GRIMALDI ALLIANCE

HANDBOOK COVID-19

WITH THE CONTRIBUTION OF THE MEMBERS OF GRIMALDI ALLIANCE

APRIL 2020

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Coping with emergencies is never an easy Task. Coping with the Covid-19 emergency is, and will be, a particularly hard and unprecedented challenge for all of us, not only from a health perspective, but also from an economic and entrepreneurial point of view.

Professional advisers in all disciplines will be required to adapt their normal ways of working to confront and interact with each other with passion and intelligence on new and often very complex issues which will need to be addressed across all international boundaries.

Grimaldi Alliance is making a collective effort to support all stakeholders, whether or not clients, with its combined professional expertise. We believe that this is the most responsible and helpful way in which we can respond to our challenge.

Grimaldi Alliance has therefore established an international Covid-19 Team, bringing together its professionals, specialized in all relevant practice areas and located in all its offices around the world. The Covid-19 Team is prepared to meet all the different needs and requirements that the new social, economic, professional and international framework generates.

Webinars, open to all interested parties, will be organized regularly for each jurisdiction. Anyone faced with having to deal with the professional requirements of this new framework may write to covid-19@grimaldialliance.com and will find a Team who is ready and willing to help them!

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Albania

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Due to the situation caused by the COVID - 19 pandemic, the Albanian Government has ordered a number of non-essential services (bars, restaurants, shopping malls, retail stores – other than alimentary stores and pharmacies) have been ordered to shut down. Other businesses are still in operation, but due to the shut-down of public transport (available only for healthcare staff and aid services, police etc.) the transport of persons is severely restricted. The transport of goods is allowed, but under specific permits issued by the police, which have been difficult to obtain for many businesses. Additionally, the Government has issued curfew orders, restricting the ability of citizens to freely circulate in the city. At the time of writing, it is possible to walk in the streets only between 5:00 – 13:00.

Current Support Measures

The financial measures taken by the Government to fight the impact of the COVID -19 pandemic are as follows:

1. 2.5 billion ALL, or USD 25 million approx., financial support for the Ministry of Health, for medical equipment and materials or support of medical staff;
2. ALL 10 billion, or USD 100 million approx., sovereign guarantees for loans to be granted to businesses those are objectively unable to pay salaries for their employees;
3. ALL 6.5 billion, or USD 65 million approx., financial support (exact measures to be still clarified) for most immediate needs of:
   - most vulnerable members of society;
   - small business;
   - support for unemployment.
4. ALL 2 billion, or USD 20 million approx., financial support to the Ministry of Defense for Humanitarian Operations;
5. ALL 1 billion, USD 10 million approx., as a reserve fund to the Council of Ministers for any unforeseen emergencies.

Additionally, the Government has promised that:

- late payment interested for overdue payment of electricity bills by active customers (category families and small business) will be erased, with a financial impacts estimated at ALL 15 billion, or USD 150 million approx.;
- profit tax will be rescheduled for the second semester of 2020 and on, for businesses with an annual turnover between ALL 2 million – ALL 14 million, or USD 20 thousand to 140 thousand approx.;
- the deadline for the submission of balance sheets to tax authorities will

be postponed until the 1st of June 2020 (the current deadline expires by end of March).

The Government and the Bank of Albania have also issued a joint order to lending institutions, for the deferral of 3 months for loan instalments due between March 13th 2020 and May 31st 2020, for those borrowers (both individuals and business) whose financial situation is deteriorating from the current situation caused by the COVID -19 pandemic.
The deferral is however not automatic, but based on the application of the borrow and the credit analysis, to be made by lenders within 3 days of the receipt of a deferral application.

Implications for Labor Relations

Due to the current situation, both employers and employees are facing significant pressure and the working day is severely restricted.

The Government expects the employers to continue paying salaries under normal conditions, and for such purpose, it has promised to issue a sovereign guarantee for loans to be granted to businesses that are objectively unable to pay salaries for their employees.

However, businesses that have seen their activity severely disrupted or shut-down due to the restriction measures taken in relation to the COVID - 19 pandemic do not see this only as a cash flow problem that may be bridged through loans, but as severe risk of going concern due to uncertainties on time and market conditions after the emergency has passed. Many businesses are considering termination the employees or even liquidating.

On the legal side, the Albanian labour code (art. 129) obliges the employer to continue paying his employees also if there is no business due to circumstances out of the employer's control. However, under art.129 (4) this obligation does not apply in case of business interruption due to force majeure circumstances.

Implication for Contracts

As mentioned, the COVID - 19 pandemic situation has caused a number of businesses to be shut- down by order of the Government. Additionally, other businesses that are formally in operation are facing severe due to Government imposed restrictions on transport and individual circulation. Consequently, many businesses are currently unable, in full or in part, to meet their contractual commitments.

The Albanian civil code does not explicitly define "*force majeure*". However, as a general consideration, art. 476 of the Albanian civil code provides that a party in breach of its contractual obligations shall be labile to compensate the damage caused to the other party, unless he proves that the failure to perform the obligation was not due to his fault.

Additionally, different types of typical contracts provide for specific consequences and remedies in cases of impossibility to perform due to circumstances out of the control of the parties.

Therefore, unless the relevant contract contains specific provisions on force majeure, the party unable to perform due to the COVID - 19 pandemic situations may invoke exemption from damage compensation liability on the basis of art. 476 of the civil code (as well as under other more specific impossibility provisions for that type of contract, if any is available under the civil code).

However, businesses must be very careful in invoking exemption from liability due to force majeure, as the mentioned provisos of the civil code will offer safeguard only for failures to perform which are directly and immediately caused by the relevant event.

For example, a business that has been ordered by the Government to shut -down will be entitles to claim exemption in full from damage compensation due to failure to perform, while a business that is facing difficulties due to restrictions will be only able to claim exemption for delays, but is still required to perform.

Additionally, the nature of contractual performance is also relevant, and in general, providers of intellectual services (advisory services, IT and other similar services that may be performed remotely) will face limitations to their ability to claim damage compensation exemption for failure to perform, due to the current restrictions.

Finally, as long as the payment systems are in operation, business would not be able to claim damage compensation exemption for failure to make payments, as long as an insolvency filing has not been made.

As regards the contract continuation, unless the relevant contract contains specific prolonged force majeure termination provisions (or there are specific civil code termination provisions for that type of contract) each of the parties may invoke article 488 of the Albanian civil code. Under this article, if in a contract of mutual obligations, the execution of the obligation of a party is made impossible by no fault of either party, then none of them has the right to demand damage compensation, but each of them has the right to demand from the other party to return what was given for the execution of the obligation, which would cause the termination of the contractual relation.

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Argentina

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The first case of COVID-19 infection in Argentina was confirmed on March 3rd, 2020 and until March 25th, 502 people were found infected and 8 of them passed away. On March 19th, the Health Ministry dependent of the national government passed decree N° 297/2020, which ordained the compulsory social isolation, now valid until March 31st, but the President has already informally mentioned that this term will be extended, probably until the end of Easter week, April 13th. Please consider that important measures are being daily updated.

The first decree passed on this subject was N° 260/2020, defining the affected areas and imposing a fourteen days compulsory quarantine to all "suspicious cases", confirmed COVID-19 infected, those near to both cases and also all travelers that have been lately in the affected areas. The decree suspended, for a thirty days term, all international flights arriving from affected areas and all massive activities, and also established easy channels for reporting all those that are not in compliance with these policies. Criminal sanctions may apply. After several other decrees imposing restrictions in order to protect the country from this health emergency, including the prohibition of entering the country to all non-resident, the suspension of migratory permits to people coming from the affected areas, the upgrading of essential hygiene conditions for all transport methods, the compulsory social isolation, and finally some more detailing this decree's extents.

The consequences of the compulsory social isolation decree are very relevant for all businesses and social activities in Argentina, as people can only leave their isolation homes for food, medicine and cleaning items. Permanent vehicle controls are located in strategical points all around the country in order to guarantee the compliance of all the emergency rules. The decree also provides a list of excepted subjects including all health and security workers, high-ranking government officials, on-duty courts, people that have to assist others with disabilities and *force majeure* situations, people who work in funerals, community kitchens, media, public work, food provision places, pharmacies, industries of essential and personal use products, fishing and agricultural industries, telco, waste recollection, public transport, delivery, laundries,

postal services, oil and gas and biofuels provision, specific banking services, industries that assist excepted industries, specific military, nuclear, hospitality, airport garage, environmental protection operations, restaurants that provide delivery service and religious ministers from all cults. All these workers should be specially protected by their employers. The government hasn't informed support measures until now, but they are expected to be reported on the next few days.

Contract Law implications

Even though it is almost impossible to analyze particular agreements with a general rule, normally all contain unpredictability or *force majeure* dispositions, in which both parties resign all claims to the other for breach of contract in these situations. Some of them include the obligation of notifying the other party of the particular situation in a short period of time after the unforeseeable situation takes place.

The Argentinean Civil and Commercial Code define *force majeure* as the event that cannot be predicted or, in case it may have been, is impossible to avoid. We can assume that COVID-19 phenomenon checks both boxes and the legal consequences of these events is that the obligations are extinguished without liabilities to any of the parties, except they have agreed something different. It is important to review the contract and facts but is important to highlight that in order to determine the applicability of this rule, it is necessary that the *force majeure* event is directly responsible for the inability to comply. In most cases the decree is a limited term for the suspension of all obligations to be resumed at its end, but anyway, and in all cases that is possible, it is suggested that the parties enter in negotiations about how the agreement will be resumed, in order to keep the contractual balance, or terminated.

The Argentinean Civil and Commercial Code also defines the unpredictability as the situation in which the fulfilment of an obligations becomes excessively burdensome to the parties, in which case, and depending of the actual agreement, it may be terminated, either judicially or extra judicially.

Corporate Law implications

One of the main concerns we have received from our clients is how to celebrate the corresponding Shareholders' and Quota holders' to approve the December 31st financial statements. While the Argentinean Civil and Commercial Code establishes that in the case of absence of specific corporate rules, when it is consented by all its participants, companies may conduct their meetings using any method that allow simultaneous participation of its members, such as a group call or video call, the Public Registry of Commerce rules establish that this is possible only for Director's or Manager's meetings, that this situation shall be included in the company's bylaws and that once

possible, all of the participants should sign the meeting minutes.
More rules in accordance are expected to be submitted on the next few days.

Labor Law implications

The decree has established that all employees from the private sector will receive their complete salaries even though they are exempt of appearing at their workplaces. Anyway, all of them that can continue with their usual tasks from their homes should establish with their employers the conditions in which they will be working during the compulsory social isolation. For all those employers whose employees cannot continue their tasks, that need their employees working extra time and that are hiring new ones during the pandemic, there are social security payment benefits, such as reductions of up to 95% of them. All those employees that are excepting subjects, specifically mentioned by the decree, their employers should grant them the proper work certification so that they can circulate.

The Labor Ministry has also submitted decrees related to the situation of a COVID-19 infected employee and the corresponding sick leave, the suspension of tasks and payments, union issues and preventive measures, amongst others.

Litigation implications

The Supreme Court established an extraordinary judicial recess until March 30th, all deadlines being suspended until the resumption of activities, except for criminal, family and health matters.

All prejudicial mediations scheduled for the term during which the compulsory social isolation lasts, will be cancelled and re-scheduled once this period ends.

Tax implications

The Federal Tax Authority has determined an extraordinary recess until March 31st. This affects all tax procedures except the regular obligations of the taxpayers or Comex operations.

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Belgium

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In recent weeks, the health situation has forced the government to take difficult measures to protect Belgian citizens. Particularly, on Thursday, March 12, the National Security Council recommended closing bars, cafes and restaurants and reducing the hours of "non-essential" businesses.

Inevitably, these measures have a heavy impact on economic actors in Belgium, whether they are businesses, the self-employed or employees. Consequently, in order to cushion the socio-economic effects of Covid-19, effective support measures – at federal and regional levels - were immediately put in place and later reinforced in occasion of the Council of Ministers on Friday March 20. They are based on recommendations from the Economic Risk Management Group (ERMG) and discussions with the G10.

Federal measures

These measures are based on three axes:

- measures to safeguard workers' purchasing power;
- measures that directly support the self-employed;
- measures that support businesses in this difficult period.

As far as measures for workers' purchasing power are concerned, two main initiatives are worth mentioning: temporary unemployment and the automatic extension of payment periods for personal income tax (PPI) (two months).

As regards temporary unemployment, it has become automatic, widespread and reinforced. This means that the company does not have to provide any justification for using it - this also concerns people in quarantine (for example because their partner is infected). Consequently, the reference rate increases from 65 to 70%, days off are assimilated and counted in the holiday pay. In addition, the ONEM - National Office for Employment - provides around 5.63 euros per day off.

Essentially, there is no longer any distinction between unemployment for economic reasons or force majeure.

As regards freelancers who have to close or are in difficulty, the ordinance allows the granting of a monthly allowance of between 1,291.69 euros and 1,614.10 euros to self-employed principally active who are unable to continue all or part of their activity due to the coronavirus.

This right is automatic for the sectors targeted by the ministerial order carrying emergency measures to limit the spread of the COVID-19 coronavirus and is

immediately applicable (March/ April). For the other sectors, a condition of stopping the activity for 7 consecutive days must be fulfilled.

Furthermore, in this context, a series of payment deferrals are planned in terms of taxation (2 months) and social security contributions (deferral for the first two quarters). Certain exemptions are also provided. Also, local authorities have been asked to contribute to the effort and freeze certain taxes at the municipal level.

Lastly, regarding measures to support SMEs and companies that have to close or are in difficulty, the aforementioned payment deferrals also apply to SMEs and businesses in difficulty. Moreover, service providers who have entered into federal public contracts will not receive any penalty for delay in performing these contracts if they suffer the consequences of Covid-19. At the same time, the authorities are committed to speeding up these payments.

Provisions by sectors

The Belgian government has also foreseen specific measures for the most affected sectors.

Firstly, at the catering level, flexibility will be applied in the application of the "take away" (tax and Federal Agency for the Safety of the Food Chain (AFSCA): no new authorization required for restaurants), while breweries will not be penalized for under-consumption.

In terms of trade, the government has started to consult with the social partners with a view to granting more flexibility in opening hours for large retailers, finding ways to transfer staff between sectors to ensure the maintenance of activity but also to keep the possibility of exercising a flexi-job even in case of temporary unemployment.

In the travel sector, the cancellation of a package trip results in the award of a voucher of equal monetary value with a validity of at least one year.

As for public events, the tickets purchased remain valid as soon as the event is postponed. If the consumer is unable to attend, sufficient time is established for reimbursement.

In the agricultural and horticultural sector, the seasonal work period is doubled.

At the level of federal scientific establishments, they have the possibility of using their reserves to cope with the shortfall linked to the closure of activities due to Covid-19.

Implications for contracts

Belgian courts have traditionally rejected the doctrine of hardship, pursuant to which contracts should be adapted where unforeseen circumstances render their performance more onerous (rather than impossible, as is the case for *force majeure*). However, in the framework of

an envisioned reform of the Civil Code, a bill has been submitted to the federal parliament in order to introduce the doctrine of hardship into statutory law (Article 5.77 of the envisioned Civil Code). Following the 2019 federal elections, and in the absence of formation of a federal government since then, the parliamentary works on this bill have been suspended and the status of the reform is currently uncertain. This draft provision will therefore not apply to the current coronavirus situation.

In the absence of legal recognition of hardship, some courts have attempted to use related concepts to move towards an application of this doctrine:

- Under the abuse of rights theory, parties are prohibited from exercising their rights in a manner that clearly exceeds the limits of a normal exercise by a prudent and diligent person. For example, in a decision of 2014, the Court of Appeal of Ghent considered that the enforcement of a provision in a transport contract was abusive (3 February 2014, NjW 2015, 202). Under the contractual provision, a textile company was required to use the services of a transport company a minimal number of times per period. However, due to a crisis in the textile sector, it became hardly feasible for the textile company to meet this minimum set in the contract. In view of the facts of the case, the court considered that requiring a party to comply with its contractual obligation during this crisis constituted an abuse of rights. According to this case law, refusing to modify a contract can qualify as an abuse of rights in certain circumstances, such as the outbreak of a crisis. Debtors may try to argue that the same could apply for the coronavirus situation.
- Several courts have also admitted the adjustment of a contract following a change of circumstances during its execution via the concept of good faith. However, the Belgian Supreme Court generally dismisses this type of reasoning.
- Furthermore, to be able to effectively rely on *"force majeure"*, it must be proved to courts that the requesting party has not committed any fault himself. Thus, in the context of the coronavirus, a factory which would be shut down because of the number of workers on medical incapacity could not invoke this concept if it had not adopted in due time the ad hoc measures to limit the spread of the virus (telework, distance, etc.).
- Finally, the Civil Code stipulates only that there is no reason for any damages when, as a result of force majeure or a fortuitous event, the debtor has been "definitively" prevented from realizing what he had committed to. When the execution is only "temporary", the execution of the contract is only "deferred", even if the interest for the parties of a late execution could be severely diminished. The Code does not say more about restitutions if force majeure occurs during the contract, when deposits have been paid or costs incurred. The difficulties are therefore numerous, which the parties sometimes resolve by special clauses

of the contract, but on condition that they were attentive when drafting it.

The risk of disappointment in such a context is real and it is regrettable that the reform of the new Civil Code has remained unfinished. The Book V project was to strike a new balance between the autonomy of the will and the role of the judge as guardian of the interests of the weak and the general interest. Thus, when the economic circumstances have changed, without necessarily making execution impossible, the judge will henceforth be authorized to correct the disturbed situations or to terminate the contract. Hence, reform would give hope in difficult circumstances.

Implications for job contracts

Due to the coronavirus epidemic, many companies can no longer function normally. Hence, as stated above, the employer can resort to specific measures such as temporary unemployment for force majeure.

If the worker returns from a risk zone or has been in contact with a person returning from a risk zone, the employer may, if this worker does not seem clearly to have coronavirus, offer to work temporarily according to other modalities such as teleworking, or working in other premises.

On the contrary, if the worker is infected with coronavirus, the employer must pay him the guaranteed salary provided that he has complied with his obligations regarding incapacity for work (warning, production of a medical certificate).

In addition, the employer can also resort to temporary unemployment for lack of work resulting from economic causes if the number of customers, production, turnover or orders, decreases. The conditions and formalities to be respected vary depending on whether the workers concerned have the status of worker or employee. In the latter case, the company must be recognized in difficulty.

Regional measures

The regions also offer certain financial assistance to the most affected sectors and companies.

Brussels

In the capital city, the local government approved a set of support measures for businesses in the Brussels-Capital Region, for a total budget of more than 150 million euros.

In particular, a single bonus of 4,000 euros is destined to each company forced to close following the decisions of the National Security Council and which belongs to one of the following sectors: hotel and catering; travel agencies, tour operators, reservation service and related activities; retail trade other than grocery stores, night shops, pet food stores, pharmacies, newsagents, gas stations and fuel suppliers; recreational and sporting

activities, plus a unique bonus of 2,000 euros for hairdressing companies.
Moreover, the following measures have also been adopted:

- Delivery of the City Tax for the first half of 2020;
- Provision, via the Brussels Guarantee Fund, of public guarantees on bank loans to seriously affected companies;
- Granting by *finance&invest.brussels* of loans at reduced interest rates to companies in the hotel and catering sector (more than 50 employees) and to the main suppliers of the sector;
- Moratorium on the repayment of the capital of loans granted by *finance&invest.brussels* to companies in the sectors concerned;
- •Accelerated, even anticipated processing, registration and payment of aid for economic expansion for the hotel and catering, tourism, events and culture sectors and
- Reinforced support for companies in difficulty by *hub.brussels*.

Wallonia

The French speaking region has also issued provisions in support of the most affected sectors and companies by releasing a total amount of 350 million euros to help the Walloon economy.

Particularly, companies which still have a partial activity will receive aid of 2500 euros and financial partners will provide a guarantee in various forms to companies in financial difficulty. On Wednesday 25 March, the Walloon government announced that companies and self-employed workers with fewer than 50 workers forced to close or stop their activities due to the coronavirus epidemic will receive a tax-free lump sum of 5,000 euros. An exceptional fund of 233 million euros has been set up for this purpose. The hotel and catering sector, travel agencies, retail businesses but also fairgrounds, driving schools, coach operators and car wash among other fields of activity are targeted.

Flanders

The Flemish government has been following the same idea with 100 million euros released to guarantee a bridge loan by the *Participatiemaatschappij Vlaanderen*, even for existing debts.

Particularly, shops forced to close following confinement (cafes, bars, shops, market vendors, etc.) will receive a bonus of 4,000 euros. Companies with several establishments will be able to apply for up to five bonuses. Catering establishments with take-out service can also request one. The Region will also be more flexible as regards the deadlines linked to subsidies. Lastly, temporary unemployed people living in Flanders will also have their water, gas and electricity bills cancelled by the Region, which has released 20 million euros for this measure.

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Bosnia and Herzegovina

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On March 5, 2020, the first case of coronavirus infection (COVID - 19) was confirmed in Bosnia and Herzegovina ("BiH"). Thereafter, an increase in the number of corona infected persons occurs throughout BiH, and it is expected that the number of infected will increase for over the time. Increase in the number of infected coronavirus in BiH, i.e. and in Republika Srpska ("RS") and the Federation of Bosnia and Herzegovina ("FBiH"), as well as declaring a pandemic of the coronavirus at a global level will have an impact on economic activity throughout BiH.

On 16th March 2020, the RS Government declared a state of emergency for the territory of RS due to the epidemiological situation in RS caused by the appearance of the 2019-nCoV coronavirus. On the other hand, also on 16 March 2020, the FBiH Government declared the accident caused by the emergence of coronavirus (COVID-19) in the territory of the FBiH. According to publicly available data, the competent authorities in the RS and FBiH will in the forthcoming period consider and adopt several measures related to the preservation and improvement of liquidity of the economy and fiscal stimulation. They are mainly aimed at unhindered supply of the necessary goods and services to the population, as well as assistance to the business entities working with the countries that are most severely affected by the coronavirus. The situation is similar in other countries of Europe and the world - governments and other competent authorities adopt draconian measures that are mainly aimed at: suppressing the spread of a coronavirus infection (e.g. closure of certain border crossings, mandatory quarantine upon entry into the country, etc.); and mitigating the economic consequences of the coronavirus outbreak (e.g. postponement of tax and credit obligations, export bans on certain products, etc.).

For instance, the Republic of Serbia has temporarily banned the export of basic foodstuffs and hygiene products. Closure of state borders, delays in deliveries of raw materials and other materials, adoption of various measures by competent authorities are circumstances that may affect the fulfilment of previously assumed contractual obligations of business entities. In addition, the consequences extend to a very broad social sphere, starting from the areas of labour law, movement, public order and peace, etc. In this brief notice, we will focus on issues arising in

relation to commercial contracts. In the light of the abovementioned, business entities may find themselves in the aggravated circumstances with respect to the fulfilment of their contractual obligations. Companies and entrepreneurs may be prevented from fulfilling their contractual obligations in full, in part or in contractually agreed terms.

What are the main consequences of a contract infringement?

In general, inability to perform and delay in the performance of contractual obligations can lead to the following consequences:

1. Obligations for compensation of damage to the other contracting party arising out of non-performance and / or delay in performing the contractual obligation. This damage, in principle, consists of the actually sustained damages and loss of profit (lat. lucrum cessans) that the other contracting party expects to receive by performing or timely performing the obligation of the breaching party or delaying the performance of the contractual obligations;
2. A request for performance of a contractual obligation (made through court or out of court) or potential termination of the contract (whether the other party unilaterally terminates the contract (the reasonableness of this termination should in any case be analysed separately) or the inability to perform the obligation within a time limit has by the very contract stipulated as the consequence for the termination of a contract). Depending on all the circumstances of a case, it may sometimes be necessary to provide an additional deadline for fulfilment of the obligation; while in other cases a default / delay will lead to an automatic termination of a contract (e.g. the deadline for execution was agreed as an essential element). It is important to emphasize that under certain circumstances, termination of a contract may occur even before the deadline occurs (e.g. if it results from the circumstances that the other party will not be able to perform its obligation within the agreed term).

What should be specially analysed?

In order to mitigate the legal consequences that may result from a breach of a contract (e.g. indemnification requests), it is advisable to perform following:

Classic commercial contracts (trade with goods and services)

1. To analyse contractual clauses on force majeure (lat. Vis maior, local language. Viša sila). As a rule, a contracting party is not liable for damages if it proves that it could not: fulfil its obligations or it delays with a fulfilment due to circumstances that arose after the conclusion of the contract; and prevent, eliminate or avoid these circumstances. Commercial contracts often contain special provisions on force majeure, so those provisions (if any), in conjunction with the general legal rules, should be considered before making specific business decisions.

Our law does not recognize the legal definition of the force majeure, but commercial contracts often contain force majeure clauses. When contracts do not contain these clauses, there are laws, regulations and general rules of the law of obligations, which applies in these cases (changed circumstances, inability to fulfil obligation, general rules on liability for performance of obligations, etc.). It is virtually inconceivable that until a few months ago anyone in BiH could have predicted the outbreak of a coronavirus infection, as well as enacting various state measures to combat this infection. This circumstance certainly provides a good starting point for considering the release of counterparty's liability due to force majeure. However, it is important to know that, by law, a contracting party calling for the release of its liability by force majeure should prove this in the event of a dispute. In this respect it will be necessary to prove all of the following: those circumstances which prevent the performance of the contractual obligation or which delay the performance of the obligation occurred after the conclusion of the contract. For instance, if the contract was concluded 6 months ago then it is likely that force majeure will be easier to prove than if the contract was concluded before e.g. 15 days; and respective circumstances could not have been prevented, remedied or avoided;

2. To consider the obligation to inform the other party of the facts that has an impact on the contractual relationship. As a general rule, each contracting party is obliged to inform the other party in a timely manner of the facts affecting the contractual relationship. Breach of this obligation entitles the other party to compensation for the damage it has suffered as a result of failure to notify or untimely notify. For instance, if the party who, on the basis of the contract, supplies raw materials to the other party and the trucks with raw materials will not arrive in BiH on time, the supplying party should inform the other party as soon as it becomes aware of this delay;
3. To analyse the clauses of the insurance contract and consider the obligation or need to communicate with the insurance companies. In the first place, it is advisable to analyse which cases are covered by an insurance policy. When it comes to property insurance, the insurance contractor is obliged to inform the insurance company of any change in circumstances that may be relevant to the risk assessment. Further, as a rule, the insured party is obliged to inform the insurance company of the occurrence of the insured event within three days from the day when he / she learned that the insured event occurred (this does not apply to life insurance and other specific types of insurance);
4. To analyse the possibility of obtaining appropriate certificates of force majeure from the competent authorities in BiH. according to informal information from the RS Chamber of Commerce: business entities may request in writing that the RS Chamber of Commerce issue a

certificate of force majeure; these force majeure certificates are public deeds and serve as evidence of the inability (in full or in part) of the performance of contractual obligations. However, it should be emphasized that business entities cannot rely on these certificates as deeds that will fully or partially release them of their respective contractual liability in a potential court proceeding. On the other hand, the FBiH Chamber of Commerce informally confirms that they do not issue such certificates because, according to their informal interpretation, the occurrence of the effects caused by the infection of the coronavirus does not result in the occurrence of force majeure;

5. To analyse contractual clauses re liability for contract performance. As a rule, the liability of the contracting party may be extended beyond statutory defined frames. On the other hand, the contract may also narrow the liability of the contracting party - e.g. by stipulating the maximum amount of compensation that the breaching party will be obliged to pay to the other contracting party for damages. Accordingly, in order to properly determine the situation, it is necessary to consider in particular the extent to which the legal provisions and the provisions of a particular contract, favour or harm defaulting party;
6. Analyse the possibility of termination or amendment of the contract due to changed circumstances (lat. Rebus Sic Stantibus). Circumstances that make difficult for one contracting party to fulfil an obligation (e.g., the inability to continue to procure raw materials procured from countries affected by a coronavirus infection) that occur after the conclusion of the contract may be grounds for termination or modification of the contract. In such a case, the party who has difficulty in fulfilling the contract may propose to the other party to modify or terminate the contract due to these circumstances or to seek judicial termination of the contract. When considering this option, it is also important to consider the following: the party intending to amend the contract should submit to the other party proposals for changes to the contract that would result in a fair modification of the contract; the party intending to terminate the contract due to changed circumstances is obliged to notify the other party of its intention to terminate the contract due to these circumstances; the other party may prevent the termination of the contract by offering or agreeing to fairly modify certain contractual terms; the court may order to the party requesting the termination of the contract to compensate the other party for the just amount of the damage suffered as a result of the termination of the contract; and the contract may expressly exclude the right of the contracting party to request termination of the contract due to changed circumstances;
7. To analyse the possibility of termination of the contract due to the complete inability to fulfil the obligation. As a rule, when the fulfilment of an obligation of one party becomes impossible due to an event for which neither party is

responsible, then the entire contract ceases to exist. It should be noted that the contracting party who has completed something previously given based on the contract, has the right to request the appropriate return of the completed / given one. If a contractual obligation cannot be fulfilled only partially because of an event for which neither party is responsible, then the other party expecting the performance of that obligation has the right to terminate the contract provided that it proves that this partial failure does not meet its needs. Otherwise, if the contract still remains in force, the other party, which receives only partial fulfilment, has the right to request for its obligation to be reduced proportionally (e.g. if it is possible to deliver only 70% of the contracted quantities of goods, then the other party to whom the goods are delivered will require to pay only those 70% of the contracted quantities of goods, and not all 100% of the originally contracted quantities).

Merger and acquisition contracts (m&a contracts)

1. To analyse the contractual clauses governing the consequences of material adverse events (MAC provisions). In practice, the MAC Provisions authorize the buyer to terminate the M&A contract if, in the period between the conclusion of the contract and the fulfilment of all conditions defined in the contract, occurs a materially negative event defined by the contract. For instance, a buyer may terminate M&A contract if, before the full payment of reimbursement is due, the turnover of the target company falls more than 20% from its current turnover. In this respect, it is necessary to analyse whether the present disturbances and changed circumstances resulting from the outbreak of the coronavirus can trigger the application of contracted MAC provisions. On the other hand, when drafting new M&A contracts, special attention should be paid on the consequences of an outbreak of coronavirus infection as well as the effects of measures taken by the competent authorities to restrain this infection;
2. To analyse clauses stipulating seller's warranties. With respect to the already concluded M&A contracts, it is necessary to analyse the provisions of the seller's warranties and examine to what extent the current situation regarding the infection of the coronavirus will affect compliance with these warranties and whether due to the inability to respect these warranties customers will be entitled for damages. With respect to new M&A contracts, sellers should insist on provisions that limit or exclude the seller's liability for the negative consequences of the acquisition of the target company and the consequences resulting from the outbreak of the coronavirus (e.g. this can be done by referring to generally known facts what a buyer had to be aware of, changes in the regulations that the buyer is required to meet, etc.);
3. To consider the risks of insolvency or bankruptcy. Particular consideration should be given to whether the consequences of the resulting

coronavirus could lead to the insolvency of the target company and what the consequences would be in that regard;

4. To look at the bigger picture. Depending on the business being conducted by the target company, it may be advisable to pause the ongoing acquisitions (for instance, until the first stroke of the coronavirus epidemic has passed, when things will be much clearer and more predictable). This especially relates to the industries that are significantly affected by the outbreak of coronavirus infection, e.g. tourism, catering, etc.

Notification context

All the above is an outline of the legal consequences of a breach of the commercial contracts that may arise from circumstances caused by the outbreak of a coronavirus infection. None of the above constitutes legal advice, nor do we assume any liability in the event of any of the aforementioned.

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Due to the increasing number of COVID-19 cases, Bulgaria declared a state of emergency on 13 March 2020 and activated a national protection and rescue plan. Amendments to various legislative acts aimed at economic relief for citizens and businesses during the period of emergency were introduced with the State of Emergency Measures and Actions Act ("the Act"), adopted on 23 March 2020. We have briefly summarized below the most important changes introduced by the Act.

1. Labor law

All employers, depending on the specifics and capabilities of their respective business activity, may introduce a remote form of work for their employees without their consent unless such work is not possible. The terms and conditions for introduction, execution and control over such remote work shall be specified in an order by the employer.

During the state of emergency the employer is entitled to unilaterally grant half of the paid annual leave to the employees without their consent without formally suspending the business activity. The employer may suspend the business activity of the enterprise, part of the enterprise or the work of individual employees for the whole or part of the emergency period.

- In such case the employees are entitled to their gross monthly salary. Employers still have to pay remuneration during the state of emergency, even after the adopted amendments.
- The employer is entitled to unilaterally grant the whole paid annual leave to the employee without their consent. Such paid leave may be granted to all employees regardless whether they have obtained 8 months of service or not.
- When the work of the enterprise or part of the enterprise is suspended by an order by a public authority, the employer is obliged not to give access to the employees to their workplace for the period specified in the order.

The employer is entitled to unilaterally set part-time work for full-time workers for the whole duration of the state of emergency or only for part of the duration under the general rules of the labour legislation. The restriction regarding the duration of the part-time work, however, remains valid, namely it may not be less than half of the statutory duration, for example, a minimum of 4

hours with normal working time of 8 hours per day. When introducing part-time work, employers shall owe lower remuneration proportionate to the hours worked.

For certain categories of employees, the employer can not reject paid or unpaid leave if such is requested. These categories include pregnant women; women in an advanced stage of IVF; mother/single father or adoptive mother/single father of children under 12 or disabled children; employees under 18; employees with 50 or over 50 per cent permanent reduced capacity to work; reassigned employees and employees suffering from certain diseases defined in an ordinance of the Minister of Health.

2. Tax matters - extended various deadlines

According to the amendment to the Income Taxes on Natural Persons Act, sole traders shall file an annual tax return and a business activity report by 30 June 2020 and shall pay the tax due. In order to benefit from the 5% discount, the said persons should file their tax return electronically by 31 May 2020.

According to the amendment to the Corporate Income Tax Act (CITA), by 30 June 2020:

- legal entities shall file an annual tax return as well as pay the corporate tax due;
- due taxes on expenses should be paid according to Art. 204 et seq. of CITA;
- public-financed enterprises shall file an annual tax return and pay the tax due;

The term for filing the annual financial statements of companies and non-profit associations and foundations in the Commercial Register is extended until 30 September 2020.

The terms for payment of advance contributions for persons obliged to pay such remains unchanged. However, some new features have been introduced in regards calculation of the said contributions, depending on whether an annual tax return has already been filed.

All terms not expressly extended by the new act remain unchanged. This also applies to the terms under the Value Added Tax Act - the next term for filing the monthly VAT return of the registered persons is 14th April. The terms for registration in the cases provided for by law also remain unchanged.

The term for filing the Annual Tax Return for Natural persons for 2019 remains the same –30th April 2020. In order for a 5% discount to be applied, the annual tax return should be submitted electronically by March 31st.

3. Limitation periods and procedural terms

As of 13th March 2020 and during the state of emergency all limitation periods and other time limits provided for in statutory acts, with the expiry of which

rights are extinguished or terminated or obligations arise for private entities will be suspended.

All statutory periods which expire during the state of emergency and are related to the exercise of rights or fulfilment of obligations of private entities shall be extended by one month as of lifting of the state of emergency.

The duration of administrative acts, which is limited in time and expires during the state of emergency, shall also be extended by one month as of lifting of the state of emergency.

With a few exceptions:

- All procedural periods in court, administrative, arbitrary and enforcement proceedings will be temporarily suspended.
- Limitation and prescriptions periods are suspended;
- Public sales and entry into possession by bailiffs will be suspended;
- No attachments shall be imposed on the bank accounts of individuals, on salaries and pensions. The seizing of movable property and real estate owned by individuals shall also not be carried out. This does not seem to restrict the imposing of preliminary security measures.

4. Contractual issues

The Act does not replace the maturity of the obligations but eliminates the negative consequences of the delay during the emergency period. The obligations continue to be due and their payment remains valid. For obligations that do not have a contractual maturity, the rule that the creditor retains the right to claim immediate performance of the obligation remains valid.

The Act does not release people and legal entities from their obligations to pay off the outstanding debts. However, the provisions of Art.5 and 6 of the Act introduced the following measures:

- Interest and penalties are not going to be charged on late payments;
- The possibility of obligation acceleration (early chargeability) is ceased;
- The possibility of termination of contracts and seizure of property is ceased;
- The inventories on enforcement cases for movable and immovable property owned by natural persons are suspended.

The listed measures are going to be in force as long as the state of emergency is still in force. The Act does not completely deprive creditors from protection where the debtor fails to pay outstanding obligations. The following options still remain possible:

- As long as the debtor is not a natural person, to impose security measures on the defaulting debtor. These security measures include attachment of accounts, of receivables from third parties, interdictions over immovable property, etc. These measures could provide a guarantee that the creditor will have sufficient property to settle

the obligation after the judgment of the debtor ;
- To lodge a claim for payment before the competent court. Pending cases are not going to be dealt with before April 13, 2020. The imposed security measures are going to be in force until the final decision of the court;
- to resort to other legal means as offsetting, refusal to perform their counter-obligation until the payment is made, etc.

Notary certifications will be extremely restricted. Notarial proceedings will be limited to urgent cases only and carried out in compliance with health and hygiene requirements. The Act does not provide a definition of urgent proceeding. According to public sources some transactions may not be concluded. The transaction shall have objectivity for urgency, which shall be justified in writing.

5. Government support to the economy

After a week of negotiations, the government, trade unions, the employer organizations and other social partners agreed on the conditions under which the state would assist employers affected by the crisis. Two categories of employers will be able to apply for compensation of 60% of the insurance income of the employees, provided that they keep them at work for the duration of this measure and the employer pays the whole amount to the employee. Thus, for the duration of the state of emergency but not longer than three months, the employers will pay 40% of the employees' remuneration using their own funds and 60% using funds provided by the National Social Security Institute.

The first category is employers whose activity falls directly within the economic sectors for which a prohibition or restriction of activity during the state of emergency period has been imposed. The epidemic has hit sectors such as the hotel and restaurant industry, culture, cinema, sports, retail trade and more.

The second category includes employers who, at their own discretion, have issued an order to terminate work because of the state of emergency or have introduced reduced working hours, provided that they submit documents certifying the decrease in sales revenue during the current month by a certain percentage compared to the average income for the same period in 2019. It is not yet clear if this percentage will be 20 or 25%. The decree is expected to be adopted by the Council of Ministers by the end of March 2020 and will enter into force on 13 March 2020.

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The Data

On March 11th the World Health Organization declared the COVID-19 virus a pandemic.
On March 12, the Ministry of Health and Social Protection declares a health emergency and measures are taken (Resolution No. 385).
On March 17, March 17, 2020, the Ministry of Labor issued Circular No. 021 of 2020 on "measures to protect employment on the occasion of the containment phase of COVID-19 and the declaration of a health emergency."
National and local authorities increase controls, including, as provided in the Circular, "mandatory isolation measures issued by the national government."

The labor alternatives

The particular circumstances of each company must be assessed, considering that an appropriate decision will mitigate the associated risks and overcome the moment of crisis

Home-work and telecommuting

Law 1221 of 2008 “which establishes norms to promote and regulate Telecommuting and dictates other provisions” contemplates these two modalities, as follows:

Home-Work is defined in section 4 of article 6 of law 1221 of 2008, where it is defined as such, the person who has the status of an employee, who occasionally performs his work at home or in a place other than the premises of the employer, rather than at the regular workplace.

The Ministry of Work makes this option possible in the Circular, pointing out that it is an occasional, temporary and exceptional situation that the employer can authorize. It also clarifies that this modality does not require the fulfilment of the requirements of teleworking.

Telecommuting it has further development in Law 1221 of 2008, as "an instrument for generating employment and self-employment through the use of information and telecommunications technologies (ICT)". For its implementation, it is required. -Art. 6 ibid:

- For telecommuters, given the special nature of their work, the provisions on working schedules, overtime and nocturnal work will not apply to them.
- The salary of the teleworker may not be less than that paid for the same work, in the same town and for the

same performance, to the worker who provides his services at the employer's premises.
- The assignment of tasks for teleworkers must be done in a way that guarantees their right to have a break of a creative, recreational and cultural nature.
- Employers must provide and guarantee the maintenance of telecommuting equipment, connections, programs, assume the cost of electricity, and costs of trips ordered by the employer that are necessary to carry out their functions.

The regulatory development of the figure is found in the Single Regulatory Decree of the Labor Sector No. 1072 of 2015, with a series of requirements necessary to fully comply with this alternative, such as: (i) in cases where there is previously an agreed employment contract and the parties in common agreement opt for Telecommuting, must sign an annex to the agreement, (ii) adapt the internal work regulations with the special conditions for Telecommuting to operate, (iii) apply the prevention guide and action in risk situations that Telecommuters may have, prepared by the Occupational Risk Administrators, and (iv) fill out the forms with the Occupational Risk Administrator (ARL).

It is important to consider that: (i) when work activities do not demand mobility expenses from the teleworker, there will be no place for transportation assistance, and (ii) the payment of overtime, Sunday and holidays will be given the same treatment as any other worker.

Suspension of employment contracts

It proceeds, amongst other reasons for:

- Force majeure or fortuitous case: The circumstances that gave rise to the declaration of sanitary emergency is framed within the concept.
- By unpaid leave or temporary permit, at the request of the worker.

Effects of the suspension:

- The obligation to provide the promised service is interrupted for the worker, and for the employer the obligation to pay the wages correspondent to those periods.
- During the suspension, the employer is responsible, in addition to the obligations that have arisen previously, of those that correspond to him due to the death or illness of the workers.
- The employer must continue to contribute to the healthcare system, but not the worker.
- Upon agreement between the parties, the employer could lend the money to the worker for his part of the pension contribution and then deduct future payments to be made for Social Security, benefits, or salary when reinstated.
- No contributions must be made to occupational risks.

- The Ministry of Labor must be notified of the suspension due to force majeure.
- The worker must be notified in writing of the suspension due to force majeure and informed of the resumption, at least three (3) days in advance.

Granting of early vacation period

- Vacations may be granted ex officio by the employer, with 15 days' notice prior to the date they are granted, when one (1) year of service by the worker has elapsed.
- The 15 days advance notice is not necessary, if, by consensus, it is agreed with the worker.
- The employer in use of his liberality or in a consensual way with his worker can grant the vacations in advance.
- If the employment contract ends before the year of service is completed, the employer may not require the worker to reimburse the value received for the vacations that he previously enjoyed, or require him to complete the year of service that caused them.
- If the worker has already enjoyed his vacation, and he is granted another period in advance without completing the service year, he will not have the right to be granted a new vacation period once the respective service year is over.
- There will be no right to transportation assistance when the employee enjoys vacations.

Termination of employment contracts

Individual dismissal:

- The events that gave rise to the health emergency are not framed within the hypotheses of termination of contracts with just cause without compensation in favor of the worker, contemplated in article 62 of the Labor Code (CST).
- It is possible to unilaterally terminate employment contracts without just cause, with payment of compensation, depending on the type of relationship in question.

Collective termination of contracts (collective dismissal):

It occurs when it affects, in a period of six (6) months:

- A number of workers equivalent to thirty percent (30%) of the total of those that have an employment contract, in those companies that have a number greater than ten (10) and less than fifty (50) employees.
- Twenty percent (20%) in those with a number of employees greater than fifty (50) and less than one hundred (100).
- Fifteen percent (15%) in those with a number of employees greater than one hundred (100) and less than two hundred (200).

Nine percent (9%) in those with a number of employees greater than two hundred (200) and less than five hundred (500).
Seven percent (7%) in those with a number of employees greater than five hundred and less than a thousand (1,000) and, five percent (5%) in companies with a total number of employees greater than a thousand (1.000).

- Authorization must be requested from the Ministry of Labor, explaining the reasons and accompanying the corresponding evidence.
- The affected workers must be paid with the measure, the legal compensation that would have been due to the worker if the dismissal had occurred without just legal cause.

The payment of salaries without provision of the service

Article 140 of the CST establishes the right of workers to receive wages even when there is no service provision, by order of the employer.
In the aforementioned Circular No. 021, the Ministry of Labor presents this as a measure to protect employment, clarifying that it would operate voluntarily and generously by the Company.

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Labor law issues

Ministry of Labour and Pension System publishes daily opinions concerning the current problems that employer and employees amid crisis caused by COVID-19 pandemic, primarily organization of work at a separate place of work, health and safety at work (in the employer's premises and in other premises in case of remote work, salaries, fulfilment of the obligations from the employment contract etc.

The Ministry has emphasized that amid COVID- 19 caused crisis, each individual/employee is obliged to immediately inform the employer in case of safety at work and health issues and to act according to obligations from the labour legislation, health and safety legislation and recommendations issued by competent authorities for this situation specifically. With respect to fulfilment of employees' employment contract obligations, they are the subject of application of labour legislation as if the situation is regular – the employee is obliged to work (whether at the employer's premises or at home) and the employer is obliged to record the working time and pay the salary.

With respect to health and safety issues - employer is obliged to organize business operations in a manner that safe working conditions are secured for the employees. Measures that can be implemented by the employers in situations of disruption of the employer's business activities caused by the COVID-19 crisis in order to save jobs and to protect from virus spread are:

- Introducing uneven working hours
- Change the working hours
- Redistribute working hours
- Arrange part-time contract with the employees (full-time and part-time)
- Decide on different organization of working time (i.e. the introduction of shift work, organization of teamwork etc.)
- Decide on the use of annual leaves

Contractual issues

Situation which has globally developed in last few weeks as well as the ones expected in the upcoming period, it is expected that fulfilment of contractual obligations will affect numerous business relationships and in many that process is already happening.

Depending on the type of the contracts and respective obligations, nature of disruption, type of industry, impact of the Government measures and probably many other factors which can occur in the upcoming period, institute provided under

Croatian civil obligations legislation (primarily Civil Obligations Act; ''COA'') is:

- Force majeure (Articles 343, 1067 of the COA)
- Change of contract or its termination due to change of circumstances (Articles 369 – 372 of the COA)
- Inability for fulfilment of the contract for which neither of the contracting parties is responsible (Article 373 of the COA)
- Uncertain fulfilment of contractual obligations by one of the contracting parties (Article 359 of the8 COA)

It is to be seen which of these institutes will be the most suitable for individual contractual relationship, taking into consideration all mentioned factors which will most likely play significant role in the type of their resolution.

Government support to the economy

On 17 March 2020 Croatian Government has announced the lists of different measures aimed to support and assist the employers in overcoming the crisis caused by COVID-19 pandemic, which among others include:

- Public contributions postponement and/or payment in instalments (with additional public contributions/taxes in especially vulnerable industries such as tourism and catering industry)
- Postponement of payment of credit obligations
- New loans favourable credit conditions to the companies for the purpose of liquidity
- Monetary support to the employer in the amount of HRK 3.250,00 (approx. EUR 430,00) per employee monthly (for full-time employment) and HRK 1.625,00 (approx. EUR 210,00) per employee monthly (for part-time employment).

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In response to COVID-19 outbreak, the Government of Cyprus has declared a State of Emergency on 16th March 2020. Since then, an almost total lockdown has been imposed.

Gatherings at any residence are prohibited, excluding permanent residents.

A night-time curfew is in place. Circulation of persons between 9 p.m. and 6 a.m. is prohibited, except for people moving for employment reasons, provided that they carry a Confirmation of Movement of an Employee certificate. Any unjustified movement of persons is prohibited. People are allowed to circulate only for certain reasons which include employment, medical/pharmaceutical services, food supplies, bank services and physical exercise. Everyone should send an SMS to 8998 and wait for a confirmation in order to proceed with any of the above activities. People over 65 can alternatively; use a hard copy of the Form B. Everyone is allowed to move only once a day.

In cases of unjustified circulation, a fine of €300 is imposed for the first offence. Those who offence the above provisions for the second time, will be sent to court and are subject to a fine of up to €3,000 and/or imprisonment for three months.

The Minister of health has ordered all schools, kindergartens and nurseries, both public and private, to fully suspend their operations. A suspension of operations is ordered for certain businesses, such as restaurants, cafes, cinemas, gyms, airlines, hotels, travel agencies and all retail goods and services businesses such as hairdressers, betting shops, spas etc. Pharmacies, ssupermarkets, grocers, convenience stores, bakeries and butchers are permitted to remain open.

It is safe to say that the coronavirus outbreak has affected almost every sector of the economy. Some businesses have been forced to completely suspend their operations whilst some other businesses though still in operation, are experiencing severe economic loss. Thus, a series of financial measures are taken, aiming to relief from the effects of the coronavirus pandemic on the economy.

Financial Support Programme/ Labour Law

The Government has announced a support programme, which includes the following:

1. **Special Scheme for Partial Suspension of Business Operations and provision of a Special Unemployment Benefit, valid from 16/03/2020 to 12/04/2020.**

   This scheme is valid for businesses that have partially suspended their operations and have suffered a loss of more than 25% of their turnover due to the COVID-19 outbreak.
   For businesses employing up to 50 employees, 75% of them can receive the unemployment benefit, whereas for those employing more than 50 employees, 60% of them can receive the unemployment benefit.

2. **Special Scheme for Total Suspension of Business Operations, valid from 16/03/2020 to 12/04/2020**
   The scheme is valid for businesses that have mandatorily suspended their operations following the Governments' orders. The 90% of these businesses' employees can obtain the special unemployment benefit which amounts to 60% of their regular salary. The remaining 10% shall include managing shareholders, partners holding more than 20% of the shares, general managers and senior executives.
   In the case of businesses employing 9 people or fewer, all employees shall be entitled to the benefit, regardless of their status.
   The basic requirement for participation in both schemes mentioned above is that no employee has been fired since 1/03/2020. Furthermore, if a business' application is approved, no employee shall be dismissed (excluding, for disciplinary reasons) during the period of participation in the scheme or during an additional period equal to the period of participation, plus one additional month.

3. **Special Scheme for self-employed workers, valid from 16/03/2020 to 12/04/2020**

   The Scheme is valid for all self-employed workers that have completely suspended their operations following the Governments' orders and for all self-employed workers that have partially suspender their operations and have suffered a loss of more than 25% of their turnover due to the COVID-19 pandemic.

   The Special Allowance for Self-employed Workers shall amount to 60% of the worker's insurable earnings, based on which the worker was paying contributions to the Social Insurance Fund for the fourth trimester of 2019. The Special Allowance cannot be less than €300 or more than €900 per month.

4. **"Special Leave"**
   Due to the suspension of all schools', nurseries' and kindergartens' operations, parents employed in the private sector can ask for a special leave in order to take care of children up to 15 years old.
   For those with a salary of up to €2.500, an allowance of 60% on the first €1000 will be paid, and on the next €1000 an allowance of 40% will apply.

5. Postponement of Payments and Obligations / Tax Issues

In addition to schemes to employees as prescribed above a number of measures aimed at retaining or improving the business cash flow have been enforced:

(i) Extension for payment of social insurance contributions for 2 months in respect of payments of March and April 2020.
(ii) A three-month postponement for payment of VAT for the periods ending February-April 2020. Businesses have been permitted to pay gradually until 10.11.2020.
(iii) Tax levy or annual corporate fee has been postponed until 31.12.2020.
(iv) Postponement of all loan payments and interests for nine-month duration for all clients who are up to date with their loan terms.

6. Litigation

All court proceedings and any action before the Courts (including filing of actions or originating summons) have been effectively suspended, with the exception of emergency orders or injunctions. As a result, the Supreme Court has also suspended all deadlines deriving from Civil Procedure Rules until 30.4.2020. Exemption to this suspension is all matters related and governed either by the Constitution or special legislation.

7. Data Protection

The Cyprus DPA adopted in total the EDPB Statement on the processing of personal data in the context of the COVID-19 outbreak. Particularly the data controllers and processors must ensure the protection of the personal data of the data subjects. Therefore, a number of considerations should be taken into account to guarantee the lawful processing of personal data and in all cases it should be recalled that any measure taken in this context must respect the general principles of law and must not be irreversible. Emergency is a legal condition which may legitimise restrictions of freedoms provided these restrictions are proportionate and limited to the emergency period.

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On 12th March 2020, the state of emergency was declared in the Czech Republic for the period of 30 days by the Czech government (this emergency state is expected to be prolonged). Since then, the Government has issued several decrees in order to prevent an escalation of the virus cases among the Czech population. The measures currently in place include, e.g. closing of all schools and universities, limiting the free movement of the whole population (with some exceptions) or compulsory wearing of face masks.

However, the most drastic steps which have the biggest effect on the Czech economy are forbidding of all retail sales with the exception of essential sales such as food, electronics, fuel etc., and limiting international travelling, including cross-border workers. These interventions have caused substantial damage to the economy and many enterprises are already struggling with their income and subsequently are forced to dismiss their employees. In reaction to this situation, the Czech government has introduced several measures which are meant to help employers, self-employed and corporations with dealing with crisis. These measures are described below. Please note that all information mentioned herein might be changed or complemented in accordance with the new/adjusted measures of the Czech government or the legislation of the Czech parliament.

Support Measures for Employers

While many employers currently suffer from closing down their businesses, insufficient input of resources or deal with quarantined employees due to the Coronavirus, the Czech Ministry of Labor and Social Affairs introduced a comprehensive supporting program called “Antivirus”. Based on this program, employers will be entitled to compensation from the state to help pay wages of their employees, ranging from 50 % to 100 % of the wage owed (depending on the reasons of their inability to work). There are currently 5 scenarios in which the compensation will be granted: ordering a quarantine of employees, obstacles to work on employer’s side caused by compulsory shutting down of their business operations, obstacles to work on the employer's side caused by ordering a quarantine or taking care of a child with a substantial amount of employees (at least 30 %), limited availability of materials,

products and/or services (inputs) that are necessary for employer's business operations and (v) decreased demand for employer's services, products or other goods.

The Antivirus program should come into operation on 1 April 2020. The Ministry of Labor and Social Affairs will announce the detailed methodology concerning the process of submission of applications for compensation.

Support Measures for Self-Employed

The current economic situation has left many of self-employed persons vulnerable to bankruptcy or caused them serious economic difficulties. Therefore, the Government has undertaken to implement several economic measures designed to help the self-employed in overcoming the pandemic.

All self-employed persons whose income comes solely from their own business will receive compensation in the amount of circa EUR 550 per month if their business operations ceased due to the pandemic. All such persons will be also given a six-month "holiday" in the payment of health and social insurance contributions, i.e. the minimum insurance premium of circa EUR 180 per month.

The state will also partially compensate the self-employed who are taking care of a child from 6 to 13 years of age and are not able to go to work because of the virus.

General Support Measures

The Czech government has also adopted some general economic measures.

The Ministry of Finance introduced the so-called "Liberation Packages" aiming to ease the financial onus of tax subjects. Based on Liberation Package I, the Tax Office will not impose fines for late submission of personal and corporate income tax return, for late payment of a tax claim and for late submission of control tax reports. Based on Liberation Package II, there will be an excuse of the June advance on personal and corporate income tax, the Tax Office will not impose fines for late submission of real estate property tax return, "Loss carry back" tool will be introduced and the obligation to electronically record sales for entities in all phases of Electronic Sales Control System (abbreviated as "EET" in Czech) will be suspended during the state of emergency and following three months.

The Ministry of Industry and Trade in cooperation with the Czech-Moravian Guarantee and Development Bank launched an interest-free loan program COVID I for small and medium sized businesses and the self-employed. Subsequently, COVID II fund was introduced, which will provide state guarantees for loans from commercial banks and for the loan interests. Due to extremely high demand, additional loan and guarantee program might be announced in the near future.

Moreover, the Ministry of Finance intends to abolish the real estate acquisition tax as a whole and also to impose a 6-month moratorium on payment of all mortgage and business loans and consumer loans. However, these measures will be further discussed and need to be approved by the Parliament to be effective.

Furthermore, the Government has released 3.3 billion CZK (circa EUR 120 million) to help agriculture, food and forestry sectors in tackling the crisis and to enhance the Czech food self-sufficiency. The Parliament has also amended the State Budget Act for 2020 in order that the deficit of the state budget will currently amount to 200 billion CZK (circa EUR 7.4 billion).

Conclusion

We mentioned the most significant measures that the Czech government has adopted to fight the current adverse economic situation. Regarding the employment sector, the "Antivirus" program aims to prevent mass dismissals by providing employers who have been negatively affected by the pandemic with state compensation for wages.

As for the self-employed, the Government intends to support them with a fixed monthly pay combined with tax and contribution reliefs and postponements. Some important general support measures have also been adopted, such as the "Liberation Packages" or the COVID I and II interest-free loans and guarantee fund.

Other than the above-mentioned measures, all of the ministries and a number of government agencies are currently implementing further financial or other emergency measures to help with the ongoing crisis.

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Egypt

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Overview

On 8 March 2020, the Egyptian government announced the discovery of the first case of Covid-19 and afterwards, the government has been keen to contain the spread of Covid-19 by suspending all school and university education which serves 25 Million people (25% of the population). By 24 March 2020, the Egyptian government ordered a complete lockdown from 7 PM to 6 AM for two weeks which was extended to further 2 weeks. The complete shutdown resulted in closure of all the courts, all government services (including traffic office, notary, passport offices…etc), the only government entity open to serve the public is the health office issuing birth and death certificates. For the first time in history mosques and churches and are not open for any form of religious services, also the government ordered the closure of all hotels, restaurants and cafes. Shops close at 5 pm and not trading over the week end. Banks are open 4 hours a day for public. The government excluded from the shutdown markets, pharmacies and transportation of essential goods and supplies.

Economic and financial Initiatives

a) An unprecedented decrease in interest rate

The first and most important move came from the Central Bank of Egypt (CBE) which has cut interest rates by 3%, or 300 basis points, with the overnight lending rate now standing at 10.25% and the overnight deposit rate at 9.25%. The rates are the lowest since early 2016.
On March 20th, Fitch Ratings hailed the CBE's decision to cut interest rates as a "bold" move to help offset the likely effects of the coronavirus pandemic on the economy.

b) A six month grace for all retail finance

The CBE together with the Financial Regulatory Authority have postponed by six months the due dates for all types of consumer and small-business loans including mortgages and car loans. Holders of all credit cards benefit from this grace period.

c) Supporting the industrial sector

Egypt is implementing different measures to boost industries and businesses expected to be hit hardest by the COVID-19 pandemic.

On March 17, the government has taken steps to support the industrial by reducing the price of natural gas provided to industries to $4.50 per million British thermal units (Btu), down from $5.50. Electricity prices were also lowered for heavy industry by 0.10 Egyptian pound ($0.0064) per kilowatt-hour.

For exporters, Egypt is providing 1 billion Egyptian pounds (about $63 million) in March and April to help cover some of the dues they pay into a government fund for their benefit. The government also will pay 10% of those dues in cash to exporters in June.

d) Delaying annual tax filings

The Tax Authority is postponing the date for presenting personal tax filings and considering payment of corporate tax over several installments, it is also postponing the payment of property taxes on factories and tourist facilities for three months.

Legal implications

It is certain that most, if not all, contractual obligations have been affected by the status quo and contractual breaches have been made. What is uncertain is how the courts will deal with claims for contractual breach. Indeed, well established notions of force majeure and unforeseen circumstances shall be applied by the courts and arbitral tribunal.

What is yet to be seen is how the courts would take into account governmental measures supporting businesses and actual compensation granted by the government (directly or otherwise).
The Government has made it clear that one of the objectives of its economic measures is to protect employees against being fired. It's yet to be seen how Labor Law courts will handle cases of employment termination.

Even existing contracts with no defaults are facing certain challenges, for instance when calculating business days, how are parties meant to do that. Is a country with suspended court system with limited working hours operating under a normal business day as envisaged when the contract was signed?

While the existing rules under the Egyptian Civil Code and the Commercial Code provide all sorts of relief to take into account force majeure events, there is more taking place on the ground.

Regulators are playing a very important role in working with the market players to overcome the current difficulties. In so doing, they are by-passing and waiving all rules and regulations by way of granting exemptions of the applications of certain laws, for the sole purpose of keeping the market operative until these difficult times are over.

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El Salvador

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Government took the strongest measures to contain the spread of the virus and mitigate the consequences in health – sector that can affect the economy. The country is in total lockdown and measures are implemented through emergency decrees, which should be ratified in Parliament under the Salvadorian constitution. The first emergency decree adopted for 30 days affect the movement, labor law, the contractual agreements, the public procurement, litigation, tax and official agencies.

Free movement

A total lockdown order has been put in force, limiting the unjustified movement of citizens. Movement is allowed on for the fulfilment of basic activities and needs, including employment, medical/pharmaceutical services, bank services, food supplies, energy and telecommunication industry. In these cases, movement is allowed provided that the interested person has an official letter of allowance.

Labour law

Each company is forced to pay every single salary for the next 3 months even if it is lockdown.

Contractual issues
In the on-going contractual agreements, invoking the force majeure payments (loans, rent, taxes, energy, water, and telecommunication) can be delayed for the next 3 months.

Public Procurement

All the deadlines are suspended until April 19th, unless there is an extension of the current emergency decree.

Litigation

All the proceedings and the actions before the Courts (including filing of lawsuits) have been effectively suspended.

Tax

Payments can be delayed for the next 3 months proving the major force majeure.

Official agencies

All official agencies have been lockdown, with the exception of the Ministry of Health, the Water Office, the Police and the Fire Department, the pharmaceutical official office and the tax office (with limited access for certain importations).

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Greece

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Greece is one of the countries that took a series of measures in an effort to contain the new corona virus and mitigate its consequences in the economy. All sectors of the economy are more or less affected, from businesses that have been forced to close or suspend their operations (e.g. restaurants, malls, schools) to businesses that are suffering from the general stall of the economic activity.

Government measures are implemented through emergency decrees, which under the Greek constitutions should be ratified in parliament within 40 days or within 40 days from the convention of the parliament, but within three months from their issuance, and are specified through joint ministerial decisions.

The Greek government has published and is updating on an ongoing basis the list of activities/businesses that are considered to be affected by the circumstances and is announcing measures for their support, including tax breaks, payment holidays and postponement of tax and other obligations (including social insurance contributions) towards the state.

Free movement

A shutdown order has been put in force, limiting the unjustified movement of citizens only to the fulfilment of basic activities and needs, including employment, medical/pharmaceutical services, bank services, food supplies and physical exercise. The individuals should declare each movement by either completing a hard copy form or using a telecommunications platform through which they receive a confirmation by SMS for the said movement. In cases of unjustified movement, the enforcement of an administrative fine of 150,00 EUR is provisioned.

Labour law

The general guidelines for all businesses are to put in place a remote work plan, where applicable and efficient, while affected businesses have the right to implement rotation schemes or even suspend employment contracts.

The government has announced that these employees would be entitled to receive as an additional aid the amount of 800 EUR from public funds, covering the second half of March and the entire April (forty five days of employment based on the minimum monthly wage), while their social security contributions will be also covered by the state provided of course that their labour contracts are not terminated.

Contractual issues

The new situation has its impact also on existing contractual agreements. In particular, affected businesses and suspended employees are benefited from the option of paying only 40% of their rent. In addition, affected employees are entitled to suspension of instalments for bank loans payable within the next 3 months.

As regards other contractual obligations, one could explore the possibility to invoke *force majeure* as a reason for not fulfilling their obligations and seek from the Court to adjust its obligation proportionally or even order the termination of the contract. In such cases one should have in mind that they should be able to prove that that the coronavirus situation and the subsequent measures actually affected their ability to fulfil such contractual obligations.

Public Procurement

As the case may be and until further administrative decision, the legislative framework provides for a maximum of six-month (a) postponement of public tenders; b) extension of submissions deadlines and c) suspension of any expiration deadline relating to public contracts, irrespective of the stage of the tender or the execution of the works.

Litigation

All court proceedings and any action before the Courts (including filing of lawsuits) have been effectively suspended, with the exception of emergency orders which need to be ordered *ex parte*. As a result, the Government has also suspended expiration deadlines for raising claims, as well as those related to criminal proceedings. Furthermore, operation of land registries has been temporarily prohibited and expiration deadlines have been respectively suspended.

Tax

The Greek government has also announced certain measures in order to support affected businesses and taxpayers that face financial difficulties arising from the pandemic.

In particular, (a) the VAT rate on products required for the protection against Coronavirus infections and the prevention of the spread of the disease (e.g. antibacterial masks/gloves, sanitizers, antiseptic wipes) is reduced from 24% to 6%; (b) the deadlines for the payment of VAT obligations, assessed tax liabilities, social security contributions, and instalments of assessed liabilities towards the Greek state as a result of a settlement, are extended until the 31st of August for affected businesses; (c) the Uniform Real Estate Ownership Tax ("ENFIA") of 2020 will be computed on the same statutory value of properties as in 2019, thus the announced adjustment of the statutory values of the real estate properties will be suspended, and (d) the Independent Authority of Public Revenues ("AADE") will proceed with immediate repayment of all due liabilities to taxpayers,

individuals and businesses, by refunding the amounts of up to 30.000€, which are currently under audit.

Government agencies

All government agencies have implemented rotational work and have limited access of the general public to their premises, which is permitted only by appointment.

As a result, any communication and work which requires contact with the administration is currently almost feasible only if these agencies are able to offer digital services.

On top of that, Greek government launched www.gov.gr, through which the public may have access to a variety of e-services, including issuing certificates regarding employment, justice, health, tax and residual issues.

Data Protection

In line with the EDPB, the Greek DPA issued guidance for controllers implementing measures related to the situation.

Businesses have the right to protect the environment and their employees from contagion, however any measure should be proportionate, correctly based upon a legal base provided for in the GDPR and all suitable technical and organization measures should be adopted in order to protect the data and result in the least possible intrusion to the individual's privacy.

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Honduras

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Due to the situation caused by the COVID - 19 pandemic, the Honduran Government has ordered the public and private sector (other than food chain industry, supermarkets, gas stations and pharmacies) to an absolute shut down.

The transport of goods is allowed, but under specific permits issued by the Economic Development Secretary. Public as well as private and international transportation is cancelled except for specially organized arrivals of residents of Republic of Honduras and departures of foreigners to their home countries. All border crossings are completely closed down.

Additionally, the Government has issued curfew orders, restricting the ability of citizens to freely circulate in the country. At the time of writing, nobody can go out of their houses/apartments, unless they work in one of the authorized industries to operate, and/or has an emergency.

Current Support Measures

The measures taken by the Government to fight the impact of the COVID -19 pandemic are as follows:

Through Executive Decree PCM-005-2020: a sanitary emergency state to strengthen surveillance, prevention and control of COVID-19 infection, and ordered the activation of the National Risk Management System (hereinafter "SINAGER").

Through Executive Decree PCM-019-2020: the approval of the COVID-19 Prevention Safety and Hygiene Protocol for Work Centers (hereinafter the "Work Safety Protocol")

Through Executive Decree PCM-021-2020: a national curfew, with exceptions including the agri-food industry, including centers of food and beverage distribution; agricultural industry, agricultural harvesting and agrochemical companies. Sinager released a communication extending the curfew until April 12, 3:00 pm GMT-6, with similar exceptions, including the farming, agro-industrial, agro-exporter and food distribution sectors. These sectors that continue operating must adopt the measures established in the Work Safety Protocol to avoid virus spread.

More about Executive Decree PCM-019-2020 Regarding Workers and COVID-19

- Failure to comply with the provisions of the Work Safety Protocol will carry the sanctions provided in the Labor Inspection Law for employers. The worker who refuses to adopt

preventive measures or follow the procedures indicated for COVID-19 will incur in serious offenses with conformity to the Labor Code and internal labor regulations or policy manual.

- If the contagion of COVID-19 is confirmed by laboratory examination or medical evidence, the worker must immediately inform the employer and send the medical documentation that evidences his condition. The employer must take preventive measures to avoid the spread of the virus.
- The employer must immediately report the positive result to the Ministry of Health, in order to adopt the appropriate measures, including verifying other workers that had contact with the infected worker, providing the domicile of the worker with a positive result and of other workers with possibilities of contagion, as well as any other data that ensures the identification of the contagion circuit and preventive measures that are taken to avoid further spread of the virus.

More about the Work Safety Protocol Regarding Confirmation of Positive Cases

Measures to be taken if confirmed covid-19 cases exist in the areas where the work centers are located:

1. The work centers must proceed to apply the protocols established by the Ministry of Health and the Honduran Social Security Institute for this purpose.
2. The employer must inform personnel of their possible exposure to COVID-19, when health authorities confirm that an employee has acquired COVID-19 at work. The foregoing must be done maintaining confidentiality as required by law.
3. Inform workers exposed to COVID-19 that they must be evaluated by the corresponding health authorities constantly.
4. Employers must abide by the guidelines issued by the health authorities for the implementation of epidemiological barrier, these authorities will publish the results of ongoing surveillance and control strategies by providing additional recommendations as needed.

The following are considered breaches of the SINAGER law:

1. Stopping or impeding others from taking shelter, or acting in violation of the recommendations of the authorities. This breach will be more serious if the person is responsible for the protection and care of those in danger.
2. Having sufficient authority, acting negligently by not carrying out obligations to execute actions, supervise, monitor or enforce the mandatory provisions therefore causing greater damages
3. Partially complying with the obligatory provisions in a careless manner, even when they do not endanger people if they do so with animals, other people's livelihoods or the environment

4. Acting in contravention of temporary or permanent provisions intended to favor the conditions of assistance to those affected and thereby delay or impede rescue, first aid, evacuation or humanitarian assistance operations for those affected; the persons who, being able and having the conditions to do so, do not act in solidarity with those affected or the authorities, even when this has been requested.

According to the aforementioned executive decrees and official communications, if a positive case is confirmed at the work center, the employer must:

- Take preventive measures to avoid the spread of the virus
- Immediately report it to the Ministry of Health
- Let other workers know about possible exposure to the virus
- Adopt any measure and abide guidelines indicated by the health authorities to avoid further spread of the virus. We are not aware of these measures yet, but they could include closing work centers because the Work Safety Protocol establishes that these measures will be given to implement an "epidemiological barrier".

It is our opinion that SINAGER and the Ministry of Health have been given enough powers to provide mandatory guidelines regarding avoidance of further COVID-19 spread, which may include closing work centers.
The Work Safety Protocol will be in force even after the curfew ends, as well as the provisions established in Executive Decree PCM-019-2020. In other words, the employer must comply with the aforementioned obligations in case a positive case is confirmed at the work center, even after the curfew is over.

Failure to Comply

According to the SINAGER, failure to comply with the mandatory provisions established by the Board of Directors of the SINAGER and duly documented by the prevention officers of the member institutions of the (SINAGER), can be sanctioned as follows:

1. A written notice to the offender requiring to comply with the provision in a peremptory term
2. Obligation of immediate suspension of the action, until there is evidence an commitment to comply with the established provisions
3. A fine between half and a thousand urban minimum wages, which must be paid in a peremptory time in the national treasury of the Republic
4. With the obligation to partially or completely repair the damage to the affected third parties

The recidivism in the same offense will lead to the classification of the crime of disobedience.

Criminal Consequences

Two provisions from the Criminal Code could be applicable in case of non-compliance with guidelines issued by SINAGER and the Ministry of Health, or

other authority that may have enough powers to issue guidelines:

1. Article 186. Anyone who infringes the measures adopted by the health authority in order to prevent the introduction or spread of an epidemic, or an epizootic likely to affect human beings, will be punished with imprisonment for six months to two years.
2. Article 346. Whoever disobeys an authority openly refusing to comply with judgments, resolutions or orders issued within the limits of their competence and covered by legal formalities, will be punished with imprisonment of one to three years.

Implications for Labor Relations

Due to the current situation, both employers and employees are facing significant pressure and the working day is severely restricted.

The Government expects the employers to continue paying salaries under normal conditions.

However, businesses that have seen their activity severely disrupted or shut-down due to the restriction measures taken in relation to the COVID - 19 pandemic do not see this only as a cash flow problem that may be bridged through loans, but as severe risk of going concern due to uncertainties on time and market conditions after the emergency has passed.

Many businesses have decided to make a suspension of the labor contracts of their employees according to what is stipulated in article 100 of the Honduran Labor Code.
The Ministry of Labor issued an official statement. The following is a summary and a brief explanation of its contents: Article 339 of the Labor Code establishes the official holidays in Honduras. Normally, if an employee works during a holiday, the employer must pay double the wages.

In light of the COVID-19 crisis, the Ministry of Labor is authorizing an agreement between the employee and the employer to consider the official holidays as taken during the state of emergency declared by the government. Therefore, the employee will work a regular schedule on holidays without this implying that the employee is entitled to double wages.

The employer may ask the employee to take vacations during the state of emergency declared by the government. Normally, the employer must let the employee know about the vacation period 10 days in advance.

However, the Ministry of Labor is waiving the 10 day period. In both cases, the parties must execute an agreement and send it to the Ministry of Labor. We believe these measures are applicable for employees that are not working from home. An employee that works from home is still subject to comply with the employer’s orders, rendering such days effective work time.

It is our responsibility to let you know that labor rights are inalienable, not even

the Ministry of Labor can take them away from the employee. This is certainly the Ministry of Labor's intent to prevent work contracts' suspensions, and we may perceive their position through the statement. However, a labor court may have a different position if the employee initiates a claim.

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India

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The Prime Minister of India on 24 March 2020 announced total lockdown in the country in a bid to contain the spread of coronavirus (COVID 19) for three weeks. The Finance Minister, on the same day, announced several relief measures on statutory and regulatory compliance matters to mitigate large-scale economic distress caused by COVID 19 across the globe and in India. In the majority of the cases, the due dates falling in March 2020 have been extended till 30th June 2020.

Indirect tax

A. Goods and Service Tax

The measures introduced include:

- delay of terms for fiscal payments and reduction of interest on the delayed payments.
- due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, the time limit for any compliance under the GST laws where the time limit is expiring between 20th March
- 2020 to 29th June 2020 shall be extended to 30th June 2020;
- relief for composition taxpayers

B. Other Key Changes

- The time limit for making payment under Sabka Vishwas Scheme has been extended to 30th June 2020. Further, no interest will be levied, if payment is made by 30th June 2020.

C. Customs

- 24 X 7 Custom Clearance till the end of 30th June 2020.
- Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, the time limit for any compliance under the Custom laws where the time limit is expiring between 20th March 2020 to 29th June 2020 shall be extended to 30th June 2020.

Companies fresh start scheme, 2020

In view of the Covid-19 pandemic and to provide a first of its kind opportunity to the Companies, the Indian Ministry of Corporate Affairs (MCA) has introduced a new scheme named Companies Fresh Start Scheme, 2020 (CFSS-2020) on 30th March, 2020, with respect to delayed filing of forms and to make good any filing related defaults, irrespective of its duration and to make a " fresh start " as a fully compliant entity.

Highlights of companies fresh start scheme, 2020

1. The Scheme will come into effect from April 1, 2020 and will remain in force till September 30, 2020.
2. The Fresh Start Scheme shall provide immunity to the Companies against the additional filing fees, prosecution or proceedings for any delay associated with the filings of belated documents and reducing compliance burden during the unprecedented public health situation caused by COVID-19.
3. The Companies can file all the pending returns, statements or documents with registrar of companies without any additional fees , irrespective of the due date i.e. every defaulting company shall be required to pay prescribed normal fees on the date of filing of each belated Forms and no additional fee shall be payable.
4. This immunity will not be granted for subsequent violation of law. This means that the benefit under this scheme can be availed for defaults made by the Company till 31st March, 2020 and shall not provide immunity for the defaults made after the commencement of this scheme i.e. on or after April 1, 2020.

How to avail benefit under this scheme

The Application for seeking immunity under the scheme may be made electronically by filing e-Form CFSS-2020. Accordingly, the Scheme requires the defaulting companies to clear all their pending filings until 30th September, 2020. Thereafter, the companies shall file e-Form CFSS-2020 within 6 months from the closure of the Scheme (i.e. by 31st March, 2021), based on which an "Immunity Certificate" in respect of the documents filed, shall be issued by the designated authority.
The immunity under the scheme shall not be applicable under certain specified cases.

Non-applicability of the scheme

The Scheme is not applicable for the following:

1. For increase in authorised share capital and all charge related forms.
2. Companies who have filed applications for striking off their name from the register maintained by the Registrar of Companies.
3. Companies against which action for striking off has been initiated.
4. Companies which have filed applications for obtaining dormant status. This will enable any inactive company to continue to remain in the MCA Registry with minimal compliance requirements.
5. Companies which have amalgamated under a scheme of arrangement or compromise under the Act.
6. Vanishing Companies

Important note**:** At the conclusion of the Scheme, the designated authorities shall take the necessary actions pursuant to the respective provisions of the Act in respect of all those companies which continue to be in default of filing the documents and have not availed CFSS-2020.

Corporate advisory alert – changes in pan applicability

The Government of India has introduced new regulation related to Permanent Account Number (PAN) in India. PAN is a unique 10-digit alphanumeric identity allotted to each taxpayer by the Income Tax Department in India. It applies to individuals and companies both. The PAN number remains unaffected by change of address throughout India. The summary of this new amendment and its action points have been explained further in this advisory.

Permanent Account Number of Foreign Directors in Indian Subsidiary Companies

Section 139A of the Indian Income Tax Act specifies the list of persons who are required to obtain PAN within the prescribed time limits:
Finance Act, 2018 has recently introduced clause (v) and (vi) to sub-section (1) to Section 139(1) to include the following categories of persons who are also now required to obtain their PAN card.

a) Every resident, other than individual, which enters into a financial transaction of an amount aggregating to INR 250.000 (EUR 3200) or more in an India financial year (April – March).
b) Every person who is a Managing Director, Director, partner, trustee, author, founder, chief executive officer, principal officer or office bearer of the person referred to in above clause or any person competent to act on behalf of the person referred to in above clause.

This signifies that every person, whether resident or non-resident in India, who is a Director in an Indian Company (i.e. resident company) that has financial transaction of INR 250.000 (EUR 3200) or more in an Indian financial year will have to compulsory obtain PAN card.
Example: Company in Italy has set up its Private Limited subsidiary in India. The Indian Company has three directors; two of them are Italian residents and one Indian resident. The Indian Company has financial transaction in excess of EUR 3200 in a financial year. Let us also assume that the Italian directors are not working for Indian company and they are not paid any salary from the Indian company.
Then, according to the new provisions in the Act, in addition to the Indian Director, both the Italian Directors are also required to obtain Indian PAN Card.

Penalty for failure to comply with this provision

If any person fails to comply with the provisions of obtaining PAN card as stated above, the Assessing Officer may, under section 272B of The Indian Income Tax Act, levy penalty of INR 10.000 (EUR 125) for such default.

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Republic of Iraq

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Overview

The Federal Government of the Republic of Iraq (‘’ Iraq “), as well as the governments of the Kurdistan Region (“KRG”), have implemented a number of increasingly firm measures to reduce the potential impact of COVID-19 on the health and welfare of the general public. As it currently stands, the most impactful of these measures are as follows:

- Establishing a Committee under the Diwai Decree number 55 for 2020 named “Crisis Committee “giving it all the authority to deal with the COVID-19 situation in Iraq, including imposing and extending curfews.
- The complete shutdown of all educational institutes, distance learning, and e-learning to take place across all schools and educational institutes of, both public and private, until further notice.
- Closure of all malls, shopping centres, restaurants, and markets from 15th March 2020 for a period with the recent extension being until 11th April 2020, with the option to extend such closure. The only exception being the grocery stores and supermarkets, and
- Closure of all entertainment facilities, cafes, bars, restaurants and tourism-related businesses from 15th March 2020 until further notice.
- Suspension of all international flights from 17th March 2020 until further notice.
- Full curfews are requesting all residents to stay at home and strict penalties for breaching such curfew until from 17th March 2020, until further notice. The only exception is commercial transactions, media, and security forces personal and medical crews, in addition, company’s staff whom their work is considered essential Oil and Gas operators, cell phone carriers, and internet service providers may, after obtaining a company authorization transport during the curfew.
- Extensive “Stay at Home” campaigns.
- Postponement of all judicial hearings for the Courts of Cassation, the Courts of Appeal, and the Courts of First Instances and suspending testimonies and documentation of personal status until further notice.

Government support for the economy

The Government of Iraq did not declare any measures to support the economy. The Crisis Committee has recently issued an exemption to Banks to be open on

Sunday and Wednesday to enable employees, workers, and companies to settle any payment or receive any payments. Furthermore, The Central Bank of Iraq has issued an instruction that all bank transfers received in USD when withdrawn in full, the withdrawer may only receive 75% in USD, and the remaining 25% will be given in IQD. The Iraqi Ministry of Oil and sent an official letter to all IOC's requesting to decrease their production budget. KRG's Ministry of Natural Resources has officially informed its partners that there will be no payments of any dues during this period.

Employment & Labor Law

Since the Iraqi government did not release any announcement regarding the work scheme of the employees in the private sector facing the danger of COVID-19, the Iraqi Labor Law's position regarding situation of force majeure and exceptional circumstances such as the spread of Corona Virus in our cities, is stated in Article 72, first of the Iraqi Labor Law No.37 of 2015 states the following:

"If work has stopped entirely or in part owing to exceptional circumstances or force majeure, the employer shall be required to pay the worker his wages for the period of the stoppage, for up to thirty (30) days; the employer may, however, assign the worker other similar work, or, in order to make up for the time lost, give the worker additional unpaid work not exceeding two (2) hours per day for up to thirty (30) days a year."

As such, not attending to work due to force majeure or exceptional circumstances - as it may be decided by the Ministry of labor - and with prior notice to the management is not considered paid leave neither an absence, based on the Iraqi Labor Law it is considered payable working days up to 30 days.

If the period exceeds 30 days different scenarios might be considered by the employer and the employee based on the options stipulated in the Iraqi Labor Law.

Force majeure-related issues

It should come as no surprise that a number of clients are seeking guidance on force majeure and what this entails under the Iraqi law. The Iraqi law recognizes the principle of force majeure; however, it does not define what is or what constitutes a force majeure. The primary legal source for force majeure under Iraqi law in relation to commercial transactions is the Iraqi Civil Code. Specifically, Article 168, of the Code provides as follows:

"If it is impossible for the oblige of a contract to perform his obligation specifically he will be adjudged to pay damages for non-performance of his obligation unless he establishes that the impossibility of the performance was due to a cause beyond his control; the adjudication will be the same if the oblige has delayed in the performance of his obligation.''

The keyword in the above-quoted text is "impossible." The Iraqi law, as mentioned above, does not provide for an exhaustive list of force majeure events. Still, it is clear that it may only be established on the grounds of impossibility, be it physical (such as a natural disaster) or legal (such as a change in law). Hardship in carrying out an obligation would not count as force majeure. However, in order to relieve a party from contractual obligations, the following principles are applied by the courts to identify the event considered as a force majeure:

- The event must have emerged after the party has entered into the contract.
- The event must render the performance of the contractual obligation impossible and not exhausting. In the latter event, there would be a different set of rules.
- The event must be continuous. Otherwise, the obligations will be deemed as postponed until the event has elapsed.
- The event must be general and not pertaining to the personal condition of the claiming party.

In light of the above, any potential force majeure event must be studied on a case-by-case basis in light of the governing contract's provisions and Iraqi legal principles. Although, the Crisis Committee did issue a decree declaring the Coronavirus event as a force majeure for all contracts and projects as of 20th February 2020 until the coronavirus event has been officially declared over. However, we believe that this only applies to contracts with the public sector and will be challenged in the future by those contracting departments.

In any case, we are advising clients to devise a strategy on how to approach creditors, lenders, suppliers, and other obligors to put into place a plan to deal with potential upcoming liabilities. Such discussions need to be open, honest, and frank. Equally, businesses should discuss the current market situation with their employees as these market conditions are making it difficult for a number of clients to fulfil their obligations to this important stakeholder class.

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Italy

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The Italian Government has issued many pieces of law and special measure to cope with Covid-19 emergency.

In particular, on 17 March 2020 the Italian Government passed the ("Covid-19 Decree") which provides a framework of the main measures approved to support Italian citizen and companies.

Below there is a summary, divided into macro-areas, of the legislation contained in the "Cura Italia" Decree Law and other provisions adopted over the last days on the Covid-19 emergency.

Measures supporting small and medium enterprises (SMEs) – Guarantee Fund

The main measures supporting SMEs concern new rules of the Guarantee Funds for SMEs: these rules shall be void after 9 months from the entry into force of the Covid-19 Decree. This is a legislation derogating from the applicable provisions of the Guarantee Fund for SMEs. For the purposes summarized below, the Guarantee Fund for SMEs is granted 1.200 million Euros for the year 2020.

The guarantee commission is granted free of charge. The maximum guaranteed amount for each enterprise is raised, in compliance with the EU rules of 5 million Euros.

With reference to direct guarantee, the maximum coverage percentage is equal to 80% of the amount of each financing transaction for a maximum guaranteed amount for each enterprise of the amount of 1,500,000 Euro.

With reference to reinsurance, the maximum coverage percentage is equal to 90% of the amount guaranteed by credit consortia ("Confidi") or any other guarantee fund, provided that the guarantees issued by the same do not exceed the maximum coverage percentage of 80% and a maximum guaranteed amount for each company of the amount of 1,500,000 Euros.

The eligible transactions are debt re-negotiation transactions of the benefitting party are eligible for the guarantee Fund, provided that the new financing provides for the issuance of an additional credit for the benefitting party equal to at least 10% of the amount of the residual outstanding debt of the financing subject to renegotiation.

Administrations and parties holding special sections of the Fund or EU programs who provide therein resources

or operations may ensure their contribution for the purpose of increasing the maximum guaranteed amount of the Fund up to 80% for direct guarantee and 90% in reinsurance for transactions for which banks and financial intermediaries have agreed, also on their own initiative, to suspend the amortization instalments, or the principal amount, in connection with the effects arising from the spread of the Covid-19, with regards to transactions admitted to the guarantee Fund, the duration of the guarantee Fund is consequently extended.

The following companies are excluded from the measure: companies who have exposures classified as "non-performing" or "probable defaults" pursuant to the banking law or that fall within the notion of "company in difficulty" pursuant to art. 2, point 18 of Regulation (EU) no. 651/2014 and with no prejudice to the exclusions provided for in art. 6, para. 2 of the decree issued by the Ministry of the economic development together with the Ministry of the economy and finance dated 6 March 2017, for the purpose of accessing the Fund guarantee.

With reference to real estate investment transactions in the sectors of tourism and hotels as well as real estate activities, with a minimum duration of 10 years and an amount exceeding 500,000 Euros, the guarantee of the Fund may be accumulated with other forms of guarantees acquired over financing transactions.

With reference to guarantees over specific financing portfolios reserved to companies affected by the Covid-19 emergency, or belonging, for at least 60%, to specific sectors/supply chains affected by the epidemic, the portion of the junior tranche covered by the Fund may be increased by 50%, which may be additionally increased by 20% in case that additional guarantors intervene.

All the time-limits referred to administrative formalities concerning transactions assisted by the guarantee of the Fund are postponed for three months.
Direct guarantees and counter-guarantees granted with reference to the availability of the guarantee Fund, as well as guarantees over mini-bond portfolios, are granted from the Fund's available endowment, ensuring the existence, from time to time, of an amount of free resources of the Fund, allocated for the issue of guarantees on individual financial transactions, equal to at least 85% of the Fund's available endowment.

The provisions summarized above, since they are consistent, also apply to the guarantees that ISMA may grant for short, medium and long term loans granted by banks, financial intermediaries registered with the special register referred to in art. 107 of the Consolidated Banking Act (TUB), as well as other parties authorized to perform farming loans and reserved to companies operating in the agricultural, agri-food and fishing sector. For such purpose, the ISMA is granted 100 million

Euros for the year 2020. Measures for containing costs for SMEs of the Confidi (credit consortia) guarantee referred to in art. 112 of the TUB Contributions owed by Confidi to the Body who keeps the register of Confidi, deductible from the contribution owed for the accession to an inter-consortium Confidi (0.5 per thousand of the guarantees granted over the year financial support measures in favour of small and medium enterprises affected by the Covid-19 epidemic.

For the purpose of supporting businesses affected by the Covid-19 epidemic, micro-enterprises and small and medium enterprises, with offices in Italy, may avail itself, following prior notification by means of which they self-certify that they have suffered from a partial or total reduction of the business as a direct consequence of the spread of the Covid-19 epidemic – concerning the debt exposures vis-vis banks, financial intermediaries according to art. 106 of the TUB and other subjects authorized to grant credit in Italy – the following financial supporting measures: a) for the opening revocable credit lines and for loans granted following advance payments on existing loan existing as of 29 February 2020 or, if higher, as at the date of the publication of Decree, the amounts granted, both for the part used and the part still unused, cannot be revoked in whole or in part until 30 September 2020; b) for loans not in instalments with expiration date before 30 September 2020, the agreements are extended, together with the ancillary elements and without any formality, until 30 September 2020 under the same conditions; for mortgages and other loans with reimbursement in instalments, also performed through the issuance of agricultural bills of exchange (cambiali agrarie), payment of the instalments and the leasing rents expiring before 30 September 2020 are suspended until 30 September 2020, and the reimbursement plan of the suspended instalments or rents has been deferred, together with the ancillary elements and without any formality, according to methods that shall ensure the absence of new or higher burdens/costs for both parties; the companies have the option to request solely the suspension of repayment of the principal amount. Excluded parties The companies whose debt exposure is, as at the publication date of the Decree, classified as non-performing credit exposure according to the provisions applicable to credit intermediates may not benefit from the above measures.

Upon telematics request by the financing party indicating the maximum guaranteed amount, the transactions eligible for the above support measures are admitted, without any assessment, to a guarantee of a special section of the Guarantee Fund for SMEs.

The special section, with a budget of 1,73 billion Euros, ensures, with a subsidiary guarantee and free of charge, payments contractually envisaged for - interest and principal amounts for the greater use (maggiori utilizzi) of the credit lines and

loans, of instalments or - payments of suspended leasing and other financing transactions.

Financial support measures

Among the most relevant financial support measure it is worth to mention:

- the possibility for the Ministry of Economy and Finance to issue the State guarantee to SACE Spa, for transactions regarding the cruise sector, resolved by SACE Spa up to a maximum amount of 2.6 billion Euros;
- a solidarity fund for first home mortgages to the benefit of independent workers and professionals with a decrease in the turnover exceeding 33% in a quarter subsequent to 21 February 2020 with respect to the last quarter of 2019 are also admitted.

Tax measures

As regards the tax measures the "Cura Italia" provides for:

- the conversion of DTAs into tax credits relating to available tax losses and ACE surplus (support for economic growth);
- the postponement of the deadline for tax and social contribution payments;
- the suspension of the deadline for the payment of withholding taxes, social security and welfare contribution and mandatory insurance premiums for enterprises operating in the sectors which are mainly involved in the emergency;
- the suspension of the deadline for the payment of fiscal and social contribution formalities and payment formalities;
- bonuses to employees;
- tax credit for expenses relating to sanitization of workplaces
- tax credit for workshops and shops
- tax deduction for donations in support of measures against the epidemiological emergency;
- the suspension of tax authorities' activities and postponement of assessment deadlines in favour of the offices;
- the suspension of the deadline for the payment of taxes and other burdens entrusted with the tax collection authorities;
- the postponement of the deadline for payments in the gaming sector;
- and some specific provisions relating to tax litigation.

Sector measures

The "Cura Italia" Decree contains a lot of measures to support specific sectors particularly affected by the emergency such as transportation and logistics and the "made in Italy" to which specific funds have been dedicated.

As regards air carriers, companies holding a license for air transportation of passengers issued by ENAC which, as at the date of issuance of the Decree, perform public service obligations are entitled to measures for compensation of damage suffered as a direct consequence of the exceptional event for the purpose of allowing for continuation of the service. For the purposes of the above,

the COVID-19 epidemic is formally considered as a natural disaster and exceptional event, pursuant to art.107, para. 2, lett. b), of the Treaty on the Functioning of the European Union (one of the reasons to consider State aids consistent with the reference legislation). With a ministerial decree, the methods for application of such events shall be established. The effectiveness of the provision is conditional upon authorization of the European Commission pursuant to art.108, para. 3, of the Treaty on the Functioning of the European Union.

The budget of the solidarity Fund for the air transport sector and the airport system is increased by 200 million Euro for the year 2020. The solidarity Fund may provide: (i) complementary allowances of the measure of mobility allowances, ASPI/NASPI (unemployment indemnity) and cassa integrazione (wages guarantee fund); (ii) extraordinary cheques for income support; (iii) contribution to financing of training programs for professional redeployment or retraining.

For the year 2020, an extraordinary wage subsidy for corporate crisis may be authorized, up to a total of twelve months and within the limit of a total of 200 million Euros, subject to a previous agreement entered into a government level, should the company operating in the air sector have ceased or cease the production activity and should there be concrete prospects of a transfer of the activity with a consequent re-use of employees.

Specific provisions have been also adopted for Alitalia.

Other specific measures

The "Cura Italia" Decree sets forth specific provisions including: rules on judicial proceedings (hearings and deadlines), the postponement of companies' shareholders' meeting for the approval of the financial statements, the activity of local entities, the suspension of administrative terms and proceedings, the compliance with privacy rules.

Golden Powers

The "Liquidità" Decree sets for specific provisions on Italian Government "Golden Powers". The golden powers shall consist in the right to object and/or to put a veto on and/or dictate conditions for the carrying out of any extraordinary transactions. In the event of breach of the procedure and/or of the imposed conditions, sanctions are foreseen. Sanctions range from the suspension of the voting rights, to the invalidity of the actions carried out, to the application of administrative penalties (for amount proportionate to the value of the transaction and to the turnover of the companies concerned).

According to the new provisions, effective until 31 December 2020, the duty to file resolutions, acts or operations is extended to company holding one or more assets in the following sectors: a) financial, including banking and insurance; b) critical infrastructure, whether physical or virtual, including energy, transport, water, health, communications, media, data processing or storage, aerospace, defence, electoral

or financial infrastructure, and sensitive facilities, as well as land and real estate crucial for the use of such infrastructure; c) critical technologies and dual use items, including artificial intelligence, robotics, semiconductors, cybersecurity, aerospace, defence, energy storage, quantum and nuclear technologies as well as nanotechnologies and biotechnologies; d) supply of critical inputs, including energy or raw materials, as well as food security; e) access to sensitive information, including personal data, or the ability to control such information; and f) the freedom and pluralism of the media.

The obligation applies to: (i) any acquisitions, including those made by EU Member States' undertakings when the transaction implies the stable settlement of the buyer; (ii) shareholdings acquisition by non-EU Member States' undertakings which grant 10% of voting rights or share capital (including participation already held) and the entire investment is equal or higher than 1 million EUR; and exceed specific thresholds (15%, 20%, 25% and 50%).
The new provisions establish that control of the potential detriment to national security and public order concerns also companies ultimately controlled by EU Member State public bodies.

The Government may exercise its golden powers both following the receipt of the filing or ex officio for any transactions occurred until 31 December 2020 and even after the expiration period provided in the new regulation.

With the aim of ensuring control over acquisition of listed companies, the "Liquidità" Decree provides the Italian Financial Authority (Commissione Nazionale per la Società e la Borsa, Consob) with the power to carry out an in depth investigation on acquisitions in Italian listed companies exceeding the 5% threshold when the interested company has a broad shareholder base.

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Montenegro

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The Government of Montenegro imposed several measures in order to prevent and limit the spread of COVID-19 including, through orders on undertaking temporary measures for stopping entering into the country, suppression and transmission control of the new coronavirus, which particularly refer to prohibition of public gatherings, both indoors and outdoors.

Also, in the entire territory of the Republic of Montenegro, work prohibition of all hospitality facilities (coffee shops, restaurants) is in force, except for those who offer delivery services and all retail shops except for pharmacies and retail shops supplying the essential goods and hygiene products.

Administrative offices providing public services are reduced to minimum work and employers are instructed to organize remote work when possible.

Public as well as intercity and international transportation is cancelled except for specially organized arrivals of residents of Republic of Montenegro and departures of foreigners to their home countries. Several border crossings are completely closed down.

Labor law issues

Considering that all schools and kindergartens in Montenegro are closed the biggest change related to employment is made in the field of paid leave from work for one parent of a child not older than 11 years of age, with the exception of healthcare employees, and employees in certain state institutions.

The government suggested employers to organize remote work where possible. Shortening and redistribution of working hours related to reduced scope of work should also be considered. Suspension of work when employees would be entitled to the compensation of salary amounting to at least 60% of their salary is one of the available options.

Contractual issues

Given the above listed measures already imposed by the authorities, which definitely limit certain business activities, the Force Majeure clauses set out in the commercial agreements may be triggered upon fulfilment of certain conditions.

The contractual party may not be liable for the non-fulfilment of its contractual obligation if: the Force Majeure circumstance occurred (i.e. the

Government already imposed the measure that prevented the party to perform its obligation); and the obligation has not become due before the Force Majeure circumstance occurred.

Government support to the economy

The Central Bank imposed several economic measures in order to mitigate the negative effect of the pandemic: postponement of the credit repayments of the general population and companies, with all commercial banks, microcredit institutions and Investment Development Fund (IDF) in the duration up to 90 days; postponement of the payment of income tax and contribution payments as well as tax obligations of the tax payers in tax debt rescheduling programs; new credit opportunities provided by the IDF with the aim of increasing of liquidity of companies in the amount up to EUR 3 million; and advance payments to the service providers and work performers with the provision of the advance payment bond, in order to keep their liquidity and continuity of the capital investment projects.

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North Macedonia

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On March 18th the Macedonian Government announced national state of emergency. Along the way, in the pursuit of limitation on the spreading of the virus, the Government issued many measures towards limiting movement and social interactions. First in the line for shutting down were the business in the hospitality industry; shopping malls and retail stores are also closed; schools, cinemas, theaters, sports facilities and other facilities for mass use have been shut down; public transportation has been reduced.

However, a significant part of businesses still operate regularly, even though some operate with decreased capacity, others by alterative means such as online operations.

The movement of citizens has also been prohibited by 'police hour' orders, restricting the movement of citizens in some parts of the day.

Governmental Support to Businesses

The Government has been working on creating measures for financial support of the businesses in order to mitigate the damages to the economy. The first set of measures that were adopted are the following:

1. Direct financial support of liquidity of micro, small and mid-size companies:

   The Government provided a total amount of EUR 5.7 million for crediting of the companies suffering illiquidity due to the COVID-19 situation. The funds will be offered as loans and companies will be eligible for certain amounts of loans depending on the size:

   - micro companies (up to 10 employees) – EUR 3k - 5k;
   - small companies (10-50 employees) – EUR 10k – 15k;
   - mid-size companies (50-250 employees) – EUR 15k – 30k.

   The loans will be granted with: 0% interest; 6 months' grace period; 2 years' returning term.

2. Subsidizing of the employees' contributions in the tourism, transportation and hospitality industries, for the months of April, May and June. The subsidy amount is 50% of the average salary for 2019. Only the companies that have profit as a financial result from the operations in 2020 will be obliged to return the subsidies in amount of 50% of the profit (before tax). Hence, the

measure is intended for companies that had worsened financial results in 2020 due to the virus;Decreasing of the basic interest rate of the National Bank of the Republic of North Macedonia to 1,75%;

3. Additionally, the National Bank is working on strategy for managing of the credit risk for the purpose of easing of the conditions for restructuring of the loans in the most affected industries.
4. Releasing from the tax advance payment obligation for the months of April, May and June, primarily for the companies operating in the most affected industries, and afterwards for companies operating in other industries that were affected by the preventive measures issued by the Government in its fight against the spreading of the virus.
5. Decreasing for 50% of the lawfully imposed interest rate (from 10/8% to 5/4%), as well the penalty interest for public duties (from 0.03% to 0.015%).
6. 100% releasing of customs duties for a list of basic products such as flour, sugar, detergents, protective/disinfection products, etc.
7. The Tourism Fund which is currently assessed to amount of ca. EUR 1.2 million will be used for compensation of the tourism industry.

Labor issues

Macedonian Labor Law provides various tools for (re)organizing of the working process that can be applied in the times of COVID-19, such as change of working hours, redistributing of working hours, part-time work, working in shifts, working from home, use of annual leave, etc. In cases where the operations have ceased, the Labor Law provides the following two options:

- If operations have ceased due to force majeure event, the employer can pay 50% of the salary to the employees who cannot perform their job due to such event (Please note that aside from the economic hardship, ceasing operations in order to comply with the governmental measures for fight against the COVID-19, represents a force majeure event);
- If operations have ceased due to employer's business reasons (i.e. not directly as a result from the force majeure event), the employer can pay the employees 70% of the salary for three months during the year.

Contracts' issues

The spreading of the COVID-19, the recommendations for limitation of social interactions and the safety measures issued by the Government, as well the declared state of emergency, naturally resulted in economic hardship, significant decreasing, if not ceasing, of the economic activity. In such circumstances the performance of contractual obligations is called into question. Macedonian Obligations Law offers solutions for addressing this issue through the following institutes: (a.) Force majeure, (b.) Change in circumstances, (c.) Inability for fulfilment of the contract for which neither of the contracting parties is responsible, and (d.) Uncertain fulfilment

of contractual obligations by one of the contracting parties.

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Oman

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Overview

In early March, Sultan Haitham bin Tariq formed a supreme committee tasked with dealing and responding to the developments resulting from the Covid-19 outbreak in the Sultanate of Oman. T

he supreme committee has implemented a number of strict measures to reduce Covid-19's impact on the health and welfare of Omani citizens and residents. A brief chronology of the substantial measures introduced is as follows:

- On 12 March 2020, the committee stopped the issuance of tourist visas to citizens of all countries and also stopped entry and docking of cruise ships in the Sultanate's ports. Furthermore, all sports events were cancelled and court attendance limited to essential personnel. These measures were implemented on March 15 for a period of 30 days.
- On 14 March 2020, the committee decided to suspend all classes in schools, universities and other educational institutions from 15 March for 30 days.
- On 16 March 2020, the committee announced new restrictions on entry
- into Oman which included stopping the entry of foreigners, apart from Gulf Cooperation Council citizens and foreign residents, via all land and sea borders, quarantining all such arrivals for a minimum of 14 days.
- Starting 18 March 2020, the Sultanate imposed further restrictions on entry into the country, with this being restricted only to Omani nationals, and nationals were not allowed to depart to other countries. In addition, the committee suspended all gatherings, events and conferences; shut down all souqs and shopping malls (except for pharmacies and supermarkets in shopping malls); and banned all restaurants from serving food and only allowed takeaway services.
- Also on 18 March 2020, the Central Bank of Oman issued a number of directives to banks, exchanges and financing institutions operating in the Sultanate that it is expected to provide additional available liquidity in a range of RO8 billion, to overcome current economic conditions. This particular measure is quite encouraging and is covered in further detail below.
- On 22 March 2020, the supreme committee reduced the number of employees present in workplaces in government agencies to not more than 30%.

- On 29 March 2020, Oman Air effectively suspended all flights to and from the country until further notice as per decided by the Supreme Committee. The only exception to this was the domestic flights to and from Musandam and its cargo services.

Central Bank of Oman stimulus package

The RO8 billion incentive package referenced above has been affected through a series of directives issued to all banks, exchanges and financing institutions operating in the Sultanate. The directives include a set of incentivizing and precautionary measures that aim to contain the effects of Covid-19 on the national economy.

The Central Bank of Oman also reduced its repo rate to 0.5 per cent and ordered banks to cut fees, adjust their capital and credit ratios and be flexible with repayments for up to six months, especially for small and medium-sized businesses. It is hoped that these measures will ensure easier lending to sectors that may be affected by the Covid-19 pandemic including health care, travel and tourism. The Central Bank is also raising the lending rate by 5 per cent to 92.5 per cent and reducing the capital requirement for financial institutions to 1.25 per cent from 2.5 per cent.

Force majeure-related issues

The primary legal source in respect of force majeure is Article 172 of the Oman Civil Code, as promulgated by Sultani Decree 29/2013 (the "Civil Code"), which states: "In contracts binding on both parties, if force majeure supervenes which makes the performance of the contract impossible, the corresponding obligation shall cease and the contract shall be automatically terminated."

The use of "impossible" requires a high threshold to be established by the party asserting a force majeure event - the mere fact a contractual obligation has become more onerous due to an unforeseen event will not provide a basis to invoke Article 172.

As with other Gulf Cooperation Council jurisdiction, the Civil Code does not define what constitutes force majeure, and the Omani courts were previously reluctant to allow termination of a contract based on non-economic factors.

However, the courts have recognized that natural disasters may constitute circumstances that result in frustration in the execution of a contract and, ultimately, force majeure will be as addressed and agreed in the express provisions of a contract.

Ultimately, parties are advised to obtain legal advice to ascertain what relief avenues are available under contract and the Civil Code; not assume force majeure clauses will give rise to automatic relief; and maintain detailed financial and works

records to justify the financial consequences of any force majeure events (including but not limited to Covid-19).

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Panama

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Due to the situation of COVID-19, Panama prepared well in advance for the arrival of the virus and the use of diagnostic tests was immediately spread through PAHO (Pan American Health Organization) and international contacts.

In early February, the government created a crisis cabinet to design a containment strategy, and on March 2 the Ministry of Health created an independent advisory group that began making recommendations and guidelines for a potential response.

The Panamanian government took the following measures:

- Ordered the closure of fun activities in hotels, bars, barbecues, discos, canteens, casinos and the like; and also in the playgrounds that work inside restaurants for a period of 30 days.
- Access to beaches, rivers and spas was prohibited.
- The entry of foreigners to the country was restricted.
- The Ministry of Education suspended face-to-face classes and ordered modules for students, due to the coronavirus outbreak.

As a measure to try to contain the infections due to the new coronavirus, from this April 1 the exits to the street for emergency matters can only be made according to sex and at a time according to the last number of your personal identity card and passport in the case of foreign residents or non-residents in Panama. Women will only be allowed to go to supermarkets, banks and pharmacies on Mondays, Wednesdays and Fridays, while men will be allowed to go on Tuesdays, Thursdays and Saturdays. On Sundays, however, nobody will be able to leave their houses.

And, until April 1, Panama had reported 1,200 patients and 30 deaths as a result of covid-19, making it the nation most impacted by the coronavirus in Central America.

Current support measures

The Republic of Panama does not escape the pandemic caused by the Coronavirus, so the Government created a package of economic and financial measures to counter the effects of the coronavirus (COVID-19), such as the following:

1. Suspend for a term of ninety (90) extendable days, at the level of public administration throughout the Republic of Panama, the following obligations and terms:

a) On tax obligations, payment, withholding and collection of taxes, fees, special contributions and surcharges, both national and municipal taxes;
b) The terms of appeals for reconsideration and appeal are suspended in the tax administration, before the General Directorate of Revenue of the Ministry of Economy and Finance, which includes the executing courts of the institution, as well as before the Tax Administrative Court.
c) On the payment, withholding and collection of the employer worker contributions of the Social Security Fund;
d) The terms of appeals for reconsideration and appeal are suspended by the government before the Social Security Fund, which includes the executing courts of said institution; and,
e) Collections and payments of the public water service provided by the State are suspended.

2. The following obligations and terms between individuals are suspended for the same term of ninety (90) days, extendable throughout the Republic of Panama:

a) On all the mortgage loans granted by banking and financial institutions, both public and private;
b) On all commercial loans granted by banking and financial institutions, both public and private;
c) On all commercial loans granted to the transport sector by banking and financial institutions, both public and private;
d) On all agricultural loans granted by banking and financial institutions, both public and private;
e) Nor will the surcharge of the Special Interest Compensation Fund (FECI) be charged and retained, for all those commercial loans exceeding the term established in Law 4 of May 17, 1994, amended by Law 25 of 1994, the Law 28 of 1995, Law 56 of 1995, Law 58 of 1995, Law 64 of 1996, Law 33 of 2000, Law 6 of 2005, Law 2 of 2007, Law 49 of 2009, Law 69 of 2009, Law 110 of 2013, Law 15 of 2015 and Law 46 of 2017;
f) About the monthly fees of private schools;
g) About the monthly transportation costs; and,
h) About the charges and payments for the public service of electricity and residential and mobile

telephony of fixed contracts, which are provided by private companies.

While these measures of suspension of obligations and terms for the illness CoViD-19 last and until six (6) months after the end of the same, the banking and financial institutions will not be able to increase the interest rates to the mortgage, commercial, or commercial loans to the transport sector, or the agricultural sector.

3. The National Assembly approved Bill 295, through which social support is provided to Panamanians who have been affected in their income due to the Covid-19 pandemic, decreeing the temporary suspension of payment of four months electric power, landline, mobile and internet services.

   The project supported by all the benches of the Panamanian Parliament is aimed at benefiting, mainly, families whose family income is less than two thousand balboas per month; that income has been reduced; that the person has had his employment contract suspended; that the person has been dismissed or is not working and retirees and pensioners.

   Self-employed workers, micro and small businesses, who have been affected in their income, as well as the owners of restaurants, bars, casinos, public and private means of transport, affected by the pandemic, may also receive this benefit.

   As it is a social law, the temporary suspension of payment of these services is retroactive to March 1, but establishes that the service not paid in this period will be paid when the grace period expires on a prorated basis for the next three years.

   It is also established in the rule that the suspension measure will not generate any type of interest, nor will it affect the credit history.

4. By means of Agreement No. 146 of March 13, 2020, the magistrates of the Supreme Court of Justice, issued Agreement No. 146, which decrees the suspension of judicial terms at the national level, by virtue of the announcement of the Executive Body of declaration of a national emergency due to a health crisis, following the pandemic declared by the World Health Organization, caused by the Coronavirus identified as COVID-19.

Implications for labor relations

Given the impact of coronavirus cases on the working day in Panama, the Minister of Labor and Labor Development (Mitradel), met with representatives of the private and worker sectors to recommend a series of measures aimed at protecting the health of the Panamanian worker and keep private companies operating.

Among the measures outlined by the minister are:

- Advance vacations for people over 60 years of age with conditions that make them vulnerable to contracting the coronavirus.
- Pay the compensatory times, the application of telework in the companies that can.
- Flexible working hours.
- Evaluate the possibility of paying collaborators who are sent to quarantine for having contracted the virus and who are certified by the Ministry of Health (Minsa).

Due to the State of Emergency declared in Panama, due to the COVID-19 pandemic, the National Government regulated the legal provision established in article 199 of the Labor Code, number 8, on the suspension of the effects of the labor contract, by fortuitous event or force majeure.

Executive Decree No. 81, of March 20, 2020, establishes that the contracts of the workers of companies that have been closed as part of the preventive measures of the governmental authorities will be considered suspended.

The regulation establishes that workers will not be obliged to provide services, nor employers to pay. The Decree clarifies that the situation does not represent the end of the employment relationship, the day after the suspension of the State of Emergency, workers may return to their posts to carry out their work on a regular basis and preventing it will be considered as an unjustified dismissal.

Implication for contracts

The following obligations and terms between individuals are suspended for the same term of ninety (90) days extendable throughout the Republic of Panama:

a) The collection of royalties for leases of offices, commercial premises and housing, between individuals; and,
b) The collection of royalties for leases of offices, commercial premises and housing, between any government institution of the State and individuals.

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1. In the realm of labour law, temporary measures include such which make employment contracts more flexible. These measures include ability of businesses which incurred a significant downturn in their economic activity to change (after some consultation with trade unions or other bodies of collective representation of employees' interests as well as notification to relevant state authorities), the conditions of labour contracts with no otherwise applicable statutory consequences and with the non-applicability of collective employment agreements otherwise applicable to these contracts. The new measures include temporary reduction of employee work time (of up to 20% for any respective contract; the reduction shall, however not exceed 50% of the time limit which would apply for a regular, full-time, employment contract). Under the said reduction, employees would not receive otherwise applicable remuneration (however, they have to be paid at least a minimal statutory wage/salary, regardless of any work time reduction).
   On the other hand, employees are given opportunity to get a time-limited, unpaid leave (not exceeding 2 weeks) to care for their children; within this period such employees would be paid about 150 euro from the public purse. It should also be added that as a matter of practice, business is taking full advantage of the already existing legal rules applicable to work-on-distance.
   Statutory rules pertaining to employment conditions (such as the caps on the extension of work-time) were suspended with regard to businesses operating in critical infrastructure industries, such as energy-production and distribution, food and subsistence necessities provision and transportation ones.
2. Businesses which suffered a significant downturn in their economic activity can now apply for some subsidy to cover their payroll costs (of up to 50% of each wage/salary considered) for a period of up to 3 months. This special subsidy is granted on an application and shall not exceed a maximum of approximately 300/470 euro per month (the amount depends on the gravity of situation giving rise to the application for this subsidy). The amount of the subsidy is for each workplace, regardless of the amount of salary/wage to be paid, under normal circumstances). Irrespective of any already said conditions, the

payroll subsidy cannot be granted to cover any salary/wage of the gross amount of about 3450 euro per month. Businesses which in the last quarter of 2019 had accumulated any unjustifiable tax debt or filed for bankruptcy do not qualify.
Local administration can now grant additional subsidy for payroll costs. It is up to respective local authorities to decide on such subsidies. As a matter of comment, it is essential to mention that only a handful of the most affluent local communities will be able to afford to offer a significant subsidisation of payroll.

The downturn of economic activity is considered significant if:

(a) at the time of applying the measure, the amount of receipts effected by a business concerned is 15% lower than in any two months of 2020 selected by that business in comparison to the same months of 2019, or (alternatively);
(b) if the decrease in the amount of receipts in a month in 25% lower than in the preceding month of 2020.

1. Special rules applying to tenancy contracts were established with regard to contracts between landlords operating large shopping facilities (exceeding 2000 m^2 in trading area) covered by a statutory prohibition of trade for COVID-19-related reasons. Namely, all the rights and obligations arising from the already existing business-related tenancy contracts concluded by such landlords are now considered terminated. Only when the tenants expressly wish so, these rights and obligations shall be deemed suspended for the time of the prohibition and automatically prolonged for the period of 6 months after the prohibition will have been lifted. Within the period of suspension and prolongation, landlords are obliged to keep the existing tenancy contract conditions concerned unamend.
2. Grocery retailing businesses can now operate (albeit at a limited scale) also on Sundays. Namely, such businesses can now freely undertake all preparatory activities (such as transportation, exposition preparation etc.), with the exception of selling goods to final customers. This represents an amendment of the otherwise applicable more stringent legal arrangements which prohibited any Sunday retailing business activity throughout most of the year.
3. With regard to corporate income tax and personal income tax, carry-loss-back mechanism was introduced with regard to any loss incurred in 2020. This means that such a loss can now be deducted from the taxable basis of 2019 (quite an important arrangements as usually, the final annual tax returns would have to be presented by the end of April). Monthly advancement payments of PIT are postponed, as taxes due from tenancy income. Local tax liabilities can now be suspended by virtue of

respective local decision-making authority.

An extended possibility was offered to deduct charitable donations for fighting COVID-19; interestingly, the amount deductible shall then be up to 200% of the donation made (depending on the month on which the donation was made). Recovery of taxes due can be suspended on a duly motivated application of a business taxpayer. There is also a relief which pertains to the social security payments – now they can be postponed with no additional costs; there is also some possibility to obtain a special social security contributions relief for retaining workplaces.

A full possibility to raise electronic invoices and receipts was introduced. Foreign employees can now enjoy an extended period for applying for permanent residence or for temporary work permit. The extension is granted when it is necessitated by circumstances directly connected with the epidemic situation. Under the same conditions, validity of visas, work permits and temporary residence permits are extended whenever it would have otherwise expired. The extension shall, however, not exceed 30 days after the pandemic situation has been declared over

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Nature and General Requirements

Further to the declaration of the state of emergence by the Portuguese President of the Republic several measures have been taken to support companies and citizens to mitigate the economic effects of emergency actions taken to fight Covid-19 such as suspension of economic activities, confinement of citizens at home and quarantine measures.

Current support measures are being taken almost on a daily basis and are having a great impact on the State Budget for 2020 – against a surplus of 400 million Euros in the 2019 budget- and include the following:

(a) Financial measures;
(b) Tax and social security measures;
(c) Measures to support the domestic economy of citizens;
(d) Legal measures.

Support measures taken so far have privileged micro and small companies, that is companies with less than 10 workers and less than 2 million Euros of annual turnover and companies with 50 or less workers and 10 million Euros or less annual turnover, respectively. However, medium companies, that is, companies with less than 250 workers and an annual turnover of 50 million Euros or less can also apply for support measures and obtain a refund of social security contributions paid and other support measures, provided that they can prove that in the second quarter of 2020 their turnover has dropped 20% or more in relation to the second quarter of 2019. Portuguese Government has also decided to focus on certain key industries and economic sectors that were deemed as most affected by the economic crisis caused by the state of emergency caused by Covid-19. Tourism, textile industry, wood industries, mining among others were regarded as priority sectors.

A general requirement for the grant of support measures for companies is that they must keep the jobs they had as of the end of February 2020, except if they resort to the simplified lay-off procedure. In relation to citizens the main concern of the Portuguese Government was to protect employment and the citizens who were forced to stay home to take care of minor children once the schools were close. Since citizens are obliged to be confined to their homes important measures were created to protect housing.

Lines of Credit for Companies and Self-Employed Individuals

Several lines of credit have been created to support the cash-flow of companies and self-employed individuals aimed at

those economic activities that are suspended due to the declaration of the state of emergency. These credit lines have been created by the Portuguese Government but are granted by commercial banks and are divided by several economic sectors deemed as most affected by Covid-19 crisis. Hence, the following lines of credit are available:

(a) Credit line of 400 million Euros for all economic sectors;
(b) Credit line of 600 million Euros for restaurants, bars, coffee shops and similar establishments with 270 million reserved to micro and small companies;
(c) In the tourism sector, travel agencies, tourism activities such as excursions, cultural activities, sports, organization of events, 200 million Euros with 75 million Euros reserved for micro and small companies;
(d) Also in the tourism sector, hotels, tourist apartments, tourist resorts and similar tourist accommodations, 900 million Euros with 300 million Euros reserved for micro and small companies;
(e) Industries of textiles, mining, stones, shoes and woods, 1,300 million Euros with 400 million Euros reserved for micro and small companies.

Loans granted under these credit lines cannot be used for repayment of other bank loans companies maintain with the banks. Portuguese Government guarantees 90% of the credits granted under such credit lines with a counter guarantee of 100% of the Mutual Counter Guarantee Fund as per the regulations of the European Union which has authorized this state aid to Portuguese companies. In order to access the above credit lines companies must:

(a) Have no tax debts and no debts to the banks or not being in default under settlement plans for payment of such debts;
(b) Have a positive net equity balance or by means of a general shareholders' meeting and interim accounts and financial statement demonstrate they have achieved such situation before applying for the grant of the loans under these credit lines;
(c) Maintain jobs they had as of the end of February 2020.

Conditions for the grant of loans under these credit lines Covid-19 are the following:

(a) Maximum amount per company: 1,5 million Euros;
(b) Grace period: 12 months;
(c) Duration of the loan: 4 years;
(d) Maximum spread; 1% to 1.5%;

Loans are granted by the banks having the Portuguese Government determined that a decision for the grant of the loans must be taken no later than 5 working days after the submission of the request by the concerned companies.

Tax Measures
Postponement of payment of taxes

Payments due on account or in advance for corporate income tax ("IRC") levied on companies and of personal income tax ("IRS") due by self-employed or liberal

professionals have been postponed from 31st March to 30th June and from 31st July to 31st August.

Deadline for filing of annual corporate income tax ("IRC") return

Deadline for the filing of the annual corporate income tax ("IRC") tax return which implies the self-assessment and payment of the tax due by companies by reference to the 2019 financial year have been postponed from 30 June to 31 July.

Payment of taxes by instalments

Micro and small companies, self-employed or independent professionals with an annual turnover up to 10 million Euros, all companies that have started their activities in 2019 or in 2020 and all companies that belong to economic sectors ordered to shut down their activities by order of sanitary authorities are also entitled to an extension of the deadlines for the payment to tax authorities of the value added tax and amounts of corporate income tax ("IRC") and personal income tax (IRS") withheld at source. The following conditions apply:

(a) Payments related to the months of March, May and April may be made in 3 monthly instalments without interest during the months of May, June and July;
(b) Payments related to the same months of March, May and April may be made in 6 monthly instalments but in this case with interest charged on the last 3 instalments.

Companies may apply for the extension of deadline for payment of the above taxes by internet which in Portugal is usually done via the page each taxpayer has in the computer system of the Tax and Customs Authority.

Suspension of procedures for seize of assets

By means of a law passed by the Portuguese Parliament all procedures aiming the seize of assets for coercive payment of taxes, social security contributions, tax penalties and fines are suspended within the entire period of contention, mitigation and treatment of Covid-19 as declared by the sanitary and health authorities.

Suspension of deadlines for tax procedures

Deadlines for tax procedures such as for the filing of administrative claims or judicial claims against the assessment of taxes and social security contributions, litigation on tax penalties and alike are suspended until the re-opening of courts after the extended judicial vacations that have been declared.

Social Security Contributions Measures

Postponement of payment of social security contributions is available for employers who are entities employing:

(a) Less than 50 workers;
(b) Between 50 to 249 workers provide they demonstrate a decrease of turnover in the months of March,

April and May 2020 of at least 20% in relation to the similar period of 2019 or, if they started activities less than 12 months ago, show the same decrease of turnover in the average of the period of activities elapsed since its start;

(c) 250 workers of more if they are private social security entities, companies forced to shut down their activities by order of the health authorities, aviation and tourist companies, provided they demonstrate a decrease of turnover in the months of March, April and May 2020 of at least 20% in relation to the similar period of 2019 or, if they started activities less than 12 months ago, show the same decrease of turnover in the average of the period of activities elapsed since its start.

Social security contributions due by employers and self-employed or independent professionals by reference to the months of March, April and May 2020 are paid under this exceptional plan as follows:

(a) One third of such contributions is due and payable on the normal due dates;
(b) Two thirds of the contributions may be paid in equal instalments in the months of July, August and September 2020 or in between July and December 2020;
(c) On the above payments by instalments no interest is charged.

In our view, employers, including self-employed or independent professionals may pay only one third of social security contributions due by their workers by instalments by reference to the months of March, April and May 2020 only on one third of the amounts due without the need for any application. Only as of the end of July 2020 employers should elect which of the two options of payment by instalments described under (b) of the prior paragraph they have elected to follow.

Payment by instalments of social security contributions is also available, with all necessary adaptations, for payments that are being made by employers under settlement agreements for payment of overdue contributions entered with the social security authorities. This refers to instalments of the settlement agreements that would fall due and payable by reference to the months of March, April and May 2020. Thereafter, all instalments under such settlement plans are suspended as long as the suspension of seize of assets for payment of debts for coercive payments to the social security is in force, that is until the end of the Covid-19 crisis is declared where courts have been closed for an exceptional period of judicial vacations remaining in session only for urgent cases.

Financial Incentives

Portugal has several Eu-funded financial incentives programs granting refundable subsidies, zero-interest loans and other financial incentives for investments especially for micro and small and medium companies. From approval of such financial grants or loans to the respective payment usually a 90 days

period elapses. To cope with cash-flow needs of companies during this Covid-19 Portuguese Government has determined an accelerated payment no later than 20 days for such financial incentives or an advance payment up to 70% of such incentives granted under the following EU-funded programs:

(a) Portugal 2020;
(b) National Strategic Development Framework, the "QREN";
(c) Rural Development Program 2014-2020
(d) Incentives for fishing and other maritime activities granted under the MAR 2020 program.

Since most of the financial incentives and grants under EU-funded programs are made under refundable cash grants or zero-interest loans, Portuguese Government has also decided to postpone for a 12-month period of the refund to the Government of the financial grants in accordance with the following rules:

(a) Beneficiaries must demonstrate they have had a decrease of 20% of the turnover or of the orders for goods or services in the two months preceding the request made for the postponement of the refund of financial incentives granted;
(b) Postponement of refunds refers to those due and payable until 30 September 2020;
(c) Refunds are postponed for a 12-month period without interest.

Expenses already made by beneficiaries of actions or plans for the internationalization of Portuguese companies, such as presence in international exhibitions, business missions and similar events and promotion of Portuguese wines abroad have also been declared eligible for refund under Portugal 2020 program and other EU-funded programs. The non-fulfilment of tasks, actions or deliverables under EU-funded programs shall not constitute a default on contracts for the grant of financial incentives being deemed as *force majeur* or Acts of God circumstances for the duration of this Covid-19 crisis.

Implications for Labor relations: simplified lay-off measures

Portuguese Government has created a simplified lay-off procedure for companies:

(a) Ordered to shut down their activities by health or sanitary authorities;
(b) The interruption of activities caused by the partial cancelation or suspension of orders of goods or services or due to the interruption of supply chains;
(c) Experiencing a drop on turnover of at least 40% by reference to; (i) the two months prior to the decision to lay-off; (ii) the similar period of 2019; or (iii) by the average of the prior period for companies that have started their activities less than 12 months ago.

Companies facing any of the circumstances mentioned under above paragraph that have their activities suspended in total or in part may suspend labour contracts or reduce the periods of work. Support measures of companies resorting to simplified lay-off procedure

during this Covid-19 crisis include the following:

(a) Extraordinary support to the maintenance of employment contracts, with or without job training, in the situations of reduction of the working hours or suspension of employment contracts, under article 298th and following of the Portuguese Labour Code (simplified lay-off);
(b) Special professional training plan;
(c) Extraordinary financial incentive to support the companies' return to regular activity;
(d) Temporary exemption on Social Security Contributions.

Considering that the above described measures are aimed at protecting the employment contracts, in addition to other obligations foreseen by law, companies that resort to the above mentioned measures will be prevented from:

(a) starting redundancy procedures (both collective dismissals and extinction of labour positions) during the period of implementation of the lay-off; and;
(b) dismiss any workers in lay-off or others for a period of 60 days following the termination of the lay-off period.

Companies facing a corporate crisis may suspend employment contracts and/or reduce the employees working time. A combination of such measures with employees who continue to perform work on a regular basis is also possible.

The support consists on a extraordinary financial support granted to the company for each employee included on the measure, and which is solely aimed at paying the employees' salaries during the period of the suspension of employment contracts or reduction of working periods. The measure may be in place for a period of 1 month and be extended for additional periods of 1 month up to a limit of 3 months.

Employees whose employment contracts are suspended are entitled to receive a compensation of up to 2/3 of the respective salary (with a minimum € 635.00 and a cap of € 1,905.00). The company is entitled to receive a financial support from the Social Security services corresponding to 70% of the compensation to be paid to the employee. We underline that the company has to pay the compensation in full to the employee and thereafter will receive the payment of the 70% from the Social Security services.

For the sake of clarity, please refer to the following chart:

Employee 's salary	Salary during the suspension	Financial Support from the Social Security	Part of the salary to be paid by the Company
€635	€635	€445,5	€190,5
€900	€635	€445,5	€190,5
€1000	€666,67	€466,67	€200
€1500	€1000	€700	€300
€2000	€1333,33	€933,33	€400
€2500	€1666,67	€1166,67	€500
€3000	€1905,00	€1333,50	€571,5
€5000	€1905,00	€1333,50	€571,5

Employees whose normal working periods are reduced are entitled to receive a salary calculated in proportion to new working period. They will only be entitled to receive compensation in the situations in which the amount of the salary proportionately calculated is inferior to 2/3 of their normal salary or to € 635.00, with a cap of € 1,905.00.

Companies that resort to the special measures will be entitled to receive a financial support from the Social Security in the amount of € 635.00 per each employee affected by the measures, when it returns to its normal activity.

During the period the company is benefiting from the above-mentioned special measures it will be exempted from Social Security contributions (23.75% of the employee's salary). Companies that are planning on implementing the simplified lay off regime have to issue a written notice to the relevant employees (or to the trade unions delegates or workers committees, if existing). Following such communication, companies have to apply for the benefits before the Social Security Services (through an electronic form).

Support measures for persons staying home to take care of children

Persons staying home to take care of children up to 12 year-old or children of baby-gardens closed by order of health authorities that are not working from home are entitled to a subsidy in the amount of 1/3 of the salary or the average income of self-employed or independent professionals up to the limit of reference remuneration.

Reference remuneration corresponds to 2/3 of the salary with a minimum limit of a one national minimum wage (635 Euros) and a maximum of three minimum wages that is 1,905 Euros.
This subsidy is also applicable to persons staying home to take care of spouses and parents or grandparents.

Duration of this support measure has been determined for a 14-day period but may be extended. In case any children, spouse, parent or grandparent falls sick with Covid-19 persons staying home to look after their family members who are not working from home are entitled to justified leave of absence with a subsidy for assistance to family members paid by the Social Security in general terms.

Only one family member staying home to take care of other family members is entitled to the above Social Security subsidies.

The above subsidy is not dependent on any guarantee period and, thus, is due and payable immediately. This subsidy in equal parts by the Social Security and by the employer or in 100% by the Social Security in the case of self-employed or independent professionals and is paid either by the employer or by the Social Security.
The above subsidy is granted automatically at the request of the employer or of the beneficiary in the case

of self-employed or independent professionals.

Support measures for persons in quarantine

Persons ordered to be in quarantine by health authorities are deemed as under sick leave and, thus, entitled to sick subsidies paid by the Social Security without any period of guarantee and immediately due and payable. Sick subsidies correspond to 66% of the salary of workers and of the average of remunerations of self-employed or independent professionals.

Support measure for people affected by the Covid-19 Virus

Persons infected by Covid-19 virus are entitled to sick subsidy paid by Social Security without any period of guarantee.

Support measures for citizens: Suspension of termination lease agreements

Termination of lease agreements for the main residence of individuals and lease agreements for commercial and industrial activities being the respective duration periods extended automatically for the entire period declared as Covid-19 crisis.

All legal procedures for termination for other reasons of the same real estate lease agreements such as eviction procedures are also suspended during the Covid-19 crisis.

Support for payment of rents

Portuguese Government shall submit to the Parliament a proposal of law aimed to grant subsidies for payment of rents for companies ordered to shut down their establishments and close their activities or reduce the same and for individuals suffering from severe reductions of income due to this Covid-19 crisis. It is expected that such subsidies will be granted by the Portuguese Housing Institute.

Suspension of cutting-off of supply of electricity, water and natural gas supplies

Interruption or suspension of supply of electricity, water and natural gas is suspended until the end of Covid-19 crisis, including for lack or late payment of respective bills.

Moratorium on bank loans

Portuguese Government has approved a moratorium of 6 months up to 30 September of bank loans, standby loan facilities and similar credit lines for companies and self-employed or independent professionals. For individuals a similar moratorium has been foreseen for bank loans for the purchase of main residences, although the largest banks have agreed to extend such moratorium to consumer credits as well. This moratorium covers a 6-month grace period of repayment of principal and interest.

Banks are disallowed to cancel any stand-by or credit lines or cancel any existing credit facilities granted for the period of duration of the moratorium.

In order to benefit from this moratorium beneficiaries only need to file a declaration by their own banks and credit institutions have 5 working days to confirm application or not of the moratorium.

This moratorium is especially addressed to micro, small and medium companies, self-employed or independent professionals and individuals and is expected to cost some 20,000 million Euros.

Implications for Contracts:
Consequences for default on contracts

In accordance with the almost unanimous Portuguese Higher and Supreme Courts jurisprudence lack of liquidity for payment of any obligations under a contract is not a justifiable cause for a default under a contract. Certainly, that would not be the case *per se* in the absence of other circumstances, especially if we would take into account the above array of Government support measures to provide liquidity to companies and businesses.

Non-performance of other obligations under contracts, such as, obligations to deliver goods and services in a timely manner and in the stipulated quantities and qualities agreed, may be justified under *force majeur* as outlined below.

Force Majeure Clauses

This situation is totally unprecedented. But we had a similar situation in Portugal during the years of 1974-1977 where many companies were occupied by their workers and were subject to self-management and or to Government intervention in their management. Portuguese courts took a rather restrictive interpretation of the legal concept of *force majeur* as determined by the Portuguese Civil Code. Most if not all the courts, Higher Courts up to the Supreme Court decisions refused to accept that unusual circumstances of a company being taken over by workers and by the Government during a revolutionary period met the legal criteria of *force majeur* circumstance.

In the current situation we have companies that have been ordered to shut down and suspend their activities by the Government; companies with interruptions of supply chains; companies with many workers sick or in quarantine; and companies experiencing the limits or work from home. In our view an epidemy, worse still, a pan demy, is clearly a *force majeur* situation or a typical Act of God. For purposes of delaying compliance of contracts for the grant of EU-funded subsidies Portuguese Government has already this situation as a *force majeur* situation. In order to avoid the uncertainties that may be caused by the restrictive interpretation of force majeur by the Portuguese courts it would be most advisable if Portuguese Government would promote adoption of

a law deemed the entire period of this Covid-19 crisis as a force majeur circumstance for all public and private contracts.

General Commercial Contracts

Unfortunately, it is rare in Portugal that general commercial contracts have any *force majeur* clauses. Therefore, in this situation for general commercial contracts the parties will have to rely on the force majeur provisions of the Portuguese Civil Code with all the uncertainties we have noted in the prior sections of this paper.

Relevant clauses to be analysed

We would make a distinction between contracts that are to be fulfilled with a single action or performance, such as a contract for the sale of a single good or a number of given goods or one single service or services, and contract stipulating a flow of supplies of goods and services, such as regular supplies to a shop or continuous supplies of services like telecoms, electricity, water and alike.

In relation to the first type of contracts the parties should analyse basically the clause on the deadline for the supply of goods and services or the deadline, for example, for entering into a public deed for the sale and purchase of a real estate property.

In the case of contracts stipulating a continuous supply of goods and services or a number of successive transactions the parties should look to the clauses whereby one of the parties may or is obliged to order and the other party is obliged to pay for such supplies.

In both cases, other clauses to be analysed or to be checked are clauses that may exist foreseeing *force majeur*, interruption or suspension of supplies and or impossibility of performance of certain legal acts due to the closing of several competent authorities like tax offices, commercial registry offices, land registry offices, notaries and similar third parties that may have been ordered to be closed by the health authorities.

Other relevant clauses that should be analysed include duration, termination and renewal of contracts.

Merger and Acquisition Contracts (M&A Contracts)

Merger and Acquisition Contracts (M&A Contracts) are complex legal instruments that may have different legal implications. There is, for example, certain Memoranda of Understanding (MoUs) that are not legally binding merely expressing an intention to proceed with good faith negotiations for a legally binding agreement.

In this case, suspension of negotiations under the circumstances can be regarded as a good faith and prudent conduct. Other MoUs create immediate and direct legally binding effects. In this case, a thorough analysis of the respective

clauses may ascertain whether or not the planned transaction can be postponed.

For MoUs with legally binding obligations that are in advance execution or for M&A contracts already signed, the only possibility to suspend or cancel said legal instruments is by resorting to a *force majeur* clause. If these agreements have been drafted in accordance with international standards, they must have all *force majeur* clauses. It is necessary to check whether such clauses contemplate health and sanitary emergencies.

In a legally binding MoU or in a M&A Contract it is crucial to check clauses pertaining to declarations and warranties, conditions precedent and due diligences and audits. A timely declaration of *force majeur* in relation to these clauses may prevent unnecessary events of default under these agreements.

Other Legal Implications:
Suspension of legal suits

All administrative and legal procedures and legal suits not deemed as urgent are suspended having been declared an extended period of judicial vacations.

Postponement of Annual General Shareholders' Meetings

Ordinary annual general shareholders' meetings for the approval of the 2019 accounts and financial statements, management report, audit report and application of net profits or losses have been postponed from the usual 31st of March or 30th April to the 30th of June.

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By the decree of the President of Romania from March 16, 2020, the state of emergency was established for a period of 30 days. This decree establishes a series of measures in several sectors such as economic, health, labour and social protection, in justice, education, foreign affairs, public order.
Based on the decree of the President of Romania, the Government has adopted a series of restrictions and protective measures, subject to continuous adaptations and modifications, depending on the evolution of the COVID-19 pandemic. Currently, severe traffic restrictions are imposed for all age ranges, and special restrictions for people over 65 years of age. Circulation of individuals is allowed for justified reasons a statement on the person's own responsibility, in professional interest, for medical emergencies, to provide the necessities and the needs of the children or elderly persons in care, for pets' needs, for agricultural activities or individual physical activity. Pedestrian walking in groups larger than 3 persons not living in the same place is forbidden.

All educational institutions are closed, and the administrative institutions work in particular through electronic channels.

The activity of shopping centres was suspended, with the exception of the sale of food, veterinary or pharmaceutical products and of cleaning services or the sale of electronic and household products by the economic operators that ensure home/office delivery and the sale of medical optics products and services. Serving food and alcoholic and non-alcoholic beverages by restaurants, hotels, cafes or other public places, in spaces intended for this purpose inside or outside the location is also forbidden. It is allowed however to deliver food products, alcoholic and non-alcoholic drinks that do not suppose the stay of clients in the spaces destined for this purpose, like those of type "drive-in", "room-service" or delivery to client.

Measures have been taken for the direct purchase of the necessary materials and medicines in the health sector. It was decided to suspend the controls of employers by territorial labour inspectorates and tax administrations, with certain exceptions.

In court, the activity will continue only in cases of special urgency, according to the rules established at the level of the governing bodies of the territorial courts

of appeal and of the High Court of Cassation and Justice.

Flights from and to high-risk countries (Italy, Spain, France, Germany) were suspended, and most airlines took internal suspension measures to comply with national health measures.

Labour law issues

Depending on the specific nature and volume of the activity they carry out, employers may adopt solutions with a different long-term impact on employees:

- maintaining the employees' activity in compliance with the prevention and hygiene measures, adapting the work program and taking other measures necessary to minimize the risks of sickness of the employees or persons, under the conditions established by the emergency measures adopted by the authorities (taking into account the limitations imposed on the economic activities, restrictions on the circulation of citizens, limitations on public health or social protection);
- moving most of / the entire activity remote (work from home / tele-work), having the possibility of unilateral modification of the employment contract under the conditions of art. 48 Labour Code;
- reorganization for economic reasons, with the effect of terminating job under the conditions of art. 65 Labour Code;
- reducing the activity, reducing the program from 5 to 4 days per week and correspondingly reducing the salaries or temporarily suspending some of the individual employment contracts and sending the employees into furlough for economic reasons, according to the art.52-53 Labour Code in conjunction with art. XI-XV from OUG 30/2020;
- temporarily suspending the entire activity - either on its own initiative for economic / technological reasons, etc., or as a result of the measures taken by the authorities, and sending the employees into furlough under the conditions of art. 52-52 Labour Code in conjunction with art. XI-XV from OUG 30/2020.

However, in the case of opting for the furlough, the Labour Code provides for a compensation of at least 75% of the basic salary corresponding to the job occupied, which will be fully covered from the salary fund. OUG 30/2020 supports employers and reimburses them under certain conditions the amount of the allowance, up to 75% of the gross average wage used to substantiate the state social insurance budget.

The average gross wage was set at 5,429 lei for 2020, so that the gross compensation will not exceed RON 4,072. After deducting the income tax and the social and social health contributions, the amount covered by the net amount of the allowance is RON 2,382.

Employees in furlough will get the difference from the employer, up to 75% of the salary. The same allowance applies

for vacation days granted to parents who cannot work remotely.

Also, in sport, the state supports athletes with an allowance similar to the one granted for furlough.

Contractual issues

Covid-19 pandemic state can be a case of force majeure, if it passes the test of the conditions provided by law: (i) the event is certainly an external one of the will of the parties; (ii) the unpredictability that will be analyzed in relation to the specific case invoked; (iii) the condition that the pandemic be unmanageable is again to be analyzed on a case-by-case basis, and the parties shall make a concrete analysis of the generating event and of the causal link between the event and the obligation to be executed.
Parties to a contract should make proof of the force majeure case by presenting an attesting document issued wither by the Chamber of Commerce and Industry in Romania or an emergency state certificate from the Ministry of Economy in Romania. The two certificates differ in conditions and effects, being used in different type of contractual relations.

Government support to the economy

Several measures are being taken into account by the government to support the economic environment. The measures are regarding postponement of monthly rates for bank loans up to 9 months, limitation of prices for electricity and heat, natural gas, water supply, sanitation and fuels to the existing costs from March 29th, 2020.

For imports of medicines, protective equipment and other medical devices and medical equipment and materials that can be used in the prevention, limitation, treatment and control of COVID-19, it will be no longer required to pay value added taxes during the period and another 30 days after the cessation of the emergency period.

Taxpayers will receive discount on corporate income tax due before April 25, 2020, as follows: 5% for large taxpayers, 10% for medium, an other categories of taxpayers.

Also tax on property was postponed until 30th of June 2020 from the initial deadline March 31st 2020. There are several measures still to be published in the Official Monitor of Romania at the date of drafting this material.

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Russia

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Coronavirus infection has long been not of interest in Russia, its inhabitants and authorities. For the first time, cases of infection were recorded in Russia on January 31, 2020: one in Tyumen, and the other in Chita cities. Both diseased persons were Chinese citizens. However, rapid spread of the disease began in March and continues to this day, with a total of 2777 persons infected, 24 dead and 190 recovered. According to some scientists, the incidence peak at the time of writing of this article has not yet been overcome.

On January 27, 2020, an operational headquarters was created to combat Covid-19 under the leadership of Deputy Prime Minister Tatyana Golikova. On January 31, the headquarters approved the National Plan for the Prevention of Importation and Spread of Coronavirus.
Despite the measures taken in advance, one of the main issues in the fight against infection has become the federal structure of Russia. So, if some regions took in advance the full range of protective measures, then neighboring regions might not have done so. This is the peculiarity of the decentralization of power, which fully manifested itself during a real epidemic.

Another problem and peculiarity of Russia is the discussion that urgent restrictive measures do not comply with constitutional rights and freedoms that have the highest legal force. For example, plans to restrict the circulation of cash were repeatedly voiced, which was not introduced due to the contradiction of such a measure to federal legislation. Other debatable measure is the introduction of QR codes and a system for tracking the movement of citizens, which may run counter to a number of federal laws and such constitutional rights as freedom of movement and secrecy of communication.

It is also worth noting that Russia did not introduce a regime of state of emergency, martial law and other measures that would allow the authorities to limit the constitutional rights and freedoms of Russian citizens. That is why officially the measures, which will be discussed below, are advisory in nature and are not currently binding.

As in other situations, the most advanced in terms of organizing measures to combat the Coronavirus is the capital of Russia, Moscow. Other regions take their protective measures after Moscow and taking it as an example. Of course, one

should not ignore the federal measures of protection and support, which will also be reviewed in the article.

On March 25th, the President Vladimir Putin made extraordinary speech to Russian citizens. In his speech, the President emphasized the importance of uniting the nation against a dangerous disease, strict observance of all protection and quarantine measures, and also promised the following benefits and concessions:

- Reducing the insurance premium rate for the employees for small and medium-sized businesses from 30% to 15%.
- Tax deferral, except VAT, to small and medium-sized businesses.
- The introduction of a six-month moratorium on the filing of creditors' applications for bankruptcy of companies and debt collection.
- All social pensions for the next six months will be automatically renewed without the necessity of attendance to authorities.
- Unemployment benefits will be increased from 8 thousand to 12 thousand rubles.
- "Vacations" are announced for both consumer and mortgage loans, if the income has declined by more than 30%, without penalties.
- All families entitled to maternity capital will receive 5 thousand rubles in the next three months per child under three years old inclusive.
- The sick pay rate will be set at least one minimum wage by the end of the year.
- Payments for the 75th anniversary of the Victory in the Great Patriotic War (World War II) to veterans and home front workers should be made before the May.

On April 2nd, the President addressed the nation a second time. The President thanked all citizens for observing the regime of self-isolation, and doctors, rescuers and emergency services for their dedicated service. The main message of the appeal was the extension of the "weekend" until May 1.

Based on the speech of the President, the federal authorities, as well as the authorities of the constituent entities of the Russian Federation, took the following measures.

Concept of the self-isolation regime of citizens

To begin with, the days from March 30 to April 3 were declared non-working throughout the country so that most Russians could stay at home. This was done by issuing a Presidential Decree "On the announcement in the Russian Federation of non-working days" of March 25, 2020. It is emphasized that these days are non-working with full wage retention. In addition, if an employee is already working from home, this regime may not apply to him. Of course, life support bodies, food stores, and essential goods mechanisms continued their work.

Then, on April 2nd, Presidential Decree No. 239 on the extension of the non-working week until the end of April, according to which from April 4 to April 30 inclusively, non-working days are set with the preservation of wages for employees. Otherwise, the information in the new decree is fully consistent with the previous one.
That is why the Government of the Russian Federation adopted a special Decree of March 27, 2020 No. 762-r with a list of essential goods, which includes hygiene items, fuel and pet supplies. All other shops and institutions, including shopping centers, entertainment centers, theaters, hairdressers, bookmakers, restaurants, bars, canteens, are supposed to be closed.

Following this, the authorities of the regions began to adopt decrees on the introduction of a regime of self-isolation. As an example, take the Decree of the Mayor of Moscow dated March 29, 2020 No. 34-UM "On Amending the Decree of the Mayor of Moscow dated March 5, 2020 No. 12-UM" According to that act, the holding on the territory of the city of Moscow of sports, entertainment, public and other mass events is banned until April 10, 2020. The work of restaurants, cafes, canteens, buffets, bars, snack bars and other catering facilities is prohibited until April 5, 2020. Until April 12, schools and higher education institutions are closed.

The following measures are taken for the citizens` self-isolation:

- Citizens over the age of 65, as well as citizens with chronic diseases, are obliged in any case to respect the regime of self-isolation until April 12;
- In the event that any citizen, for whatever reason, leaves the house, he is obliged to maintain a distance of at least 1.5 meters to another citizen;
- All citizens are not allowed to leave their place of residence with the following exceptions: going to work (if it is not stopped), going to the nearest place of purchase of goods, services, the implementation of which is not banned at the moment, going to walk with pets at a distance not exceeding 100 meters from the place of residence, removal of waste to the nearest place of accumulation of garbage.

At the same time, all employers were obliged to organize a work process for their employees from home and, if possible, not to call them to their place of work.

The remaining regions of Russia went along approximately the same path. It is worth noting that public transport almost everywhere did not stop its work, in theory it is possible to travel from region to region.

Closure of public authorities and courts

Many government bodies involved in the administration of justice and the

enforcement of judgments are currently closed.

On March 19th, Decree of the Presidium of the Supreme Court of the Russian Federation, Presidium of the Council of Judges of the Russian Federation No. 808 "On restrictive measures in courts in connection with the threat of the spread of Coronavirus infection in the Russian Federation" was issued.

The decree provides for the following protective measures:

- To suspend the personal reception of citizens in the courts and to recommend submitting documents only through the electronic Internet reception of ships or by mail to Russia.
- To review only categories of cases of an urgent nature (on the election, extension, cancellation or change of a preventive measure, on the protection of the interests of a minor or a person who has been recognized legally incompetent, in case of refusal by the legal representative of medical intervention necessary to save a life, and others), and also by order of simplified proceedings.
- All the courts, if technically possible, initiate a hearing through the use of video conferencing systems.
- All judges and court staff should self-isolate at the slightest sign of illness.
- To restrict access to the courts of persons who are not participants in litigations.

On April 1st , the Letter was issued with the recommendations of the Deputy Chairman of the Supreme Court of the Russian Federation with further recommendations on the functioning of the judicial system:

- Extension of procedural terms if they end on a non-working day, including the recently announced "holidays" in April;
- Extend the timing of court cases and postpone court sessions that have to be held in April.

Access to convict and accused in temporary detention facilities also has its own characteristics. Access of Attorneys-at-Law and the right to communicate with a client have not been suspended, but the administrations of correctional institutions themselves establish their own restrictive rules on access to the premises.

Usually this is a mandatory measurement of temperature, equipment with a mask, shoe covers and gloves, as well as communication with the client through a transparent partition.

Other important public authority is the Federal Bailiff Service (FSSP), which is responsible for enforcing court decisions. According the Order of the FSSP of Russia dated 19.03.2020 No. 202 "On urgent measures to prevent the spread of Coronavirus infection (COVID-19)", according to which, in particular, personal reception by federal bailiffs of citizens is temporarily suspended.

Social and business support measures

Despite the critical situation in some business sectors, the drop in demand and the forced closure of companies, a complete system of measures to support citizens and businesses has not yet been organized. We can distinguish the following measures of support for citizens that have already been taken:

- In some regions, one-time compensations to pensioners over 65. For example, in Moscow, pensioners over 65 years old have received 2,000 rubles once and another 2000 rubles in case of strict observance of quarantine.
- Also, in some regions, unemployment benefits have been increased. In Moscow, for example, the new amount of benefits is 19 500 rubles.
- Previously, citizens were required to pay monthly deductions for future overhaul of their apartment buildings. Now these contributions are frozen.
- In March, pensioners and veterans ahead of schedule received their pensions and benefits.
- Simplified issuance of sick leave without visiting a clinic or hospital.

The adoption of other measures to support citizens is still in the process of discussion and implementation. Among them:

- Simplified bankruptcy of citizens;
- Provision of credit holidays in the event that the income of a citizen has fallen by more than 30%.

The following measures have been taken to support business:

- Restriction of business` audits from state authorities;
- Deferral of payment of social insurance contributions for employees for several months;
- Deferral of lease payments for entrepreneurs who rent property from the state;
- Providing soft loans with a rate of 0% for the payment of salaries to employees.

Despite this, the adopted package of measures for today does not seem sufficient, according to the opinion of Russian business community. It is worth noting that in most cases we are not talking about a temporary cancellation of mandatory payments, but only a deferment. It is not clear from what proceeds entrepreneurs will cover arrears in the future.

Stricter penalties for quarantine violations

Since the start of the epidemic, a number of regulatory acts have been tightened regarding quarantine violations.

- The punishment under the article “Violation of the legislation in the field of ensuring sanitary and

epidemiological welfare of the population" of the Code of Administrative Offenses has been significantly tightened. Previously, citizens could end up with the ridiculous amount of a fine - from 100 to 500 rubles, or even with a simple warning. Now the violator faces much more significant penalty from 15 thousand to 40 thousand rubles.

- A new article has been introduced to the Code of Administrative Offences for failure to comply with the rules of conduct in an emergency or the threat of its occurrence. So, for violation of self-isolation prescribed by the rules, a warning may be given to a citizen. But a fine may be issued — from 1 thousand to 30 thousand rubles. In case of repeated violation, the guilty person will face punishment from 15 thousand to 50 thousand rubles.
- In Moscow, citizens for non-compliance with the isolation regime face a fine of 4 thousand rubles, and for repeated violation - 5 thousand rubles.
- Article 236 of the Criminal Code of the Russian Federation ("Violation of sanitary and epidemiological rules") has been tightened. In the new edition, if it is established that the accused with his actions created at least a threat of their onset, he himself will face imprisonment of up to 2 years. An alternative could be a more than sensitive fine: from 500 thousand to 700 thousand rubles.

Other topic is the "fake" news, which is also considered a serious problem. The Administrative Code provides for a fine in the amount of 30 thousand to 100 thousand rubles for the distribution of fakes.

New topic on the fake news appeared in the Criminal Code. Responsibility for the public dissemination of knowingly false information about circumstances that pose a threat to the life and safety of citizens provides for a fine of 300 to 700 thousand rubles. Such circumstances are recognized, in particular, epidemics and pandemics. With more serious consequences — harming someone's health — there is a risk of going to prison for up to 3 years. And if the distribution of fake news caused a death by negligence, then according to another new article of the Criminal Code, the guilty person faces imprisonment up to 5 years.

Other measures taken to combat Coronavirus epidemics

A number of other measures, primarily related to the closure of borders, were introduced by the Russian authorities. Since March 18 all foreign nationals and stateless citizens has been barred from entering Russia. Diplomats, airplane crew members and some other categories of people will be exempt.

Also, by a Resolution of the Chief State Sanitary Doctor dated March 30, 2020 No. 9, the following groups of citizens

were required to be examined for Coronavirus:

- Persons returning to the Russian Federation with signs of respiratory illness;
- Persons who contacted patients with Coronavirus;
- Persons with a diagnosis of community-acquired pneumonia;
- People older than 65 years applying for medical help with symptoms of a respiratory illness;
- Medical workers with risk of Coronavirus infection in the workplace - once a week;
- Those who are in permanent workplaces, regardless of the legal form, and the staff of such organizations, when symptoms of a respiratory disease appear.

Interestingly, the package of measures announced as means of combating the epidemic includes a number of innovations that increase taxation. Bill on Amendments to the Tax Code of the Russian Federation states that the personal income tax (PIT) with the standard rate of 13% will be taxed on the amount of interest on deposits that exceeds the interest on one million rubles at the Central Bank of Russia rate. The proposed measure will take effect in 2021.

Conclusions

At first glance, the measures taken by the Russian authorities at the moment look vague and fuzzy. In addition, many of these measures even appear contradictory. In fact, small and medium-sized enterprises were left without effective demand and state support, many people are forced to sit at home and wait for the next order of the authorities.

All of the above is compounded by the economic crisis associated with low oil prices and other economic conditions. Among the proposals made by relevant ministries and departments, there are many reasonable words about the abolition of tax payments for a certain period, the reduction of rates on certain taxes, and compensation for minimum wages from the budget.

The authors of the article continue to hope that a clear system of measures to combat the crisis and support for business will be presented soon, which will immediately begin to be adopted. So far, many entrepreneurs are in no hurry to use even those measures that have already been taken.

So, loans even at zero interest for salary payments are not popular, because it is not known what will happen in the future and where the entrepreneur will earn money to repay such a loan. Also, many entrepreneurs prefer not to pay attention to the delay in payment of certain mandatory payments, since they will still have to be paid in the future, that is, the debt will only increase.

Despite this, we look positively into the future and hope that the fall will always

be followed by growth, and we will be able to apply the experience gained during the troubled times to develop our legal business.

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Serbia

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On 15th March 2020, the state of emergency has been declared in the Republic of Serbia in accordance with Article 200 paragraph 6 of the Constitution, which was institutionalized through the Decision on the Declaration of the State of Emergency (Odluka o proglašenju vanrednog stanja, "Official Gazette of the Republic of Serbia", no. 29/2020). The Business Registers Agency does not operate with clients, but solely via electronic and regular mail, notaries public perform only solemnizations, while the public bailiffs have stopped operating for the time being. The Ministry of Justice has issued the decision on the postponement of all the hearings in all legal matters before the courts in the Republic of Serbia, except very urgent ones which are *numerus clausus* listed in the decision.

Also, the Government of the Republic of Serbia adopted a decision limiting the prices of basic foodstuffs, protective equipment and disinfectants. Furthermore, the Decision on banning the export of certain goods important for public consumption has been adopted. The Decision concerning the ban on export of medicines has been changed and now the export ban applies not only to medicines manufactured in Serbia, but to all medicines that are in the territory of Serbia.

Due to emergency measures and entry restrictions, international good transport and transit through Serbia has seen some delays. Ministry of International Affairs has issued a note lifting the entry ban in certain cases, including the crews of motor vehicles in international goods transport and transit (up to 12 hours).

Labor law issues

The Decree on the Organization of Work of Employers During the State of Emergency (Uredba o organizovanju rada poslodavca za vreme vanrednog stanja, "Official Gazette of the Republic of Serbia", no. 31/2020) imposes an obligation on the employers to enable work outside the employer's premises (remote work and work from home) at all work posts where such work can be organized.

If the employer's Work Regulations (In Serbian: Pravilnik o radu) or employment agreements do not regulate remote work and work from home, the employer is required to issue individual decisions on remote work to each affected employee. This decision must determine (i) the duration of work hours; and (ii) the manner of supervision of the work performed remotely. In addition, the employer must keep the record of the employees working outside the employer's premises.

Where remote work is not possible due to the nature of the work, the employer must mitigate the risk of disease spread by:

- Organizing work in shifts (if possible and if it does not require additional resources);
- Replacing physical meetings with virtual meetings;
- Enabling all business meetings to be held electronically or by other appropriate means (video link, video call, etc.);
- Providing all general, special and extraordinary measures relating to the hygienic safety of facilities and persons;
- Ensuring sufficient protective equipment for those who are in direct contact with clients and sharing the workspace with others;
- As of Sunday, 22 March 2020, 8pm all restaurants, coffee shops, and shopping malls are to remain closed until further notice.

The Government's Conclusion Regarding the Limitation of Public Indoors and Outdoors Gatherings (Zaključak u vezi sa ograničenjem okupljanja na javnim otvorenim i zatvorenim prostorima) regulates the manner in which the population may gather in public indoor and outdoor premises.

Outdoors, the distance between the people must not be less than 2m2 while indoors this distance increases to 4m2. All shops and other commercial premises must inform their customers of the maximum persons allowed in the premises given the above obligatory distances, in the form of a notice placed in front of the premises.

This does not apply to the persons who due to their specific working obligations cannot execute this Conclusion.

Order on Limitation and Prohibition of Movement of Persons in the Territory of the Republic of Serbia (Naredba o ograničenju i zabrani kretanja lica na teritoriji Republike Srbije, "Official Gazette of the Republic of Serbia", no. 34/2020) prohibits moving in public places, i.e. outside apartments, premises and residential objects, namely for:

- Persons with the age of 65 or older - in populated areas over 5000 inhabitants
- Persons with the age of 70 or more - in populated areas up to 5000 inhabitants

In addition, all persons are prohibited from going outside the apartments, premises and residential buildings between 5 pm and 5 am.

The aforementioned prohibitions shall not apply to persons to whom the Ministry of Interior issued a movement permit.

In this respect, if certain employees are working between 8 pm and 5 am, please note that the employer is obliged to fulfil the form-table with the data of employees working in a night shift, published on the web site of the Chamber of Commerce and Industry of Serbia: https://pks.rs/vesti/hitno-obavestenje-2434. The fulfilled form-table has to be delivered to Ministry 16 of Economy on the following e-mail address: vanrednostanje@privreda.gov.rs.

Contractual issues

Given the above listed measures already imposed by the authorities, which limit certain business activities, the force majeure clauses set out in the commercial agreements may be triggered upon fulfilment of certain conditions. The contractual party may not be liable for the non-fulfilment of its contractual obligation if: the force majeure circumstance occurred (i.e. the Government already imposed the measure that prevented the party to perform its obligation); and the obligation has not become due before the force majeure circumstance occurred.

Government support to the Economy

The Decree on the Tax Measures During the State of Emergency for the Purpose of Mitigation of the Economic Consequences Caused by Disease COVID-19 (Virus SARS CoV-2) (Uredba o poreskim merama za vreme vanrednog stanja radi ublažavanja ekonomskih posledica nastalih usled bolesti COVID-19 izazvane virusom SARS CoV-2) aims to increase the liquidity of the taxpayers in the Republic of Serbia during the state of emergency.

These measures refer primarily to the tax payers in the tax debts rescheduling programs, while the tax debts of all other taxpayers will be burdened by default interest as usual.

Also, the National Bank of Serbia imposed by its decision the moratorium on the obligatory payments of financial obligations to the commercial banks based on the credits and loans in a period not shorter than 90 days. This refers to citizens, agriculture entrepreneurs, other entrepreneurs and companies operating in the Republic of Serbia.

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Slovenia

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Due to the increasing number of COVID-19 cases, Slovenia declared an epidemic on 12 March 2020 and activated a national protection and rescue plan. The basis for declaring the epidemic is the expert opinion of the National Institute of Public Health (hereinafter »NIJZ«). In doing so, Slovenia followed the declaration of a pandemic by the World Health Organization (WHO).

Labor law issues

Due to exceptional circumstances an employer may unilaterally assign an employee to another type of work or another place of work. Such measure can only last for the duration of exceptional circumstances. In addition, employers may invoke some other options provided by ZDR-1. Below please find a list of these options.

Measures for the cases where the employees are still working

- Work from home
  An employment contract for work at home is a form of flexible employment for which specific legal requirements must be met. However, in exceptional circumstances the employer may order his employees to work from home unilaterally. In exceptional circumstances, the type of work or place of work may be changed, regardless of the provisions of the employment contract and also without the consent of the employee. Nevertheless, working from home must be feasible considering the nature of the work.

- Performance of other work
  In accordance with Article 33 of ZDR-1, an employer may temporarily order an employee to perform other suitable work. The employer must be aware that the new workplace must correspond to the type and level of education of the individual employee as well as his working time and place for which the employment contract was concluded.
  In exceptional circumstances the employer may impose performance of other work to the employees in a simpler way, but only as a temporary measure.

- Temporary redistribution of working time
  One of the options for employers in this time of crisis is the temporary redistribution of working time. It is intended as a change in the organization of work that occurs due to objective circumstances, which indicate the need for adjustments of the work process and cannot be planned in advance.

Measures for the cases where the employees are not working

- Instructing workers to wait for work at home due to inability to provide One of the measures, that can be taken when the employer is temporarily unable to provide work to his employees (due to reduced demand, interrupted supply chains, etc.) is to refer an employee in writing to wait for work at home.

- Referring employees to stay at home for preventative reasons. If there is a suspicion that, for example, the employee may endanger health and safety of other employees, the employer may refer such employee home for preventive reasons. This constitutes a position where the absence from work and consequently not performing work is caused by reasons on the employer's side. Special unpaid leave. Absence from work in the form of unpaid leave is also one of the options that can be considered in the event of extraordinary circumstances. It is only possible upon agreement between the employer and employee.

- Collective leave
  In general, the determination of collective leave arises from the needs of the work process and it is introduced by the employer when there is no work to be performed, or when he faces problems with providing work process. However, it is essential that the employer also allows the employee to take an adequate part of his annual leave and uses it for rest, recreation and family responsibilities, thus achieving the purpose of the right to annual leave.

- Use of annual leave
  The use of annual leave should, as a rule, be agreed with the employee. In doing so, the employer must take into account the primary purpose of annual leave that is the possibilities for rest and recreation of the employee and the fulfilment of his family responsibilities.

- Termination of employment contract for business reasons
  As a result of exceptional circumstances and extraordinary measures taken, it is expected that the need for many work posts will cease. In this event, the reasons for termination (economic, organizational, technological, structural, etc.) arise on the employers' side. In this connection, the employer may regularly terminate the employment contract due to business reasons.

Measures taken in agreement between employer and employee

- Salary reduction
- Part-time employment
- Termination of the contract by offering a new one

The employer is obliged to organize work process in a way that employees are guaranteed safety and health at work in all circumstances and working conditions. The employer must therefore take the necessary measures to ensure

safety and health of employees and other persons present in the work process. It is important to prevent, eliminate and manage occupational hazards and provide information and training of employees, with appropriate organization and necessary material resources.

Contractual issues

Based on current state of events and their development in the last few weeks it can be expected that the spread of virus as well as the measures for its prevention will significantly impact fulfilment of contractual obligations. The best solution is such cases are to reach a mutual agreement between the parties. Taking into account that amicable solution is not always an option, we are presenting you a few institutes of general contractual law, which will become especially relevant in such situations:

- Force majeure
  In certain cases a debtor can be released from liability for damage if it demonstrates that the debtor was unable to perform the obligation or was late in performing the obligation owing to circumstances arising after the conclusion of the contract that could not be prevented, eliminated or avoided. Legal theory and case law often describe such situation as “force majeure”.
- Change in circumstances (article 112 of Obligations Code)
  In case circumstances, which significantly complicate fulfilment of party’s obligations, arise after the contract was concluded, such party has an option to request rescission of the contract (through court).
- Inability to fulfil obligations (article 116 of Obligations Code)
  For the situations, where one party is unable to fulfil its obligation due to reasons outside its control, the Slovene Obligations Code envisages that the other party’s obligation should be terminated as well.
- Fulfilment of obligations is uncertain (article 102 of Obligations Code)
  Obligations code prescribes a right of a party, which is uncertain that the other party will fulfil its obligation due to sudden deterioration of that party's position, to delay fulfilment of its obligation until the other party fulfils its obligation or ensures appropriate security.

Government support to the economy: Benefits in tax legislation

In order to help entities that are facing financial difficulties in the current situation, the Financial Administration of the Republic of Slovenia ("FURS") presented 4 benefits provided by tax legislation to entrepreneurs and companies.

- Tax payment in up to 24 monthly installments or deferral for a period of 24 months;
- Payment in installments or deferral of tax with insurance (maximum of 24 monthly installments or 24 months deferral of payment);
- Payment in installments in the event of preventive financial restructuring or simplified compulsory settlement (maximum of 60 monthly installments);

- Request to change the amount of monthly or quarterly installment of tax prepayment.

Measures according to the proposal of the intervention laws

- Measures to assist the self-employed
  Self-employed will be allowed to defer their payment of social security contributions for April, May and June this year for a period of two years (by 31 March 2022 at the latest).
- Subsidized waiting for work at home
  Employers, who, due to deteriorating business conditions, are temporarily unable to provide work to employees, will be entitled to redundancies.
- Subsidized salary compensation in the event of ordered quarantine
  Employers will be entitled to claim reimbursement in the event of ordered quarantine.
- Compensation for sick leave during the epidemic will be covered by the Health Insurance Institute of Slovenia.
- Compensation for parents
- Parents are entitled to the absence from work and compensation due to the closure of kindergartens, schools and other educational institutions.
- Payment of all contributions to the pension scheme for those who remain employed in the business sector the by the state.
- In order to deal with liquidity, the Government proposed measures to establish a guarantee scheme and to facilitate the purchase of claims of Slovenian companies. In addition, the State is expected to provide sufficient funds for recapitalization or a guarantee for implementation on the basis of this proposal.

Other measures and aids

- Bank loans
  Old and new clients of SID Bank will be offered loans from SID Bank's own funds at a favorable interest rate and a de minims scheme for the purpose of liquidity financing for companies. Also, a new proposed act provides the possibility of deferred payment of loans for companies, cooperatives, natural persons who employ other people, self-employed and any agricultural holdings, which are established or domiciled in Slovenia and have loans at banks, branches of the bank and savings institutions of Republic of Slovenia.

- Measures of the Slovene Enterprise Fund (»Slovenski podjetniški sklad«), which is about to launch new calls for proposals to mitigate the effects of the spread of coronavirus, with one already published.

- Subsidies of the Slovenian Tourist Board (»Slovenska turistična organizacija«), which has launched a call for proposals for co-financing the promotion of the Slovenian tourist offer.

- Extension of the deadline for submitting tax return for the prepayment of business income taxes and the corporate income tax return, as well as the deadline for declaring the tax base with flat rate expenses from 31 March to 31 May 2020. The

setting of a new insurance base in 2020 is also postponed to May. Furthermore, formulation and submission of the indicative calculation of personal income tax for the year 2019 can be submitted in June.

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Spain

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In many countries in the world we are experiencing an extraordinary situation caused by the health crisis generated by the COVID-19, which has led to the declaration of the state of alarm in Spain by the Government through Royal Decree 463/2020 of 14 March.

The plenary session of the Congress of Deputies approved on March 25 the first extension of the state of alarm until April 12.

Due to this exceptional situation, the executive has been adopting measures through the well-known Decree-Laws prohibiting at first flights with Italy; preventing the celebration of multitudinous events; adopting measures to reinforce the protection of vulnerable groups in risk of mortgage eviction; mobilizing almost 20,000 million euros to reinforce the health system, help SMEs and families affected by the closure of schools; or 200,000 million to protect families and workers.

Thus, faced with an almost critical scenario, the freedom of movement of people has been restricted in an attempt to alleviate the contagion curve. People can only move around to buy food, pharmaceuticals and basic necessities; to attend health services, centers or establishments; to go to work and return home; or to travel due to force majeure or situations of need.

The only activities of retail shops or establishments open to the public are those related to the previous point, that is, those of food products, or of basic need, drinks, pharmaceutical, medical or veterinary establishments, opticians and orthopedic products, hygiene products, press and stationery, fuel for the automobile, water tanks, technological and telecommunications equipment, food for pets, Internet, telephone or correspondence trade, dry cleaners, laundries and the professional exercise of the activity of hairdressing at home.

It is inevitable that this type of situation will have legal consequences for individuals and companies. Consequently, a detailed study of the legal impact on the different areas of our system is being carried out.

TAX

1. What are the measures for relaxing deferrals before the Tax Agency?

Who can request them?

Individuals or legal entities whose turnover in 2019 does not exceed 6,010,121.04 euros may request deferment of their debts.

What debts can be deferred?

Debts corresponding to returns-settlements and self-assessments for which the deadline for presentation and payment is from 13 March 2020 to 30

May 2020, which would affect the returns for the first quarter and the monthly returns for February, March and April, can be deferred.

The postponement is extended to:

- Debts for withholdings or payments on account
- Corporate Income Tax instalments
- VAT derivatives

What amount can be deferred and under what conditions?

Debts not exceeding 30,000 euros may be deferred without the need to provide guarantees. In the case of debts that exceed this amount, they can be deferred with the appropriate formalization of a guarantee.
The debt may be deferred for six months and no interest will be accrued during the first three months of the deferment.

2. How do the measures affect tax deadlines?

In accordance with the ninth additional provision of Royal Decree 465/2020 of 17 March, which amends Royal Decree 463/2020 of 14 March, which declares the state of alert for the management of the health crisis situation caused by the COVID-19 (hereinafter "RDL"), tax matters are excluded from the suspension of terms and interruption of administrative deadlines, maintaining the ordinary deadlines for declarations, self-assessments and information statements.
However, it is agreed to suspend the following deadlines:

The following deadlines are extended until 30 April 2020, when they would have started before 18 March 2020 and would not have ended before that date.

– The deadlines for payment of tax debts laid down in Article 62(2) and (5) of the General Tax Law (Ley General Tributaria, hereinafter 'LGT'). These paragraphs refer to the voluntary payment of tax assessments made by the government and the deadlines for payment of debts during the enforcement period under the notified injunction, respectively.
– Due dates and fractions of the deferral and instalment agreements already granted
– The deadlines related to the development of the auctions and the awarding of goods referred to in articles 104.2 and 104 bis of the General Regulations on Collection, approved by Royal Decree 939/2005, of 29 July (these are, once the auction and awarding and payment have been opened, respectively).
– The time limits for attending to requests, seizure proceedings and requests for information with tax implications, as well as the time limits for formulating arguments before acts of opening said proceedings or hearings, dictated in the following procedures:
  - Tax application procedures
  - Sanctioning procedures
  - Proceedings for declaration of invalidity
  - Procedures for refunding improper income

- Procedures for rectifying material errors and for revocation

Within the administrative procedure of constraint, there will be no enforcement of guarantees on real estate from 18 March 2020 until 30 April 2020.
The expiry of the deadlines notified as from 18 March 2020 shall be extended until 20 May 2020, unless the deadlines granted by the rule are longer, in which case these deadlines shall apply.
If the taxpayer, however, is able to take advantage of the extension of the deadlines in the previous sections or without expressly reserving this right, and complies with the requirement or request for information with tax implications or presents his or her arguments, the procedure will be deemed to have been completed.

3. How do you calculate the time limits in tax matters?

The period between 18 March 2020 and 30 April 2020 shall not count for the purposes of the maximum duration of the procedures for the application of taxes, penalties and reviews processed by the State Agency of Tax Administration (AEAT), nor of the procedures initiated ex officio by the General Directorate of Cadastre, although during said period the Administration may promote, order and carry out the essential procedures.
Similarly, it is established that this period will not count for the purposes of prescription and expiry periods.
For the sole purpose of calculating the periods of limitation, in the appeal for reversal and in the economic-administrative procedures, the resolutions that end them will be understood to have been notified when an attempt to notify the resolution is accredited between 18 March 2020 and 30 April 2020.
The period for lodging economic-administrative appeals or claims against tax acts, as well as for appealing through administrative channels against the resolutions issued in economic-administrative proceedings, shall not commence until the end of said period, or until notification has been made, if the latter has taken place after that time.

Procedural

The state of alert has led to the suspension of all procedural and administrative deadlines, with a few exceptions. That is to say, the legal proceedings that are under way are now suspended.

Once the state of alert and all its extensions are over, the deadlines will resume.

1. Does this mean I can't do anything before the courts?

No, there are some exceptions to the suspension of deadlines. Thus, the following actions can be taken:

- The procedure for the protection of the fundamental rights of the person foreseen in articles 114 and following of the Law 29/1998, of 13 July, regulating the Contentious-Administrative Jurisdiction, nor to the processing of the judicial authorizations or ratifications

foreseen in article 8.6 of the mentioned law.
- The procedures of collective conflict and for the protection of fundamental rights and public liberties regulated by Law 36/2011, of October 10, regulating social jurisdiction.
- The judicial authorization for non-voluntary detention on grounds of mental illness provided for in Article 763 of Law 1/2000, of 7 January, on Civil Procedure.
- The adoption of measures or provisions for the protection of minors as provided for in article 158 of the Civil Code.

However, the judge or civil, administrative, commercial or social court may agree to the practice of judicial proceedings "that are necessary to avoid irreparable damage to the rights and legitimate interests of the parties to the proceedings".
In addition, during this time we can file briefs and lawsuits, since this is done via the Internet.

2. What happens to the shares and rights you hold?

The periods of prescription and expiry of any type of actions and rights that a person or entity may exercise have been suspended for the duration of the state of alert and all its extensions.

3. And what about administrative deadlines?

The state of alert has also meant the suspension of all administrative deadlines (except those referring to facts justifying the state of alert). Therefore, if you had to carry out any procedure with the administration, this has been suspended for the duration of the state of alarm.
However, it is provided that the competent body may agree, with reasons, "the measures of organization and instruction strictly necessary to avoid serious damage to the rights and interests of the interested party in the procedure". To this end, the latter must first express its agreement.
Similarly, when the state of alert ends, the time limits will be resumed.

Force majeure

The declaration of the state of alarm, as well as some of the measures adopted so far, mainly by the autonomous governments (closure of shops and establishments), as well as certain de facto situations (isolation), could be understood as force majeure situations in certain areas.

1. What is force majeure?

Force majeure is regulated by Article 1105 of the Civil Code, which states:

"Apart from the cases expressly mentioned in the law, and those in which the obligation is so stated, no one shall be responsible for those events that could not have been foreseen or, if foreseen, were unavoidable."

Our courts base the concept of force majeure on the inevitability/irresistibility/unpredictability ("vis cui resisti non potest") of an event that must take place in relation to the "business sphere of the obligor or debtor". In a contractual relationship,

force majeure is to be understood as consisting of:

- An event arising a posteriori from the beginning of the contractual relationship and from the obligations acquired by each party.
- It must be an event outside the sphere of the obligor's business, and must not be confused with circumstances that must be assumed and foreseen by the party on whom performance depends.
- There must be a total absence of fault because fault is incompatible with force majeure and fortuitous event.
- Such force majeure renders useless any diligent effort to achieve what has been contracted.

In short, "force majeure" must consist of a force beyond all control and foresight, and its occurrence must be weighed against the normal and reasonable foresight that the circumstances require to be adopted in each specific case, or the inevitability of a practical possibility.

2. What is the consequence of the concurrence of force majeure?

A case or event constituting force majeure may excuse one of the parties from fulfilling the contract without any responsibility, being released from the performance, in accordance with articles 1.105 and 1.184 of the Civil Code. Force majeure is, therefore, the release of the debtor from the obligation if as a consequence of the force majeure performance becomes impossible.

3. So, is the COVID19 a case of force majeure?

The COVID19 declared as a pandemic by the WHO is, in principle, an event of force majeure with respect to those obligations that are impossible to fulfil (a service that cannot be provided), since it is inevitable and unpredictable, and outside the sphere of business; and it can be considered an event of application of the rebus sic stantibus with respect to which its fulfilment is exorbitant or excessively onerous (payment for a service that cannot be received).

Only in the case of contracts concluded in COVID's current situation19 can it no longer be considered an event of force majeure because it will presumably have been taken into account in the obligations assumed by each party.

With regard to the contracts signed with knowledge of the existence of COVID19 before it arrived in Spain and knowing the effect this virus would have throughout Europe, taking into account the diverse and confused reactions of those who had all the information (the different governments), in our opinion there is little doubt about the unpredictability of its effects and its inevitability, taking into account its classification as a pandemic and the progressive measures taken by most governments of European countries.

4. Could a contract be modified or terminated as a result of COVID-19 and the Alarm Status?

The doctrines of the basis of the legal transaction and of the so-called rebus sic stantibus clause (as long as things remain the same) entitle the party bound by a contract that extends in time (successive contract) to request the modification, and even the termination of the contract, when an extraordinary and unforeseeable change of

circumstances has occurred that absolutely breaks the contractual balance.
Its application has traditionally been very restrictive, but with the financial crisis of recent years, the Supreme Court, in Plenary Session rulings dated 17 and 18 January 2013, has extended its scope, stating that "the current economic crisis, with its profound and prolonged effects of economic recession, can be openly considered as a phenomenon of the economy capable of generating a serious disorder or mutation of circumstances and, therefore, altering the bases on which the initiation and development of contractual relations had been established".
The COVID19 and the effects derived from the State of Alarm undoubtedly constitute an extraordinary and unforeseeable circumstance for the purposes of the application of the rebus sic stantibus clause and similar doctrines, but the concurrence of the second requirement, the excessive or exorbitant cost of the services, which would authorise the modification or, in extreme cases, the termination of the contract, will have to be analysed in each case.

5. In what type of contracts could it be invoked?

The typical contractual scenario for the application of the clause is that of long-term contracts: agency, distribution (adaptation of the minimum requirements in the period of upheaval), lease (difficulties in paying rent in exceptional circumstances), service lease (impossibility of provision), financing contracts, partnership contracts, etc.

Labour

Due to the paralysis of many companies, both large and small, the Council of Ministers adopted measures to try to achieve greater flexibility in the temporary adjustments of the workforce. It also reflected the possibility of a force majeure Temporary Employment Regulation (ERTE) file, to try to mitigate and avoid redundancies, this being the most striking measure in the labour field.

1. What do I do if my business has had to close due to the COVID-19 crisis and my employees are unable to telework?

The Workers' Statute (henceforth, the ET) provides a solution for companies affected by the decline in their services, currently, due to the COVID-19 pandemic. Article 45 i) of this regulation provides for the suspension of the contract (former ERTEs), whose regulation has been made more flexible by Royal Decree Law 8/2020 of 17 March, on extraordinary urgent measures to deal with the economic and social impact of the COVID-19.

2. What does the suspension of the contract mean?

The suspension of the contract implies the interruption of the obligation to work, as well as the interruption of the right to remuneration during the time that the ERTE lasts (art. 45.2 ET).

3. So, my employees will not be paid?

Employees will be entitled to receive unemployment benefit (art. 262 of the General Law on Social Security)

consisting of 70 percent of their regulatory base during the first 180 days and 50 percent as from the one hundred and eighty-one day.

4. Do I have to pay social security contributions for my workers during this period?

In accordance with article 273.2 of the General Law on Social Security, the company must pay the corresponding Social Security contribution, with the managing entity (the SEPE, in this case) paying the contribution that corresponds to the worker.

However, Royal Decree-Law 8/2020 of 17th March on extraordinary urgent measures to deal with the economic and social impact of the COVID-19 has exceptionally provided that in the case of ERTEs due to force majeure, the employer shall be exonerated from the company contribution to Social Security contributions. However, the case of force majeure must always be proven.

5. How do I prove the case of force majeure?

Royal Decree Law 8/2020, of 17 March, on urgent extraordinary measures to deal with the economic and social impact of COVID-19, establishes that COVID-19 will be a cause of force majeure mainly for establishments for which closure has been ordered or which have suffered contagion that puts their health at risk as a result of COVID-19.
Each specific case must be analyzed to check whether the stoppage of the activity has indeed been directly caused by COVID-19. Otherwise, if the activity has been affected indirectly, an ERTE should be considered for economic, productive, organizational or technical reasons.

Societary

The main objective in the business sector is to make use of technology to mitigate the presence or contact of the people who make up the governing and administrative body of a company, as well as to make deadlines more flexible and adopt measures not provided for in the articles of association to try to deal with the social and economic impact of COVID-19.

1. Extraordinary measures applicable to legal persons governed by private law

During the quarantine period, what happens to the meetings of the governing and administrative bodies?
Can I hold the sessions telematically, even though it is not provided for in the Articles of Association?

Yes,

During the alarm period, the new Royal Decree-Law 8/2020 (hereinafter the "Royal Decree-Law") allows the governing and administrative bodies, without the need for a statutory provision, to hold their sessions via videoconference provided that authenticity and bilateral or pluri-lateral connection in real time with image and sound of the remote attendees is ensured.

Does the above measure only affect commercial companies?

No, it affects associations, civil and commercial societies, and the governing

council of cooperative societies and the board of trustees of foundations, as well as the delegated commissions and other obligatory or voluntary commissions that these may have set up.

Where will the meeting be held?

At the registered office of the legal entity.
As for the agreements of the governing and administrative bodies, can they adopt their agreements in writing and without a meeting?

Yes, as long as the session of the governing body or administration is held during the state of alarm.
In accordance with the provisions of the Royal Decree-Law, during the alarm period and despite the fact that this measure is not regulated in the Company's Articles of Association, the governing and administrative bodies of legal entities are allowed to adopt their resolutions by means of a written vote without a session. Furthermore, it is established that the decision to adopt this measure will correspond to the president or when requested by at least two members of the body.

What happens with the formulation of the annual accounts?

The Royal Decree-Law has suspended the period for drawing up the annual accounts provided for in the LSC until the end of the state of alarm, and it will resume again for a further three months from that date. Consequently, the calculation of the three (3) month period will begin the day after the end of the state of alert.

However, in our opinion, the Royal Decree-Law should not be interpreted as prohibiting the formulation of the annual accounts during the state of alarm, since any businessman who can and decides to formulate the accounts should be able to do so, provided that the holding of the meetings and adoption of resolutions are adopted in accordance with the applicable legislation, guaranteeing the rights of all the members of the administrative body. We therefore consider that the additional period provided for in the Royal Decree-Law should be understood as an extension that implies an extension of the period of the obligation to formulate the annual accounts and that, therefore, it is not a question of prohibiting this obligation until the end of the state of alarm and the new period established by the Royal Decree-Law has elapsed.

What about the ordinary general meeting for the approval of the annual accounts?

The deadline for holding such an ordinary meeting will necessarily be within three (3) months from the end of the period for the preparation of the annual accounts.

What happens with the legalization of books?

Despite the fact that the Royal Decree-Law does not expressly provide for the legalization of the books, it can be interpreted that the general suspension of the ordinary deadlines is also applicable, and therefore it will be understood to be extended by two (2) months from the end of the state of alert.

Can I exercise my right to withdraw as a partner from a company during the state of alert?

No, the Royal Decree-Law has established that even if there is a legal or statutory cause, in capital companies the partners cannot exercise their right to separation until the end of the state of alert, as well as any extensions thereof.

What happens if the duration of a company's state of alert has expired?

According to the LSC, in this case the company would be dissolved with full rights, but during the state of alert the Government has decided that the companies will not be dissolved with full rights until two months have passed since the end of the state of alert.

2. Extraordinary measures applicable to the functioning of the governing bodies of listed companies

The following measures are to be implemented throughout the year 2020. The period of the obligation to publish and submit the annual financial report to the CNMV and the audit report of its annual accounts has been extended to six months from the end of the financial year. This period will be extended to four months for the publication of the interim management statement and the half-yearly financial report.

What about the obligations of the administrative and management bodies?

In this regard, and as we mentioned in point one of this information note, extraordinary measures are also introduced for listed companies and the mandatory Ordinary General Meeting, and the period for holding the meeting is extended to four more months, which can be held within the first ten months of the financial year.

Can we avoid having to attend in person?

The measures taken by the Government are implementing telematic means as an alternative to situations of risk of contagion in order to avoid attending in person, regardless of the fact that this isn't regulated in the company's own bylaws throughout the year 2020.

What happens if I cannot hold the meeting telematically or in person because of the measures imposed?

If the meeting is convened correctly, the venue can be changed within the same province, taking into account the transfer that attendees must make, in order to establish a reasonable period of time.

And if it cannot be held?

If none of the above cases can be met, despite the fact that the Law on Corporations does not expressly regulate the cancellation of the meeting, these extraordinary measures provide for the possibility of issuing a new call to the meeting with the same agenda and the same publicity requirements as the meeting not held, at least five days before the date set for the meeting to avoid it being postponed and to allow it to be held online.

How is this new call communicated?

Both the change of venue and the new call may be communicated by means of a supplementary notice approved by the

administrative body, provided that the possibility of participating in the meeting is offered by each and every one of these means:

a) telematic assistance;
b) representation conferred on the Chairman of the Meeting by means of distance communication and
c) early voting through distance communication means.

What about the resolutions of the Board of Directors and the Audit Committee?

In accordance with the previous sections, although nothing is said in the articles of association, these resolutions will be valid when the directors have the means and the secretary recognizes their identity, and this exception must be reflected in the minutes and in the certification of the resolutions, having been held in a single session at the company's headquarters.

3. Joint communiqué of the association of registrars of spain and the national commission of the stock market.

On 26th March last, a communiqué was published in relation to the annual accounts and the proposal for the application of the results of commercial companies in the context of the health crisis arising from COVID-19, which broadens the criteria of these bodies with regard to the measures adopted by the Government in corporate matters.
In this regard, entities may, among other alternatives, opt for the following:

1. If the administrative body considers it necessary, it must reformulate the annual accounts (Autonomous Regions) and modify the proposal for the application of the result (PAR) included in the report, so that the Autonomous Regions can include the last PAR to be submitted to the meeting.
2. Entities whose meetings have not been called may replace the proposal for the application of results contained in the Autonomous Regions' report with an alternative proposal adjusted to the health crisis situation resulting from COVID 19 that is approved by the administrative body.
3. In the case of entities with called meetings, the administrative body may also choose to propose deferral of the decision on the PAR contained in the meeting notice to a subsequent meeting to be held within the legally stipulated period for holding the ordinary meeting (period extended by RDL 8/2020).
4. Suspension of the period of expiry of entries in the register.

Which registry entries are affected by the suspension?

All those entries that may be cancelled due to the passage of time. Such as presentation entries, preventive notes, mentions or marginal notes, among others.

For how long?

During the validity of the state of alarm and, where appropriate, any extensions that may be agreed. Therefore, they will be resumed the day after the end.

So, how should I calculate the expiry time?

The initial day of calculation (dies a quo) of the expiry period will remain the same, i.e. the date of entry itself, while what modifies this extraordinary measure is the final day of calculation (dies ad quem).

5. Time limit for the duty to apply for the competition

What about the obligations of debtors who are in a situation of insolvency?

The measure in this respect affects the legal duty to apply for a declaration of insolvency. A debtor who is in a state of insolvency does not have a duty to apply for a declaration of insolvency during the period of the state of alert. Nor will those who have notified the competent court of what is known as the "pre-insolvency proceedings", even if the deadline for doing so has expired, have such an obligation.

And if the insolvency has occurred before the state of alert, the pre-insolvency has not been reported and the legal duty to apply for declaration of insolvency ends during the state of alert?

In this case, it is possible to apply for a declaration of bankruptcy within two months of the end of the state of alert.

How does this affect the legitimacy of the duty to apply for a declaration?

Once the state of alert has ended, the debtor has two months to file for voluntary bankruptcy. During the state of alert, the judges will not accept for processing the necessary applications for bankruptcy that were submitted during the state of alert, nor those submitted during the two-month period after its completion, giving priority to the applications for bankruptcy requested by the debtor himself.

And during the two months following the state of alert?

In these cases, the insolvency situations will again be regulated by the Bankruptcy Law, unless new legislative measures are approved in the future. This implies that they will no longer have the privilege of preference and summary that the state of alarm granted to the judges for the declaration of voluntary insolvency proceedings.

Other measures

Finally, other measures have also been adopted in the area of foreign direct investment in Spain, suspending the liberalization regime in certain sectors when the investor becomes a shareholder of 10% or more of the capital or if, as a result of the operation, he becomes an effective participant in the management or control of the company; sectoral measures have also been adopted in the energy and telecommunications market from a consumer protection point of view; and the implementation of a mechanism for accepting applications for a mortgage moratorium has also been regulated.

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Switzerland

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The Federal Council has categorised the situation in Switzerland as extraordinary under the terms of the Epidemics Act and issued a series of measures aimed at the population, organisations and institutions, and the cantons.
Measures are the following:

1. Entry restrictions for all persons except those from the Principality of Liechtenstein
2. Measures affecting the public, organisations and institutions
3. Exceptions for cantons at particular risk
4. Protection of people at especially high risk by employers must protect people
5. Provision of the population with food
6. Healthcare provision
7. Reporting requirement for healthcare providers

All the rules apply until 19. April 2020, with the exception of the entry restrictions described under i) below that will apply for a maximum of 6 months.
In addition, a failure to adhere to the enacted bans is punishable by a custodial sentence of up to three years or by a fine.
Entry restrictions for all persons except those from the Principality of Liechtenstein.
The Federal Council took measures to restrict entry into Switzerland. In particular, in consultation with the Federal Department of Foreign Affairs (FDFA), the Federal Department of Home Affairs (FDHA) defines countries or areas designated high-risk countries or areas. Under the Ordinance of 25 March 2020, all countries are currently considered to be high-risk countries or areas, with the exception of the Principality of Liechtenstein. All persons from high risk countries, with the exception of those from the Principality of Liechtenstein, will be refused entry to Switzerland. Exceptions are possible, for example for persons who live or work in Switzerland. Anyone wishing to enter Switzerland despite the ban on entry must be able to prove that they meet the necessary requirements.

Measures affecting the public, organisations and institutions

Measures affecting the public, organisations and institutions imply: stay at home, prohibition of gathering of more than 5 people are prohibited, of classroom teaching at all educational establishments and of public and private events except those identified by the Federal Council.

Stay at home

Stay at home. Only leave the home if absolutely necessary (i.e., to purchase groceries; to go to the doctor's or the pharmacy, to help someone and to work

if it is not possible to work from home) and you have to go to work. People over the age of 65 or that have an underlying medical condition are strongly recommended to stay at home under any circumstances unless they have to go to the doctor.

Gatherings of more than 5 people are prohibited

Gatherings in public spaces of more than five people are prohibited. Public spaces include squares, promenades and parks. If five or fewer people meet, they must maintain a distance of two metres from one another. Anyone not complying with this rule will be fined. This ban is valid until 19 April 2020.

Ban on classroom teaching at all educational establishments

Classroom teaching is banned at schools, universities and other training and educational institutions. The ban will apply until 19 April 2020. The cantons are required to ensure that childcare is provided for children who cannot be looked after privately. People at especially high risk may not be involved in such arrangements.

Events and establishments

The Federal Council has banned public and private events. This also includes sporting events and club activities. All establishments open to the public will be closed. This applies to the following shops and markets, restaurant establishments, bars, discos, nightclubs and strip clubs, leisure and entertainment establishments; in particular museums, libraries, cinemas, concert halls, theatres, casinos, sports centres, fitness centres, swimming pools, spas, ski resorts, botanical gardens and zoos, businesses offering personal services involving physical contact, such as hairdressers, massage parlours, tattoo studios and cosmetic studios.

The ban does not apply to the following establishments and events: food stores and other shops selling articles for everyday use (e.g. kiosks and petrol station shops), takeaway establishments, staff canteens, meal delivery services and restaurants for hotel guests; pharmacies, drugstores and shops selling medical aids (e.g. eyeglasses and hearing aids), post offices and sub-post offices, sales points for telecommunications providers, banks, petrol stations, railway stations and other public transport facilities, maintenance facilities for vehicles and other means of transport, Public administration (incl. penal institutions), social work establishments (e.g. shelters), funerals attended by close family, healthcare facilities such as hospitals, clinics and medical practices, and practices and establishments run by health professionals under federal and cantonal law, hotels. These establishments must follow the rules on hygiene and social distancing. This can mean, for example, that the number of people present must be limited so as to allow people to keep their distance.

The Federal Council has recommended that penal institutions (prisons and other places of detention) refer to the guidance issued by international organisations, in particular the recommendations of the

World Health Organization (WHO) and the Council of Europe, in setting measures to reduce the risk of transmission and combat the coronavirus (COVID-19). In certain situations, cantons may allow exceptions to this ban on a limited basis. For such exceptions to be granted there has to be an overriding public interest (e.g. educational establishments, and in the event of supply problems), and comprehensive protective measures must be adhered to.

Exceptions for cantons at particular risk

The Federal Council can authorise the cantons to limit or suspend the activity of certain branches of the economy for a limited time and for specific regions if the epidemiological situation indicates a particular risk to the health of the population. The Federal Council may authorise such requests in part or in full, a particular consideration being whether the branch of the economy concerned would be impaired by a lack of cross-border workers.

Businesses able to demonstrate that they comply with the prevention measures under Art.7d para 1 of the COVID-19 Ordinance 2, may continue to operate.

Employers must protect people at especially high risk

Employers must allow people at especially high risk to work from home and must undertake the necessary organisational and technical measures. If a person at especially high risk is only able to carry out their work at the workplace, the employer must make every effort to ensure that the recommended rules on hygiene and social distancing (washing hands and keeping distance) can be respected. They will take the necessary organisational and technical measures. If the employer fails to do so, the business may be closed down. If an employer is unable to fulfil the abovementioned requirements, he must place the employee on leave while continuing to pay their wages. Employees at especially high risk must provide their employer with a personal declaration to that effect. The employer may request a doctor's certificate.

Provision of the population with food

Delivery services may deliver food and other everyday items ordered online seven days a week.

Healthcare provision

The cantons can oblige private hospitals and clinics to accept patients. Hospitals, clinics, medical and dental practices may not conduct non-urgent procedures and treatments.

Reporting requirement for healthcare providers

The Federal government wants to coordinate healthcare. To do this it needs up-to-date information from hospitals. The cantons are therefore required to notify the Coordinated Medical Services.

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A number of exceptional measures have been adopted in order to face the economic and social repercussions owing to the Covid-19 pandemic. Such measures will be enforced only after the publication of the relevant legislative and regulatory documents.

Tax, customs and social provisions

1- Measures applicable to all companies
   a) Postponement of the Companies' tax returns until the end of May 2020 instead of 25 March 2020, except for companies subject to the a *IS* regime (tax on companies) at a rate of 35% (banks, insurance companies, oil companies, operators, telecommunications, big-sized companies, commercial areas, etc.)
   b) Suspension of any tax investigation until the end of May 2020, as well as any deadline related to the tax investigation procedures and any deadline for opposition
   c) Return of tax credits for companies within a period of no more than 1 month
   d) Implementation and activation of the role of the national commission and the regional commissions for conciliation
   e) Full VAT exemption for the wholesale or retail sale of medicines
   f) Cancellation of any delay penalty for the companies who have concluded public contracts and which have been affected by the Covid-19 crisis for a maximum period of six months
   g) Possibility for companies to proceed to revaluate their property assets, whether built or yet to be built, based on their actual value and to benefit from exemption of the revaluation gains connected with the non-transfer of the property subject to revaluation
2- Specific tax provisions for "companies most affected by the pandemic"
   a) Simplification of the VAT credit reimbursement procedure for "companies most affected by the pandemic":
      - The requisite of having a VAT credit for 6 consecutive months is no longer requested
      - The reimbursement is granted within a period not exceeding 1 month
   b) The possibility to reschedule fiscal debts for a maximum period of 7 years
   c) The granting of any tax certificate (purchase certificate with VAT suspension, etc.) without the need

to submit the required documents (with the commitment to produce them subsequently)

3- Exceptional and specific customs measures for "companies most affected by the pandemic" Amnesty to the benefit of industrial companies which have legal proceedings or customs fines within 20 March 2020, consisting in the payment of 10% of the principal amount in addition to the custom duties and the taxes due.

4- Social measures deferment of payment of the CNSS' social security contributions from the second quarter of three months.

Financial measures

1- For sectors affected by the pandemic

a) Touristic sector
- Creation of a guarantee system (500 mTD Fund) to the benefit of the touristic sector (touristic restaurants, class 1 travel agencies), for the purpose of guaranteeing operational and management credits which will be used by the banking sector before 31 December 2020 for a period of 7 years, including a 2-year grace period. This provision also applies to transportation and the cultural sector.

b) Small and medium enterprises (SMEs)
- Granting of additional loans of 300 mTD in support of SMEs.
- Implementation of procedures by means of which the State undertakes to take charge (taking over) of the difference between the interest rate of investment loans and the average rate of the monetary market within a limit of 3 points

c) Healthcare sector
- Development of an investment mechanism for an amount of 100 mTD in order to finance the acquisition of equipment for hospitals and public healthcare institutions.

d) Full exporting companies
- Allow full exporting companies operating in the food and healthcare sector to reach a local turnover of 100% in 2020 instead of 30%
- Allow full exporting companies to reach a local turnover of 50% during 2020 instead of 30%

2- For all sectors

a) Deferment of debt payments with banking and financial institutions for a period of 6 months

b) Creation of an investment fund of 500 mTD upon initiative of "Caisse de Dépôts et Consignations" for the purpose of financing companies by means of mechanisms similar to the equity mechanism (quasi-equity) and those for companies which undertake to preserve jobs.

Banking measures envisaged by the Central Bank of Tunisia

1- Withdrawal of money from ATMs free of charge

2- Suspension, for any transaction of less than 100 dinars, of any commission applied to invoice issuers

and traders for electronic payment services
3- Issuance of a bank card, free of charge, to any bank account holder requesting so
4- Authorization of banks and financial institution to postpone any ordinary meeting after the statutory time-limit set for 30 April 2020.
5- Suspension of any dividend distribution measures relating to the 2019 fiscal year
6- Abstention by the banks to perform any repurchases transaction of their own shares.

Other exceptional measures

1- Reduction of the key interest rate of the Central Bank of Tunisia by 1000 base points, in order to bring it back to 6.75%
2- Creation of an additional fund of 500 mTD, in order to strengthen the strategic stock in terms of medicines, food products and hydrocarbons
3- Review of statutory amendments in order to temporarily suspend the prosecution of financial crimes
4- Creation of a management unit for companies most affected by the pandemic in order to guarantee employment. Said unit shall sit at the government's presidency and shall be composed of State's representatives, UTICA (Tunisian union for industry, commerce and craftsmanship), UGTT (Centrale Syndicale) and APTBEF (Tunisian professional association of banks and financial institutions) and any other organization, where necessary
5- Suspension of interruptions to water, electricity and telephone supply for a period of 2 months
6- The supervision and implementation of all the above mentioned measures shall be guaranteed by a steering and supervisory committee established by the Ministry of Finance.

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Impact to the contractual relations under Turkish commercial code and code of obligations

The extent of the problems caused and to be caused in the future by Corona (Covid-19) virus has affected and will keep affecting various sectors worldwide and an evaluation on the basis of contractual relations between companies and/or persons shall be made. The issue requires contracting parties to comprehend the legal consequences of their actions tête-a-tête because the rules under Contracts Law and Commercial Law may vary due to abnormal situations. Therefore, rights and obligations of the contracting parties must be determined under exceptional circumstances caused by Covid-19 pandemic.

1. Force Majeure Assessment under Turkish Code of Obligations

Force majeure is an unpredictable, inevitable and unrestrainable event (i.e. earthquake, flood, war, state of emergency, pandemic) that changes course of actions in different aspects. It prevents one party or both parties from fulfilling their obligations under the contract. The Covid-19 pandemic can be deemed a force majeure when considered its disruptive impact worldwide. However, while discussing whether the Covid-19 pandemic falls in the scope of force majeure, it should not be forgotten that the essence of a contractual relationship is the will of the contracting parties.

"Freedom of contract" allow contractual parties to regulate the conditions liberally, providing that the mandatory provisions of law are not violated. The Turkish Law does not describe force majeure and exemplary events conclusively, and thus, events of force majeure and conditions of liability can and shall be determined with free will (exceptions are to be evaluated).

The first source en route an evaluation is the contract in between. Parties usually regulate a force majeure clause to indicate that they will not be responsible for their nonfulfillment in case of a force majeure since the Turkish Code of Obligations does not directly define force majeure and its consequences as mentioned above. When contract does not include a force majeure clause or does not include the object at issue (i.e. pandemic) in its force majeure clause, then the unexpected case (in our example, pandemic) will not be considered as a force majeure for this specific relation. Nevertheless, depending on the specific conditions, it may be unfair to say that the affected party/parties will be lack of any legal

tolerance and protection against extraordinary burdens.
When contract does not include a force majeure clause or does not include the object at issue in its force majeure clause, the Turkish Code of Obligations n. 6098 ("TCO") becomes involved at this point in order to offer exceptional rights to the unprotected party whom the contract incapacitates. TCO regulates two formulas; "impossibility of performance" and "hardship of performance", with the articles 136 and 138 respectively.
Before analyzing the relevant conceptions under the law, an important matter must be brought to the table: Merchants are entitled with the Turkish Commercial Code ("TCC") prior to TCO. TCC put them under the obligation of exercising due care. If two merchants agree on continuation of liability in case of force majeure, the agreement is valid, because a merchant accepting to make payment even in the event of a force majeure is expected to see the possible outcomes, take the necessary precautions and bear the consequences. The debtor will be expected to perform the obligation when the agreement does not contain a provision regarding the relief of obligation. However, the impacts of force majeure on a contract will differ from case to case and it is important to approach to every single case specifically. Merchants can yet to be protected against this contractual burden if the performance of obligation will be catastrophic for the performing party.
It should also not be forgotten that there is neither a declared official curfew nor a cassation of commercial business, beyond certain exceptions, in Turkey. While the government keeps taking measures by degrees, some employers take their own precautionary initiatives. Thus, should an evaluation about impossibility or hardship of performance be made properly, it is important to take this in account and approach to every single case specifically.

2. Impossibility of Performance

As per Article 136 of the TCO, in the event that the performance of the obligation becomes impossible (i.e. due to a force majeure), the debtor is released from the fulfilment responsibility. This principle arises from rules of nature and logic, independently of debtor's default and consequently results in objective impossibility. In case a force majeure causes impossibility of performance, the debtor is released from fulfilment responsibility and is entitled to return what (s)he had obtained if any, from the opposing party.
With respect to synallagmatic contracts; the debtor free from the obligation due to impossibility is obliged to return the acquisition (s)he had gained via the contract, under the rules of "unjust enrichment" or if (s)he is yet to receive, loses right to demand the performance. In case of impossibility, if the contract is of "instantaneous performance", debts are terminated ex officio. But if the contract is of "continuous performance" (i.e. procuration, lease), it must be determined whether the impossibility is permanent or temporary. Covid-19 pandemic may be deemed a temporary situation and this fact shall be paid regard to, during the assessment of the matter.
When the global outcomes of the pandemic analyzed, it is possible to consider the ongoing situation as a force

majeure precluding performance of obligation. But once again, it shall be underlined the fact that the impacts of force majeure vary case by case and a true judgment regarding a particular case can only be made by examining the concrete facts. Even if Turkey is still to declare an official curfew or a cassation; corporate shutdowns, commercial stagnation and voluntary quarantine nationwide show that there are major impacts which may suffice the recognition of force majeure.

Recognizing Covid-19 pandemic as a force majeure does not necessarily mean that it will lead into impossibility of performance. Article 136 of TCO applies only if the obligation becomes impossible to perform. Thus, each case must be examined to distinguish the impossibility from force majeure.

Duration of the crisis shall also be taken into account. A temporary stagnation in commerce may not result in "impossibility". An actual impossibility is accepted when e.g. the commercial life comes close to a stopping point, an economic crisis occurs, rate of unemployment rises drastically due to Covid-19 besides there must be a direct causation between force majeure and non-fulfilment.

3. Pecuniary Debts

It makes a difference in the consequences depending upon the type of the promised performance in the contract. In the event that the performance of the obligation becomes impossible, the debtor is released from fulfilment responsibility provided that the obligation is of specific nature (i.e. delivery of specific goods). Monetary obligations (pecuniary debts) cannot be terminated due to a force majeure, given that the subject of the obligation is not a specific item that can perish, but the money itself.

As it is still possible for debtors to fulfil their pecuniary debts by borrowing at interest, taking out a loan or making payment from cash assets, it cannot be said that a temporary stagnation in commerce results in an "impossibility", in line with a pecuniary debt, as the period and long-term consequences of Covid-19 pandemic stay uncertain.

4. Default

Non-fulfilment of a pecuniary debt due to Covid-19 incident may be considered as default of debtor in line with Article 117 of TCO. If the contract between the parties does not contain a clause regulating a deferment in case of a force majeure, due date will remain the same and the debtor will be lapsed into default with a notification of payment. In this case, since the debtor is unable to benefit from impossibility rules, (s)he may be protected by TCO which defines "hardship of performance" provided that the situation meets the conditions.

5. Hardship of Performance

As per Article 138 of TCO which defines "hardship of performance", unless otherwise agreed in the contract, the contract must be adapted to the drastically changing circumstances if the performance of relevant obligations cannot be fulfilled by a party due to unforeseen situations which causes hardship. Incidents that are qualified as

hardship arise from unpredicted events that fundamentally alter the equilibrium between the parties resulting an extreme burden for one of the parties. In this regard, it can be possible for the debtors to file a revision request at the courts unless the parties agree on an alteration of terms in order to maintain the balance.
Considering Turkey, measures taken by the government stay discretionary. Since it is still uncertain whether the government will take official and mandatory precautions (such as declaring curfew), debtors are not able to raise a real impossibility claim at the moment and cannot assert termination of the debt. This is where Article 138 steps in to offer a chance for alteration and equilibrate burdens of contracting parties. A debtor who cannot make a claim based upon Article 136 (impossibility of performance) can still use Article 138 (hardship of performance) and ask for revision of the conditions in her favour if the event of force majeure objectively causes an extreme inequity.
A debtor, free of any omission, who cannot manage to fulfil her contractual obligations due to unforeseen extraordinary incidents, willing to protect themselves against Article 117 ff of TCO (default of debtor), can ask for a revision and demand relieving alternative solutions, i.e. lowering the price, deferment of the due date, instalment etc. It should also be pointed out that as it is uncertain whether the courts will issue a decision fitting to both parties' requests and needs, and for which period the revision concerning the debt would be applied, in our opinion, a mutual agreement of parties would be a better way instead of a revision request at the courts.

6. Lease Contracts

The Ministry of Interior of the Republic of Turkey issued several notices on different dates as part of "Coronavirus measures" and suspended businesses and activities in open public places such as bars, clubs, theatres, movie theatres, gyms, beauty centres etc. Beside this, most of the businesses including shopping malls have also decided to suspend their operations on their own initiatives. That being the case, it became essential to address the workplace leases as lessees may have exceptional rights against their landlords.
Even if the government has not officially decided yet to suspend all the business nationwide, in practice, industrial operations -especially the retail industry- came close to a recession, which seems to suffice the conditions of impossibility of performance. Undoubtedly, lessees in stores and other workplaces are facing a serious financial trouble. As lease contracts consist of continuous performance, it can be possible for lessees under certain conditions to benefit from Article 136 (impossibility) over and above Article 138 (hardship). At this point it becomes crucial to evaluate the duration of the pandemic and its permanence.
Article 136 regulating hardship can apply to leases and parties can discuss revision alternatives such as -temporarily- suspending or reducing the price, postponement of due dates etc. The requesting party can bring the matter to courts but as mentioned previously, the judicial procedure will take long time and the decision cannot be foreseen as there are no certain precedents addressing

amendment of contract due to a global force majeure plus workload is most likely to disrupt courts' working. Thus, it would be the best for the parties to mutually agree on an alteration in this respect.

The Omnibus Bill on amendment of some laws was published in Official Gazette n. 31080, dated 26.03.2020 and regulated with its Provisional Article 2 that nonpayment of workplace rentals due and payable between the dates 01.03.2020 and 30.06.2020 cannot be a reason by the landlords for termination and evacuation.

"The Decision n. 2279 dated 21 March 2020 of The Presidency of the Turkish Republic on Suspension of Execution and Bankruptcy Proceedings" and Provisional Article 1 of the above mentioned Omnibus Bill regulate that all the periods regarding born, usage or termination of a right including term of litigation, commence of execution proceedings, applications, complaints, notices, submissions, periods of limitation and prescription, mandatory administrative applications are suspended starting from -and without excepting- 13.03.2020 to -and without excepting- 30.04.2020. Lessees can still be lapsed into default but cannot be put against execution proceedings and evacuation or termination requests by the lessors.

In case the contract includes a clause defining the consequences of any compelling reason or force majeure, undoubtedly the parties will act in accordance with this clause above all.

Conclusions

The impacts of Covid-19 pandemic force corporations, businesses, merchants and persons comprehend their rights and obligations in order to determine correct solutions. Contractual relations become more fragile against extraordinary circumstances and parties shall know more about the legal aspects of these compelling times for a better crisis management in commerce.

Force majeure is an unforeseeable circumstance that prevents contracting party/parties from performing the obligation. Since the Covid-19 epidemic turned into a pandemic, it can be considered as a force majeure and an event of force majeure will bring different results and exceptional legal solutions with it.

The law regulates that in case debtor cannot fulfill the promised obligations because of an unpredictable event without any fault by her (i.e. force majeure), the nonfulfillment is deemed "impossibility" and may be excused. In case of an impossibility, debtor is released from her fulfillment responsibility provided that (s)he was obliged to deliver a specific performance. Monetary obligations (money debts) cannot be terminated because money is a nonspecific, imperishable trading instrument. Thus, debtors can still be lapsed into default with notification of payment on condition that there is a pecuniary claim from the contract in between.

The Turkish law also defines "hardship of performance": Incidents that are qualified as hardship arise from unpredicted events that fundamentally alter the equilibrium between the parties resulting an extreme burden for one of the parties. In this regard, it can be

possible for debtors to file a revision request at the court unless parties agree on an alteration of terms in order to maintain the balance.
Contracts of lease are also affected by the pandemic since the government measures and employer initiatives suspended most of the operations and activities. As the course of economy seems to be close to a downturn; rights of lessees in shops, stores, offices and relevant facilities shall also be evaluated under the rules of impossibility and hardship of performance.
For the last time we would like to emphasize that the impacts of force majeure and rights to impossibility or hardship claims differ greatly based on the specific contract clauses and certain circumstances besides it could be unfair and ineffective if all the aforementioned rules would apply in the same way for each different case. Nevertheless, the principles written in this article must be taken into a serious consideration before going deeper in the specific facts, so as to make a proper evaluation.

Impact on Labor Law

Turkish Labor Law provides various rights and obligations to the employees and employers within the context of the employment relationship between the parties. Here is a summary of those rights and obligations that may also be applicable to the current Covid-19 pandemic situation.

1. Termination of an employment Contact

- Termination due to Health Reasons

By the Employee
(Article 24/1-a of the Labour Law)

Under Turkish Labour Law, termination of the employment contracts by Employees due to health reasons is regulated under Article 24. Under this regulation an employee may terminate the employment contract rightfully, if;

- The performance of the work stipulated in the employment contract endangers the employee's health or life due to a reason arising from the nature of the work;
- •The Employer or another Employee, where the Employee constantly meets closely and directly, is infected with a disease that is contagious or incompatible with the work.

As a result of such rightful termination by the employee, severance pay and unpaid wages, vacation payments (excluding notice pay) would have to be paid to the employee by the employer.
Consequently, if a corona virus case is detected in any workplace, considering its spreading ability and lack of a definitive treatment method, we believe that this situation may justify a rightful termination for other employees who are under risk at the work place.

By the Employer (Article 25/1 of the Labour Law)

Termination of an employment contract by an employer due to health reasons is regulated in the Article 25/1 of Turkish Labor Law. As the epidemic is not

regulated separately in the law, if an employee is infected by Corona virus; the employer has right to terminate, if;

- It is too risky to continue working in that workplace which is detected by a Medical Board.
- If the recovery period it exceeds the notification period in the Article 17 (mandatory notice period + 6 weeks),

    - Termination due to Compelling Reasons

Is Seizure of Activity considered as the Compelling Reason?

By the State**:** The closure of the shops in some sectors (e.g. restaurants and cafes) or the curfew announcement by the public authorizations due to Covid-19 will be considered as a compelling reason in accordance with Articles 24 and 25 of the Law. So if a compelling reason lasts longer than 1 week (within 1 week period a half-wage will be paid), the employee or employer may terminate the employment contract under the conditions mentioned above.

By Employer's Initiative: If the workplace will be shut-down for preventive purposes with the employer's own initiative this situation may not be considered as a compelling reason under Art.25/III of the Labor Law.

Termination by the Employee (Article 24/III of the Labor Law)

Article 24/III of the Labor Law regulates also the "**compelling reasons**" under the title of the rightful termination. According to this Article, in case of a compelling reason which prevents employee from working for a period longer than a week, employee may terminate such employee's employment contract at once without considering notice periods (indefinite term contract) or before its term (fixed term contract).

Termination by the Employer (Article 25/III of the Labor Law)

In case of a compelling reason which prevents employee from working for a period longer than a week, an employer may also terminate such employee's employment contract at once without considering notice periods (indefinite term contract) or before its term (fixed term contract).

2. The Half Wage Payment for Days-Off

As per article 40 of Labor Law, in case that an employee cannot work due to compelling reasons as stipulated under article 24/III and 25/III, the employee can be paid a half wage for up to one week within this waiting period. If the employer terminates the employment contract in line with article 25/III, the employer will not be obliged to comply with the notification periods. If the employee terminates the labor contract in line with article 24/III, the employee will not be entitled to the notice compensation. However, in either case the employer is responsible for paying employee's severance pay.

3. Paid and Unpaid Leave:

Paid Leave

If the employee has unused leave, the employer is authorized to make the employee use these leaves. In case the employee is not entitled to take a leave under the law employer may ask the employee to use a part of its next year's leave in advance. There is a common belief that asking an employee to use an advance leave up to 1 week is a fair approach.
Although there is no regulation required by law to obtain the written approval of the employee to make the employee to use her/his paid leave, as the situation here will result in the use of a high number of employee's leave, as in the unpaid leave application, obtaining written approval from the employee may prevent potential future disputes.

Unpaid Leave

The "Unpaid Leave" process, which is not clearly defined under the Labour Law, has been adopted by the Turkish Court of Appeal decisions. Accordingly, if the parties agree on an unpaid leave, the employment contract will be suspended during the agreed period. During this suspension period, the Employee will not work, and the Employer will not pay any wage to the Employee. Unlike the usage of paid leaves, unpaid leave necessitates the explicit approval of the employee.
If the employee does not accept the unpaid leave offer, the employee will have the right to terminate the employment contract. In such case, the employee is entitled to the severance pay, but not the notice compensation.

As the unpaid leave term is considered as a suspension of the employment contract no insurance premium will be paid by the employer and this period will not be included in the calculation of severance pay.

4. Short-Term Employment Allowance

What is a Short-Term Employment Allowance?

Short-term employment allowance, in accordance with the Unemployment Insurance Law No. 4447, is a practice which provides financial support to employees for a period of 3 months at most (this period may be extended up to 6 months by a decision of President), in the event of a shut-down of work place permanently or temporarily at least 4 weeks or in the event that the weekly working hours in the workplace are temporarily reduced by at least one third, due to general economic, sectoral, regional crisis or compelling reasons.

How to apply in case of different working conditions?

It is possible that some employees in the workplace under question may stop working entirely, or their working hours may be reduced or they continue working full time. In case different working conditions are regulated in a work place, the employer will only be able to apply to the short-term employment allowance for employees who cannot keep working continuously for 30 days and for those whose working times were reduced at least by 1/3.

What are the conditions to be entitled to get the allowance?

Under normal circumstances, in order to benefit from the short-time employment allowance, the employee should be entitled to get the unemployment compensation at the start date of the short-term employment, in terms of the working time of the employee and the number of days of unemployment premium payment. However, within the scope of Covid -19 measures, with The Law No. 7226 on Amendment of Certain Laws on 25.3.2020, a temporary article was added to Unemployment Insurance Law No. 4447 and with this amendment (Article 23), employees who worked 450 days under insurance in the last 3 years and paid the unemployment insurance premium for the duration of 60 days in that work place can benefit from the short-term employment allowance. This article will be valid until 30.06.2020. Within the scope of the short-term employment, employees are provided with short-term employment payments, and General Health Insurance premium payment services.

Which institution should be applied for the short-term employment allowance?

The employer should apply to ISKUR in terms of the business interruption or the significant decrease of working hour in workplace, due to general economic, sectoral, regional crisis or compelling reason. Following the employer's application to ISKUR, the work place should be examined by the Labour Inspectors and be determined that the work place is affected by these situations.

Recently introduced provisions on short-term employment allowance

Within the scope of Covid 19 measures, with The Law No. 7226 on Amendment of Certain Laws on 25.3.2020, a temporary provision was added to Unemployment Insurance Law No. 4447. Under this new provision; in order to benefit from the short-term employment application, employees should not be laid off by the employer during the period of short employment at work, except for the reasons included in the article 25 (the right of the employer to terminate the employment contract) section 1 and paragraph II (cases that do not comply with the rules of moral and goodwill).
With this added temporary provision, it is also stated that the applications will be concluded within 60 days from the application date for the payments.

5. Compensatory Work

What is the Compensatory Work?

In accordance with Article 64 of the Labour Law; in case of a business interruption due to compelling reasons or significant decrease of working hours or a complete discontinuance of business or granting a leave to employees by demand for similar reasons, the Employer may ask employees to compensate the unworked periods during four months, following the normal working period starts by disappearance of compelling reasons. This period, which was determined as 2 months in the previous regulation of the Labour Law has extended to 4 (four) months within the scope of Covid 19 measures.

Will Additional Working Hours Be Considered as Overwork?

These kinds of additional working hours will not be considered as overwork. Compensatory working cannot exceed three hours per day, provided that it also does not exceed the maximum daily working hour.

6. Temporary Disability Benefit

Persons who have been quarantined in health institutions or in determined places through official authorities, who have been asked to stay in their homes after returning from abroad or who have been diagnosed with Covid-19 virus and started to her/his treatment, will be able to receive an appropriate medical certificate from the relevant health institution, in this case, if at least 90 days of premium has been paid within the last year before the start date of their disability due to illness, they will be provided a temporary disability benefit by the SSI from the 3rd day of the medical certificate.

Disability benefits are paid for those who are hospitalized on their rest days based on the half of the daily premiums, for those who are outpatients based on the 2/3 of the daily premiums.

7. Obligations of the Employee and Employer

Both the employee and the employer have the liability to inform each other if they detect concrete factors threatening the health of workplace. This obligation is mandatory to keep the workplace in order and healthy. For example, the status of an employee who has been diagnosed as infected by the virus and showing symptoms of this disease should be reported to the employer. However, it will surely be against the above mentioned principle to report the employee if the disease has not been certainly identified and based just on a simple suspicion.

Impact on other Laws

Law No. 7226 published in the official gazette on 26.03.2020 has amended certain legal provisions on different laws

1. Amendments on the statuary periods regarding the code of civil procedure, administrative procedural law, criminal procedure law and other procedural provisions, mediation and reconciliation.

The statuary periods regarding to bring a lawsuit, to start execution proceedings, application, objection, notice, notification, submission and statute of limitations and mitigation related limits and mandatory administrative application limits, the statuary periods to be regulated in the Administrative Procedure Code, Criminal Procedure Code, Code of Civil Procedure and other procedural provisions set forth under applicable laws, the statuary periods determined by the judge within the context of the applicable laws, the statuary periods regarding mediation and conciliation are suspended with effect from 13 March 2020 until 30 April 2020.

2. Amendments on the Statuary Periods Regulated Under the Enforcement and Bankruptcy Law and Enforcement Proceedings.

The statuary periods that are designated by the judge or enforcement and bankruptcy offices to be regulated under the applicable laws, all proceedings regarding execution and bankruptcy, provisional remedy except alimony receivables are suspended with effect from 22 March 2020 until 30 April 2020.

3. Statuary Periods Will Continue to Count starting from the following day of the last suspension day.

As of the date, which the suspension period begins, limits to expire in 15 days or less are considered to have been extended by 15 days starting from the following day of the final suspension day.
It is crucial to state that as per the amendment if the outbreak continues, the suspension period can be extended once and not more than six months or narrowed down of the scope by the President.

4. Situations that are Excluded from the Amendment's Scope

The following statuary periods are excluded from the amendment's scope:

- Limitation periods regulated under the applicable laws regarding crime, punishment, administrative sanction, and preventive detention,
- The statuary periods regarding the precautionary measures regulated under the Criminal Procedural Code,
- The statuary periods regarding transactions that completing of interim injunction regulated under the Code of Civil Procedure.

In addition to taken measures above-mention, as per the Execution and Bankruptcy Law and execution proceedings regulated under other laws are as follows:

- If the day of sale regarding goods or rights announced by the execution and bankruptcy offices within the suspension period, the new sales day shall be determined by the execution and bankruptcy offices without any necessity for application from parties after the suspension period. In this case, the announcement of the sale shall be made only electronically and free of charge.
- The payments to be made with the consent of the debtor will be accepted during the suspension period.
- The legal consequences as per the composition period will continue to apply to debtors and creditors.
- Other required precautions shall be taken to prevent any delay in execution proceedings.

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Overview

The United Arab Emirates Federal Government, as well as the governments of the seven Emirates which form the Union, have implemented a number of increasingly firm measures to reduce the potential impact of Covid-19 on the health and welfare of the general public. As it currently stands, the most impactful of these measures are as follows:

- Distance learning and e-learning to take place across all schools and educational institutes of the United Arab Emirates, both public and private, until the end of the current academic school year in June 2020.
- Closure of all malls, shopping centers and markets from 25 March 2020 for a period of two weeks, with the option to extend such closure.
- Closure of all entertainment facilities, cafes, bars, restaurants and tourism-related businesses from 25 March 2020 for a period of two weeks, with the option to extend such closure.
- Suspension of all international flights by all UAE-based carriers from 25 March 2020 for a period of two weeks, with the option to extend such suspension.
- Night-time curfews in place from 8 PM to 6 AM with all residents to stay at home and strict penalties for breaching such curfew until 5 April 2020, with the option to extend.
- Extensive "Stay at Home" campaigns.
- Mandatory implementation of remote working for a minimum of 80% of employees of all private sector companies and commercial establishments until 9 April 2020, with the exception of sectors deemed essential.
- Postponement of all judicial hearings for the Dubai Court of Cassation, the Dubai Court of Appeal, and the Dubai First Instance Courts, and suspending testimonies and documentation of personal status from 22 March 2020 until 16 April 2020.
- Moratorium on the execution of any judgments in the Emirate of Abu Dhabi in respect of any new civil or commercial judgments for a period of two months from 24 March 2020, except for judgments relating to labor dues and alimony payments.
- Postponement of Expo 2020 in Dubai until at least 2021.

Government support to the economy

To counter some of the side-effects of the above actions, the Central Bank of the UAE launched an AED 100 billion

stimulus scheme to contain the economic repercussions of the Covid-19 pandemic and the slowdown of economic activity in the UAE. The scheme comprises two elements: AED 50 billion from Central Bank funds through collateralized loans at zero cost to all banks operating in the UAE and AED 50 billion of funds freed from banks' mandatory capital buffers.

In addition, Dubai government announced a separate AED 1.5 billion economic stimulus package for the next three months to support companies and the business sector in Dubai as well as measures specific to Dubai free zones to postpone rent payments by a period of 6 months; facilitate instalments for payments; refund security deposits and guarantees; cancel fines for both companies and individuals; and permit temporary contracts that allow the free movement of labor between companies operating in Dubai free zones for the rest of the year.

In keeping with the Central Bank of the UAE and the Dubai government's measures, the government of the Emirate of Abu Dhabi has rolled out its own stimulus package for Abu Dhabi-based businesses, allocating AED 5 billion to subsidize water and electricity for commercial and industrial activities; settling all approved government payables and invoices within 15 working days; allocating AED 3 billion to the SME credit guarantee scheme managed by Abu Dhabi Investment Office to stimulate financing by local banks and enhance SMEs' ability to navigate the current market environment; allocating AED 1 billion to establish a market maker fund; reducing industrial land leasing fees by 25 per cent on new contracts; waiving current commercial and industrial penalties; offering up to 20 per cent rebate on rental values for restaurants and tourism and entertainment sectors; and continuing all approved capital expenditure and development projects in the Emirate of Abu Dhabi.

Force majeure-related issues

It should come as no surprise that a number of clients are seeking guidance on force majeure and what this entails under UAE law. The primary legal source for force majeure under UAE law is the UAE Civil Code. Specifically, Article 273 of the Code provides as follows:

1. In bilateral contracts, if a force majeure arises that makes the performance of the obligation impossible, the corresponding obligation shall, be extinguished and the contract ipso facto rescinded.
2. If the impossibility is partial, the consideration for the impossible part shall be extinguished. This shall also apply on the provisional impossibility in continuous contracts. In both instances the obligor may rescind the contract provided the oblige has knowledge thereof."

The key word in the above quoted text is "impossible". UAE law does not provide for an exhaustive list of force majeure events but it is clear that it may only be established on the grounds of

impossibility, be it physical (such as a natural disaster) or legal (such as a change in law). Hardship in carrying out an obligation would not count as force majeure.

In light of the above, any potential force majeure event must be studied on a case-by-case basis in light of the governing contract's provisions and UAE legal principles. In any case, we are advising clients to devise a strategy on how to approach creditors, lenders, suppliers and other obligors to put into place a plan to deal with potential upcoming liabilities. Such discussions need to be open, honest and frank.

Recent labour law developments

As mentioned above, the government of Dubai has directed all private sector companies and commercial establishments (excluding pharmacies, cooperative societies and grocery stores) to implement remote work system for 80% of their employees from 26 March 2020 until 9 April 2020. The federal authorities of the UAE followed suit on 29 March 2020, with the issuance of UAE Ministry of Human Resources and Emiratization ("MOHRE") Ministerial Resolution 281 of 2020 on remote working for the private sector. Under the resolution, private sector companies (excluding certain key industries) can have no more than 30% of their workforce physically present at a workplace, among other precautionary requirements. This has resulted in the overwhelming majority of private companies across the UAE introducing remote working systems.

Furthermore, the long-term viability and stability of employment in the private sector is being heavily tested and MOHRE issued Ministerial Resolution 279 of 2020 on 30 March 2020 granting employers the ability to grant paid or unpaid leaves as well as permanent or temporary salary reduction to their non-UAE national staff (subject to agreement between the employer and employee). In light of this new development, it would be advisable for businesses to discuss the current market situation with their employees clearly, openly and honestly.

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The 2020 CARES (Coronavirus Aid, Relief, and Economic Security) Act – Summary
Business Loan Application and Forgiveness (2020 CARES Act) – Pay check Protection Program – March 30, 2020.
On March 25, 2020, the United States Senate unanimously approved a $2 trillion rescue package to combat the Covid-19-induced economic downturn.
This third rescue package includes a variety of initiatives and financing sources that target different sectors of the US economy. When signed into law by the President– as is currently expected – the sprawling legislation would be the largest relief package in US history.

This is the third remedy that Congress has passed in the span of two weeks to face the COVID-19 public health and economic crisis: the first one was the March 6, 2020 $8.5 billion Coronavirus Preparedness and Response Supplemental Appropriations Act, followed by the March 18, 2020 Family First Coronavirus Response Act (FFCRA Act).

The CARES Act provides funding and/or tax relief to individuals, industries, businesses, and hospitals as follows:

1. **Individuals**

   A cash payment of $1,200 to individuals who earned $75,000 or less in 2019 (or 2018 if they have not yet prepared their 2019 tax return). The size of the payment gradually decreases for workers who earned more than $75,000 and phases out completely at $99,000. A $2,400 check will be sent to married couples who earned less than $150,000 and will phase out at $198,000. Individuals and couples with children 16 and under will receive an additional $500 per child.

2. **Workers**

   They can receive an additional $600 per week payment for up to 4 months on top of state unemployment benefits; self-employed individuals and independent contractors are also eligible to obtain payments. The ‘waiting week’ that is customary for many state unemployment insurance applications may be repealed by state authorities, and there may be an additional 13 weeks of coverage after exhaustion of state benefits;

3. **Small businesses**

   All loans provided and guaranteed by the SBA (the “Administration”)

will be issued by US authorized commercial banks.

a) Application timeframe.

Section 1102(a)(2) - (SBA Section 7(a)(36)(A)(iii)). In order to obtain a loan under the CARES Act the application must be submitted between February 15 and June 30, 2020.

b) Eligibility.

Section 1102(a)(2) - (SBA Section 7(a)(36)(D)(i)(I)(II) and (ii)). Small businesses eligible to apply for a loan are:

- Companies with fewer than 500 employees; or
- Individuals operating as sole proprietors or independent contractors.

c) Maximum loan amount.

Section 1102(a)(2) - (SBA Section 7(a)(36)(E)). The maximum loan amount that a business may request is the lesser of:

- The sum of:
  - 2.5 multiplied by the average total monthly payments for payroll costs incurred during the 1-year period before the date on which the loan is made (with certain exceptions for seasonal employers)
  - And the outstanding amount of a loan under subsection (b)(2) that was made during the period beginning on January 31, 2020 and ending on the date of which covered loans are made available to be refinanced under the covered loan;
  - (b)(2) applies to certain loans authorized under the Consolidated Appropriations Act of 2020;

  or

- $10 million.

d) Use of the loan.

Section 1102(a)(2) - (SBA Section 7(a)(36)(F)). During the covered period, eligible businesses can use the proceeds of the loan to pay the following: (I) payroll costs (as explained - below); (II) continuation of group health care plan and premiums; (III) employee salaries, commissions, and compensation; (IV) payment of mortgage interest; (V) rent; (VI) utilities; (VII) interest and obligations existing before the covered period.

e) Loan eligibility.

Section 1102(a)(2) - (SBA Section 7(a)(36)(G)). In order to be eligible to obtain a loan, the borrower must certify that due to the current economic conditions, he/she requests a loan to support ongoing business operations, acknowledging that funds will be used to retain workers and/or pay mortgages, rents, or utilities.

f) No fee.

Section 1102(a)(2) - (SBA Section 7(a)(36)(H)). During the covered period, there won't be any fee for the covered loans.

g) No personal guarantee.

Section 1102(a)(2) - (SBA Section 7(a)(36)(J)). Lender cannot require personal guarantee or collateral from the borrower.

h) Balance.

Section 1102(a)(2) - (SBA Section 7(a)(36)(K)). If, after the principal amount of the loan is forgiven, the borrower still has a balance due - based on the reduction under Section 1106 – (i) the remaining balance shall continue to be guaranteed by the SBA and (ii) the covered loan shall have a maximum maturity of 10 years from the date the applicant submitted an application for forgiveness.

i) Deferral.

Section 1102(a)(2) - (SBA Section 7(a)(36)(M)(ii)(I)(II)). All borrowers are eligible to a loan payment deferral for a period of not less than 6 months but not more than 1 year, including principal, interest, and fees.

j) SBA reimbursement to banks.

Section 1102(a)(2) - (SBA Section 7(a)(36)(P)). The Administration will reimburse lenders for processing loans at the following rates:

- 5% for loans up to $350,000;
- 3% for loans between $350,000 and $2M; and
- 1% for loans over $2M.

k) No Prepayment penalty.

Section 1102(a)(2) - (SBA Section 7(a)(36)(R)). There shall be no prepayment penalty for payments made on a covered loan (borrowers will be able to repay in advance without incurring any penalties).

l) Commitment.

Section 1102(b)(1). The authorized commitment from the federal government for general business loans is $345,000,000,000.

m) Amount to be forgiven for workers.

Section 1106(d)(5). The amount of loan forgiveness is determined without regard to the re-hiring of full-time employees or reduction in the salary of one single employee if either occurred between February 15, 2020 and 30 days after the enactment of this bill.

n) Application documentation.

Section 1106 (e). To apply for forgiveness, an eligible recipient must submit to the lender:

- Documentation verifying the number of full-time equivalent employees on payroll and pay rates for the periods described in subsection (d), including:
  - Payroll tax filings reported to the IRS; and
  - State income, payroll, and unemployment insurance filings.
- Documentation verifying payments on covered mortgage, lease, or utility obligations;
- Certification from an authorized individual that the documentation is true and the loan was used appropriately (unclear if this is a notary or an individual at the business, an auditor, etc.); and

- Any other documentation deemed necessary by the Administrator.

o) Documentation required.

Section 1106(f). There will be no forgiveness without the required documentation.

p) Forgiveness decision.

Section 1106(g). Lenders shall render a forgiveness decision not later than 60 days after receiving an application.

q) Forgivability requirements.

Section 1106 and Section 1102(a)(2) - (SBA Section 7(a)(36)(A) and (F)). Covered loans may become forgivable if used to pay:

- Payroll costs, including:
  - Salary, wages, commission, or similar compensation;
  - Payment of cash tip or equivalent;
  - Payment for vacation, parental, family, medical, or sick leave;
  - Allowance for dismissal or separation (severance packages);
  - Payment required for the provisions of group health care benefits, including insurance premiums;
  - Payment of any retirement benefit;
  - Payment of state or local tax assessed on the compensation of employees; and
  - Sole proprietor wages (but I don't think this is relevant).
- Any payment of interest on any mortgage obligation;
- Any payment on any rent obligation (under a lease started before February 15, 2020); and
- Any covered utility payment (electric, gas, water, transportation, telephone, internet access for which service began before Feb. 15).

4. **Small businesses (with fewer than 100 employees)**

   A 50% payroll tax credit on wages up to $10,000 per worker during the crisis.

5. **Businesses**

   A two-year deferral on the 6.2% social security tax employers and the self-employed pay on wages. The current bill mandates that half of the deferred amount must be paid by the end of 2021 and half must be paid by the end of 2022.

6. **Business NOLs**

   Losses that occurred in 2018, 2019 and 2020 can be carried back for 5 years with no application of the 80% limitation.

7. **Businesses and local governments**

   $454 billion in emergency lending provided that they retain 90% of their employees (as of March 24, 2020) and do not engage in stock buy-back.

After the bill passes, the Department of the Treasury is expected to establish a process where almost all FDIC-insured

banks can originate SBA loans. Treasury Secretary has also stated that he hopes to make the loan application process very simple with same-day disbursement.

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Overview

The Coronavirus Act 2020 became law in the UK on 25 March 2020. The Act provides the legal basis for the current lockdown of citizens and businesses but extends far beyond that.

All the provisions in the Act are time limited for two years and not all the provisions came into force immediately (although a first statutory instrument bringing some of the delayed provisions into force was issued soon after). Measures can also be suspended and reactivated later. The Act allows the 4 UK governments to switch on these new powers when they are needed, and, crucially, to switch them off again once they are no longer necessary, based on the advice of Chief Medical Officers of the 4 nations. It will also be possible to extend or end the provisions of the Act depending on the scientific evidence. It also envisaged that changes to legislation might be necessary in order to give public bodies across the UK the tools and powers they need to carry out an effective response to this emergency.

On top of the measures adopted so far, coronavirus has clearly disrupted the negotiations with the European Union ("EU") over the post Brexit arrangements. On March 30, EU and UK held their first Joint Committee meeting on the implementation and application of the Withdrawal Agreement entered into force on February 1, but it is not clear yet whether the COVID – 19 outbreak will lead to an extension of the transition period.

Below, we provide a specific focus on the following:

A. lockdown measures;

B. aid for business;

C. force majeure and frustration; and

D. public procurement issues.

A. Lockdown measures

The scope of the lockdown includes provisions regulating, for example: the emergency registration of health professionals, emergency volunteers, the food supply chain, the closure of schools and educational institutions; the powers relating to potentially infectious persons; the use of video and audio technology by courts and tribunals in order to facilitate the remote operation of the court system; the emergency financial assistance for industry; the Her Majesty Revenue and Customs ("HMRC") functions; powers to issue directions relating to events, gatherings and premises; powers to enforce social distancing; protection of residential and business tenants from and eviction/forfeiture.

Pubs, bars, restaurants, non-essential shops, cinemas, gyms, theatres, leisure centres and places of worship are all closed. Public gatherings of more than two people have been banned. Schools and educational institutions have been closed until further notice. Reduced public transport services continue to operate. The courts remain open but on a restricted basis and using remote video technology. However jury trials have been temporarily suspended. Under the current lockdown people are instructed to stay at home and to leave home only for very limited purposes:

- Shopping for basic necessities, for example food and medicine, which must be as infrequent as possible;
- One form of exercise a day – alone or with members of the household
- Any medical need
- Travelling for work purposes, but only where work from home is not possible. (This is not limited to essential workers)

The police have power of enforcement. The UK lockdown measures are due to be reviewed in the week of 13 April, but are very likely to be extended.

B. Aid for business

The UK Government has announced a £350 billion package of measures to support businesses affected by the coronavirus outbreak. The package includes subsidised loans, support for the retail, hospitality and leisure businesses and grants for small businesses.

There are several elements to the package of measures to support businesses which includes those described below.

Subsidised Loans

The largest measure is a package of state guarantees for £330 billion of loans to businesses. This support is divided into two main forms. In particular:

- Large firms are able to access a "Covid-19 Corporate Financing Facility" which will provide funding to businesses by purchasing commercial paper of up to one-year maturity. This is available to non-financial firms which "*make a material contribution to the economy*" and which, prior to the outbreak had an investment grade rating or equivalent. The facility will be implemented by a fund operated by the Bank of England on behalf of the Treasury. Details, including details of the pricing, are available on the Bank of England's website. When assessing whether a company is making a material contribution to the UK economy, the Bank of England will consider whether it has, in the UK, significant employment, headquarters, significant revenues, a large number of customers, or a number of operating sites. UK incorporated companies, including those with foreign incorporated parents, may be regarded as meeting these requirements.
- For smaller firms, a new temporary Coronavirus Business Interruption Loan Scheme will be operated by the

British Business Bank. This will provide lenders with a guarantee of 80% on each loan of up to £5 million and will cover the first six months of interest payments on these loans. There are eligibility requirements for these loans (which can be seen on the website of the British Business Bank). For firms with turnover between £45 million and £500 million, there will be a Coronavirus Large Business Interruption Loan Scheme, providing government guarantees of 80% to enable banks to make loans of up to £25 million.

- For banks and building societies, the Bank of England has announced a Term Funding Scheme that will allow them to access Bank of England funds equivalent to 5% of their lending to the real economy at an interest rate close to the Bank of England's 0.25% bank rate. Additional funding will be available to banks that increase lending, especially to SMEs.

Coronavirus Job Retention Scheme

Under this temporary scheme all UK employers that operated a PAYE payroll scheme on 28 February 2020 can, until at least 1 June 2020, claim for 80% of furloughed employees' usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage. Employers can use this scheme any time during this period. The scheme is expected to be operational at the end of April and will be backdated to 28 February.

Further measures for employees provide they can get £94.25 per week if they are too ill to work. The payment is paid by the employer for up to 28 weeks. The Statutory Sick pay ("SSP") includes individuals who are caring for people in the same household and therefore have been advised to do a household quarantine.

A similar scheme (the Self=employment Income Support Scheme) will allow self-employed individuals (including members of partnerships) to claim a taxable grant worth 80% of trading profits up to a maximum of £2,500 a month for three months (subject to extension).

People not eligible for this support, i.e., self-employed or those earning below the Lower Earnings Limit of £118 per week, can make a claim for Universal Credit or the new style Employment and Support Allowance.

The Government also clarified that people currently in or out of work, or on a low income and affected by the economic impacts of COVID -19 will be able to access the full range of the welfare system, including Universal Credit. Furthermore, from 6 April, Government is increasing the standard allowance in Universal Credit and the basic element in Working Tax Credit for 1 year. Both will increase by £20 per week on top of planned annual uprating. The scheme will apply to all new and existing Universal Credit claimants and to existing Working Tax Credit claimants.

Deferral of VAT and Self-Assessment payments

UK VAT registered business that have a VAT payment due between 20 March 2020 and 30 June 2020, have the option to: defer the payment, in which case the payment will be due on 31 March 2021. The HMRC will not charge interest or penalties on any amount deferred and it will continue to process VAT reclaims and refunds as normal (VAT returns should be submitted on time in any event). UK businesses also have the option to defer self-assessment tax payments on accounts that are otherwise due by 31 July 2020.

Business rates

Businesses and venues in the retail, hospitality and leisure sectors will be eligible for cash grants of up to £25,000 per property. More specifically:

- Eligible businesses and venues in these sectors with a property that has a rateable value of up to £15,000 will receive a grant of £10,000.
- Eligible businesses and venues in these sectors with a property that has a rateable value of between £15,001 and £51,000 will receive a grant of £25,000.
- Businesses and venues with a rateable value of over £51,000 are not included in the scheme.

In addition, the government will provide a business rates holiday for businesses and venues in the retail, hospitality and/or leisure sector. This includes the businesses and venues in scope for closure listed above. This will apply automatically to the next business rates bill in April 2020.

Support for other sectors

The Government has indicated that further sector wide – schemes are not planned.
However, additional funding has already been promised. In particular:

- £400 million to keep England's buses running during the coronavirus pandemic. The package, agreed jointly with the bus industry, will keep key routes running to provide a lifeline for those who cannot work from home, including those travelling to jobs on the frontline of the UK's fight against COVID-19, such as NHS staff. New funding of up to £167 million will be paid over 12 weeks under the new COVID-19 Bus Services Support Grant. As a condition of the funding, bus operators will be required to maintain necessary services at a level which is sufficient to meet much reduced demand, but also to allow adequate space between passengers on board. This is expected to be up to 50% of normal service levels.
- £300 million to support pharmacies: £200 million was paid on 1 April to pharmacy contractors, alongside their normal monthly payments from the NHS Business Services Authority, and a further £100 million will be allocated on 1 May 2020.

- £20 million for ambitious technologies to build UK resilience following coronavirus outbreak. Grants of up to £50,000 will be available to technology and research-focussed businesses to develop new ways of working and help build resilience in industries such as delivery services, food manufacturing, retail and transport, as well as support people at home in circumstances like those during the coronavirus outbreak. Innovations could include: new technology allowing retailers to respond better to sudden spikes of consumer demand and improve deliveries across the UK; new services for families to connect with and remotely monitor their elderly or vulnerable relatives, giving people peace of mind that their loved ones are receiving the services they require such as food deliveries, doctor's appointments and paying bills; creating education tools which seamlessly integrate the classroom with the kitchen table, allowing teachers to remotely set dynamic tasks, support vulnerable children and make certain no child is left behind.

C. Force Majeure and Frustration

In the wake of the lock-downs, businesses are having to consider whether or not they are able to perform their contractual obligations to counterparties in the fundamentally different situation in which they find themselves and, if not, what consequences flow from that. In this situation, the small print of the contract becomes very important as businesses consider whether or not COVID-19 is a *"force majeure"* event or whether a particular contract has been frustrated.

Force Majeure

Many contracts contain a *force majeure* clause, the intention of which is to afford the parties some protection from a breach of contract claim if they are unable to perform their obligations as a result of the occurrence of an event beyond their control. There is no definition of what constitutes a *force majeure* event under English law. Businesses will therefore have to examine each of their contracts to determine whether the COVID-19 pandemic constitutes such an event for the purposes of that contract and to establish whether or not, on an interpretation of any applicable *force majeure* clause, they have some protection. They will have to consider a number of questions:

- Is the COVID-19 pandemic a *force majeure* event?
- If it is, what effect must the *force majeure* event have to trigger the clause?
- What procedural requirements does the contract impose e.g. a requirement to give prompt notice?
- What is the contractual consequence of implementing the clause?

Generally, the effect of a *force majeure* clause is to suspend the performance of the affected party's obligations while the *force majeure* event continues, but the clause may go on to give one or both parties a right of termination if the event continues for a specified period. The wording of the clause will be critical.

Frustration

The English law doctrine of frustration applies where an event that was not foreseen by the parties, and which does not arise as a result of a breach of contract by either of them, makes performance of the contract impossible. Frustrating events could include a change in the law that makes it unlawful for one of the parties to perform their obligations, or something that makes the whole purpose of the contract obsolete.

As with *force majeure*, frustration requires more than an event which makes performance difficult or uneconomic. The frustrating event must have made performance impossible or transformed the obligation to perform into something radically different from what was envisaged by the parties at the time of entering into the contract. The party pleading frustration must also show that it has taken all reasonable steps to mitigate the impact of the event on its performance.

The consequences of frustration are significantly different from those of a *force majeure* event. If the contract is frustrated, the parties are completely released from their contractual obligations and the contract is brought to an end. The courts will therefore not invoke the principle lightly and businesses should therefore carefully consider the implications before claiming that a contract has been frustrated.

For example, whereas in the case of *"force majeure"* the costs lie where they fall, in the case of frustration, generally (and subject to any variation of this principle contained in the contract), sums paid under the contract by one party before the frustrating event occurred can be recovered and if money was due to be paid at the time of the event that sum is no longer due.

The interplay between *a force majeure* clause and frustration should be considered. A carefully drafted *force majeure* clause that deals with all the necessary points, including how costs and losses will be apportioned between the parties, is likely to displace the application of frustration altogether. However, where there are gaps in a *force majeure* clause, the doctrine of frustration may be applied in addition to the terms of the contract.

D. Public Procurement

The Government issued three different public procurement notes ("PPNs") addressing the principle issues rising in respect to the public procurement.

Information Note PPN 1/2020 sets out information and associated guidance on the public procurement regulations and responding to the current coronavirus outbreak. In particular, central government departments, executive agencies, non-departmental public bodies, local authorities and the wider public sector (the "contracting authorities"), can apply the exceptional measures permissible under current public procurement regulations. Such measures consist in the following: direct award due to extreme urgency; direct award due to absence of competition or protection of exclusive rights; call off from an existing framework agreement or

dynamic purchasing system; call for competition using a standard procedure with accelerated timescales; extending or modifying a contract during its term.

Action Note PPN 2/2020 sets out information and guidance for public bodies on payment of their suppliers to ensure service continuity during and after the COVID -19 outbreak.

Lastly, Action Plan PPN 3/2020 sets out information and guidance to central government departments, their executive agencies and non-departmental public bodies on the use of procurement cards. The aim is to accelerate payments to suppliers to support and improve cash flow. The procedure aims at supporting the economy, jobs and infrastructure.

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