

**URGENT MEASURES REGARDING THE CRISIS TRIGGERED BY COVID-19**

**I. LABOUR LAW:**

**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 to 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.

## II. TRIBUTARY and FINANCIAL LAW:

On March 13, 2020, Royal Decree Law 7/2020 of March 12, 2020 on Urgent Measures adopted to respond to the impact of COVID-19 was published. According to this Royal Decree Law, the following measures were adopted as far as the financial and tax fields are concerned:

### ❖ **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.

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.**
- ❖ **Request for extraordinary deferral on repayment Schedule for loans granted by the Secretaría General de Industria and for small and medium-size companies.**

### **Who**

Beneficiaries of concessions under financial support for industrial projects may request the deferral of debt repayment and/or interests accrued on the current year provided that the due date is less than 6 months from March 13, 2020, if the crisis caused by COVID-19 has led to periods of inactivity, fall in sales or in supply disruption which makes it difficult or impossible for them to afford the payment. This request shall entail, if necessary, the corresponding readjustments regarding the reimbursement schedule.

### **Requirements**

This request shall be always made **before the end of the voluntary payment period and shall be expressly considered by the entity which issued the concession resolution**. The content shall be the following:

- ✓ A **report justifying** the difficulty to afford the payment of the next due date according to provisions of the previous section. This report shall include a statement of the company's accounting before the situation referred to in section 1 occurred, a qualitative and quantitative explanation of how the current situation has occurred, its economic and financial assessment and an action plan to mitigate these effects.
- ✓ If the period for making investments had not expired, a technical and economic report justifying any investment made at the expense of the loan up to that moment shall be made, and a breakdown by item shall be included. A table of any data regarding investments and expenses shall be also included, as well as all commitments of expenditure made, all duly accredited.
- ✓ An affidavit by which the company declares that it is in payment of its tax and Social Security debts, that it has no debts for aids or loan repayments to the government and that it has duly submitted its annual accounts to the Companies Registry.

### **Cases of automatic refusal**

- When there is no sufficiently proven affectation that justifies such modification.
- If the company is not in payment of its tax and Social Security debts.
- When the company is in debt with the Tax Agency for the reimbursement of aids or loans.
- ~~When the company has not fulfilled its obligations to submit its~~

annual accounts to the Companies Registry.

- When the debt is due as a result of a refund due to non-compliance or resignation.
- When in case of projects which are within the investment justification period, there is not a sufficient degree of progress and it does not guarantee compliance with the objectives committed in the concession resolution.

***Term of resolution***

1 month from the submission of the application.

If, on expiry of that period, the qualified entity to decide has not notified the decision, the person concerned shall be entitled to expect the request rejected.

### III. TOURISM SECTOR

#### ❖ **ICO financing:**

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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.

#### ❖ **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**

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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.

Updated on March 13, 2020.