BOE. In case of revocation of the call agreement, the governing body shall proceed to a new call within 1 month from the date of the end of the state of alert period.

- Any notary drawing up a notarial act regarding a shareholders' meeting may use remote media outlet that guarantee the fulfilment of the notarial function.

➤ **Right of separation**

- **The right of separation shall not be exercised** until the state of alert period and all extensions of the state of alert period are over.
- The reimbursement of contributions made by cooperative members who leave the company during the state of alert period shall be extended for 6 months since the state of alert period is over.
- **A company shall not be legally dissolved**, even if its duration ends during the state of alert period, **until 2 months from the end date of the state of alert period have passed.**
- If dissolution is legally or statutory set up before the statement of the state of alert period and during the state of alert period, **the legal term to publish the shareholders' meeting call in order to approve the dissolution of the company shall be suspended.**
- If legal or statutory dissolution had happened during the state of alert period, the company's directors shall not be responsible for the debts incurred by the company during that period.

11

❖ **COMPANY REGISTERS**

For the duration of the state of alert period and all its extensions that could be agreed:

- **The period of expiration of register entries that may be cancelled** due to the passage of time is suspended.
- Any term calculation shall be resumed on the day after the end date of the state of alert period or, when appropriate, its extension.

❖ **Duty to FILE FOR BANKRUPTCY**

- During the state of alert period, any debtor who is in a state of insolvency **has no duty to file for bankruptcy.** Until **2 months** have passed since the end date of the state of alert period, **any judge shall not accept filings for bankruptcy** submitted by the creditors during the state of alert period or during the aforementioned 2 months period. **If the debtor had filed for bankruptcy, it shall be accepted preferentially,** even if the filing was dated later than the 2 months period.



T.O.R. PARTNERS

- If the debtor notifies the beginning of negotiations with creditors in order to reach an out-of-court settlement to the competent court for the bankruptcy filing, **the debtor also has no duty to file for bankruptcy within the state of alert period**, even if the compulsory period of 3 months to file for bankruptcy had expired.

VI. **REGIONAL MEASURES: CATALONIA**

A set of aids is established as economic benefits up to 2.000 euros for individuals registered in the special regime for self-employed workers and with tax residence in Catalonia who can prove a drastic and involuntary reduction in their turnover as a result of the impact of coronavirus, provided that they are included in the framework of activities the health authorities decreed should be closed and that they have no other alternative sources of income. See more information at:

<https://treball.gencat.cat/ca/ambits/autonom/ci/ajuts-persones-autonomes-afectades-coronavirus/>

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