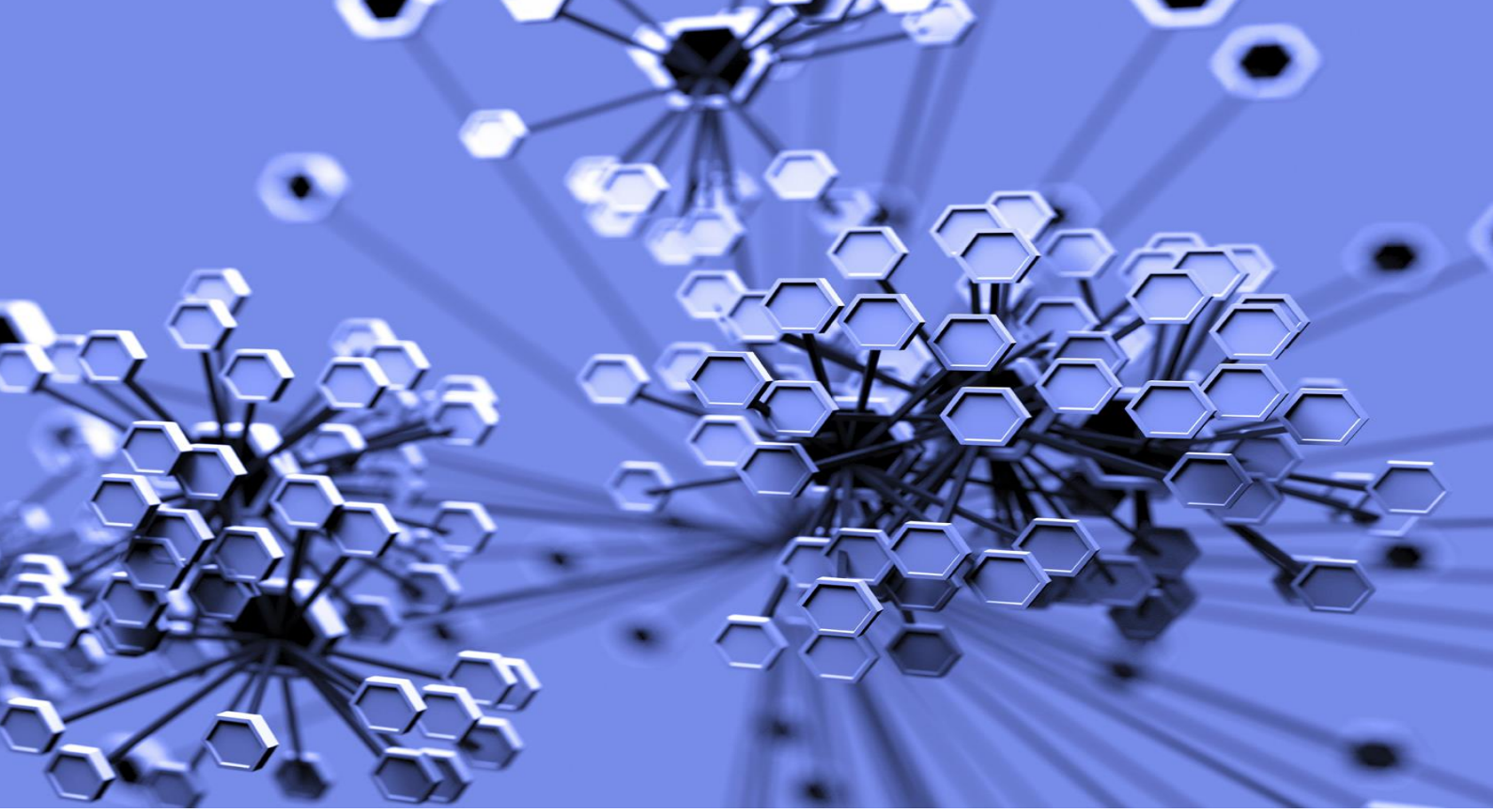

COVID-19_ MAZARS CORPORATE LAW NEWSLETTER

April 2020

Outstanding regulation developments

Alarm State. Royal Decree-Law 16/2020, of April 28th, of procedural and organizational measures to face the COVID-19 in Administration of Justice field. Full Text.

Alarm State. Urgent measures. Royal Decree-Law 15/2020, of April 21st, of urgent measures to support the economy and employment. Full Text.

Alarm State. Tax measures. Royal Decree-Law 14/2020, of April 14th, extending the deadline for the presentation and payment of certain tax statements and self-assessments. Full Text.

Extension of the Alarm State. Royal Decree 492/2020, April 24th, extending the alarm state declared by Royal Decree 463/2020, of March 14th, declaring the alarm state for the management of the health crisis situation caused by the COVID-19. Full Text.

Extension of the Alarm State. Royal Decree 487/2020, of April 10th, extending the alarm state declared by Royal Decree 463/2020, of March 14th, declaring the alarm state for the management of the health crisis situation caused by the COVID-19. Full Text.

For further information, please consult here the section of the BOE dedicated to the COVID19 crisis with the consolidated regulations.

The present newsletter is merely informative and non-exhaustive and does not constitute any type of legal advice. If you wish to receive the present newsletter, please send an e-mail to the sender: mazars.taxlegal@mazars.es

MAZARS

OTHER OUTSTANDING REGULATION DEVELOPMENTS

- **BANK OF SPAIN**. Resolution of April 27th 2020, of the Executive Commission of the Bank of Spain, on the continuation of the applicable procedure to the presentation of claims and complaints, for which the proceedings and resolution is the competence of the Bank of Spain, regulated by article 30 of Law 44/2002, of November 22nd, regarding Financial System Reform Measures and Order ECC/2502/2012, of November 16th. Full Text.

- **GENERAL COUNCIL OF THE SPANISH BAR.** The General Council of the Spanish Bar rejects, because of its ineffectiveness, the authorization of the month of August in the Courts and Tribunals. Full text.

- **ALARM STATE. URGENT MEASURES**. Resolution of April 9th, 2020, of the Congress of Deputies, ordering the publication of the Validation Agreement of the Royal Decree-law 10/2020, of March 29th, regulating a recoverable paid leave for employees who do not provide essential services, in order to reduce population mobility in the context of the fight against the COVID-19. Full Text.

- **CNMC**. Agreement of April 6th, 2020, of the National Markets and Competition Commission (CNMC), regarding the suspension of the deadlines and procedures within the framework of the Alarm State declared by Royal Decree 463/2020, of March 14th. Full Text.

- **EUROPEAN CENTRAL BANK**. Recommendation of the European Central Bank, of March 27th, 2020, with regard to the dividend distribution during the COVID-19 pandemic and revoking Recommendation ECB/2020/19. Full Text.

- **ALARM STATE.** Royal Decree-Law 13/2020, of April 7th, adopting certain urgent measures in the field of agricultural employment. Full text.

- **ALARM STATE.** Royal Decree-Law 12/2020, of March 31st, on urgent measures to protect and assist the victims of gender-based violence. Full Text.

- **MINISTRY OF HEALTH**. Official information from the Ministry of Health addressed to health professionals and citizens regarding health and public health recommendations of general interest. Full Text.

Please click here to access **OUR ANALYSIS OF KEY ASPECTS IN THE LABOR, TAX, CORPORATIVE OR FINANCIAL FIELD THAT COMPANIES WILL HAVE TO FACE**, prepared by our specialist of Mazars, and specially Royal Decree-Laws 14/2020, 15/2020 y 16/2020 approved in April and to our **COVID TALKS**

Please also visit our **GLOBAL TAX AND LAW TRACKER** Mazars' global tax and legal experts from more than **70 countries** have created this interactive **Covid-19** Tax and Law Tracker to help you access and understand the **Covid-19** legislation and tax measures that impact you and your business, wherever in the world you operate.

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We insert below the most relevant measures adopted in Spain

KEY MEASURES REGARDING THE SITUATION CAUSED BY COVID-19

This is a consolidated information of key measures. We insert in bold the new ones approved in April.

Real Estate Law Measures

LEASE MORATORUM IN PRIMARY RESIDENCE

- **Moratorium on rental debt for tenants of primary residences in a situation of economic vulnerability, when the lessor is a company or public housing entity or a large holder, understood as a natural or legal person who owns more than ten urban properties, excluding garages and storage rooms, or a constructed surface area of more than 1. 500 m2. within 3 months of the entry into force of RDL 11/2020, the temporary and extraordinary deferment of the payment of the rent, provided that said deferment or the total or partial remission of the rent has not already been achieved voluntarily by agreement between both parties.**

EVICTION SUSPENSION

- Suspension of the eviction procedure and the launches for vulnerable people without alternative housing.

LEASE EXTENSION

- Extraordinary extension of the lease of a habitual residence, in which the period of compulsory or tacit extension ends within the period from 2 April 2020 until the day on which two months have elapsed since the end of the alarm state.

LEASE MORATORIUM FOR USE OTHER THAN HOUSING FOR SELF EMPLOYED AND SMEs

- **Moratorium on rental debt for the self-employed and SMEs in leases for use other than housing in the following cases:**
  - **<u>Large holders</u>: when the lessor is a public housing company or entity or a large holder. The moratorium must be accepted by the lessor and will be applied automatically and will affect the duration of the state of alarm and the following monthly payments, but cannot be suspended for 4 months. This rent will be deferred, without penalty or interest, from the next monthly rental payment, by means of the division of the instalments within a period of 2 years.**
  - **<u>Others</u>: the tenant may request from the landlord, within 1 month from the entry into force of RDL 15/2020, this is 23 April 2020, a temporary and extraordinary postponement in the payment of the rent, provided that such postponement or a reduction of the rent has not been agreed by both parties voluntarily.**

  Likewise, the parties may freely dispose of the deposit, which may be used for the total or partial payment of one or more monthly rental payments.

CONTRACT AMENDMENT

- **A lessee of a main residence contract signed under the Act "Ley de Arrendamientos Urbanos" 29/1994 who is in a situation of financial vulnerability may request from the lessor, within 3 months of the entry into force of the RDL 11/2020 and under the legal terms, a temporary and extraordinary postponement of the payment of the rent, provided that this postponement or the total or partial remission of the rent has not been previously agreed by both parties on a voluntary basis.**

GUARANTEE LINE

- **Approval of a line of guarantees to cover, on behalf of the State, financing for tenants in a situation of social and economic vulnerability as a result of the expansion of COVID-19, for a maximum amount of 1,200 million €.**
- **The Ministry of Transport, Mobility and the Urban Agenda is authorised, through an agreement with the Official Credit Institute (Instituto de Crédito Oficial), to develop a line of guarantees with full State coverage for a period of up to 14 years, so that credit institutions can offer transitional financing assistance to persons in the aforementioned situation of vulnerability, in the form of a loan with a repayment period of up to 6 years, exceptionally extendable for a further 4 years and in no case accruing any costs or interest for the applicant.**

Real Estate Law Measures	**GUARANTEE LINE**	• **The transitional financing grants will be finalists and must be used to pay the rent for the permanent home and may cover a maximum of 6 monthly rent payments.** **All those tenants who are in a situation of vulnerability as a result of the expansion of the COVID-19 will be able to access these transitional financing grants.**
	RENTAL AID	• Granting of rental aid, through direct award, to tenants of permanent housing who, as a result of the economic and social impact of the COVID-19, have temporary problems in paying part or all of the rent.
	MORTGAGE MORATORIUM	• Mortgage debt moratorium or mortgage loans contracted for the acquisition of: a) The primary residence. b) Property used for economic activity by entrepreneurs and professionals. c) Dwellings other than the usual one in a rental situation and for which the mortgage debtor, individual, owner and lessor of said dwellings, has ceased to receive the rental income since the entry into force of the state of alarm, or ceases to receive it until one month after the end of the same.
Energy Law Measures	**SUSPENSION**	• Prohibition to suspend the supply of electricity, natural gas and other derived products to individuals in their habitual residence during the validity of the alarm state, except for reasons directly linked to security reasons. • Establishment of a mechanism for suspending payment of electricity, natural gas and certain petroleum products.
	FLEXIBILTY OF THE ELECTRICITY CONTRACTS	• Flexibility in electricity supply contracts for companies and self-employees. a) Possibility of temporarily suspending or modifying their supply contracts, or the extensions of such contracts, in order to contract another alternative offer with the marketer with whom they have an existing contract, in order to adapt their contracts to their new consumption patterns, without any charge by way of penalty. b) Requests for changes of power or access charges should be met by suppliers irrespective of whether the consumer has voluntarily changed the technical terms of their contract for third party access to the network within a period of less than 12 months, and even if there has been no change in the structure of access charges or charges affecting them.
Corporate Law Measures	**GOVERING BODY AND GENERAL MEETING**	• Suspension of the periods for the formulation and approval of Annual Accounts, extended by three months from the declaration of the end of the state of alarm (the formulation of the same will continue to be valid during the state of alert). • The period of expiry of registration entries is suspended and shall be resumed at the end of the alarm state. • The period for verification of the annual accounts by the auditors of the obliged companies will be extended by two months from the date of the end of the alarm state

Corporate law measures

GOVERING BODY AND GENERAL MEETING

- Meetings of the governing body and the General Meeting may be held by videoconference or by multiple telephone conference, without the need to be provided for in the company's articles of association.

- The proposal to apply the results of the report may be replaced by another (due to COVID-19), if the company has already formulated its accounts and called the general meeting for approval after 31 March 2020.

- Suspension of the period of 4 months after the end of the financial year to file the Mercantile Books before the Register (Minutes, Shareholders and Contracts with the Sole Partner). The calculation of the periods will be resumed on the day following the end of the state of alarm or its extensions if applicable.

- Meetings of the governing body are allowed in writing and without a meeting with the decision of the president or with the simple request of 2 members, regardless of the number of members that make up the body.

- The term of the positions of directors expired during the state of alarm is extended until the period of 3 months following the new period for formulating the annual accounts has elapsed.

- The shareholders may not exercise the right of separation, even if there is cause, until the end of the state of alarm and the extensions thereof, if any, are agreed.

- The reimbursement of contributions to cooperative members who leave during the validity of the alarm state is extended until six months after the end of the alarm state.

- The directors are not liable for the debts incurred by the company during the state of alarm.

- Possibility of modification or revocation of the call to the general meeting.

  If the call to the general meeting has been published before the declaration of the state of alarm and the day of the meeting is later than the declaration of the state of alarm, the governing body may (i) modify the place and time foreseen for holding the meeting or (ii) revoke the agreement to call the meeting, by means of a notice published at least 48 hours in advance on the company's corporate website and, if the company does not have a website, in the BOE.

  If the meeting is revoked, a new call will be made within a month following the date on which the alarm condition ended.

DISSOLUTION OF THE COMPANY

- The period for the full dissolution of a company whose term has expired during the state of alarm is suspended. The company will not be dissolved as of right until two months have elapsed since the end of the state of alarm.

- The legal period of 2 months is suspended until the end of the state of alarm for the call of the general meeting of shareholders in order to adopt one of the following options: **(i)** the dissolution agreement, **(ii)** the declaration of bankruptcy, **(iii)** any agreement to settle the case.

- **For the sole purpose of determining the losses for the mandatory share capital reduction regulated in Article 327 of the Companies Act (Ley Sociedades de Capital), and for the dissolution provided for in Article 363.1.e), the losses for the current financial year 2020 shall not be taken into consideration. However, if losses are recorded in 2021 that reduce the net assets to less than half of the share capital, the directors must call a meeting within 2 months of the end of the financial year to dissolve the company, unless the capital is increased or reduced sufficiently.**

Corporate law measures		• If the legal or statutory cause for dissolution has occurred during the period of the state of alarm, the legal period for the call by the governing body of the general meeting of shareholders to adopt the agreement to dissolve the company or the agreements that have the purpose of enervating the cause, is suspended until the end of this state of alert.
	FOREIGN INVESTMENTS	• Suspension of investments made by residents of countries outside the EU and the European Free Trade Association when the investor holds a stake equal to or greater than 10% of the share capital of the Spanish company, or participates effectively in the management or control of the company. • Foreign investments that affect public order, public security and public health. • If the foreign investor is directly or indirectly controlled by the government of a third country. • If the foreign investor has invested or participated in activities in sectors affecting security, public order and public health in another EU Member State. • No deadline has been set for lifting the suspension of foreign investment in the capital of Spanish companies. • **Sanctions:** All those acts, businesses, transactions or operations related to foreign direct investment in Spain, without requesting prior authorization, will be considered very serious infractions.
	LISTED COMPANIES	• The obligation to publish and submit the annual financial report and the report on the audit of the annual accounts to the CNMV is extended to six months from the close of the financial year. This period is extended to four months for the publication of the interim management statement and the half-yearly financial report. • The Ordinary General Meeting may be held within ten months of the end of the financial year. • The Board of Directors may, in the notice of the General Meeting, provide for attendance by telematic means and remote voting, as well as for the holding of the meeting in any place within the national territory, even if these matters are not provided for in the Articles of Association. If the call of meeting has already been published, any of these cases may be provided for in a supplementary notice to be published at least five calendar days before the date scheduled for the meeting. • Meetings of the Board of Directors held by videoconference or telephone conference are permitted, even if not provided for in the Articles of Association. • In the event of a modification of the proposed application of the result, the new proposal, its justification by the governing body and the auditor's statement must be made public, at the time they are approved, as complementary information to the annual accounts on the company's website and on that of the CNMV as other relevant information.
Customers Measures	**CONTRACT RESOLUTION**	• Right to terminate contracts for the sale of goods and services without penalty for consumers and users. The consumer and user will have the right to terminate the contract for a period of 14 days, in the event that as a result of the measures taken during the state of alarm, the contracts signed by them, including those of a successive nature, are impossible to fulfil.

Customers Measures	**SUSPENSION**	• In the case of contracts for the provision of successive services, the collection of further fees shall be suspended until such time as the service can be resumed normally.
	REFUND	• In the case of contracts involving several suppliers, such as package holidays, the consumer or user may choose to request a refund or make use of the voucher (within 1 year of the conclusion of the alarm state) which will be provided by the organiser or, where appropriate, the retailer. If the consumer does not use the voucher for 1 year, the right of reimbursement can be exercised.
	GAMBLING	• Measures limiting commercial communications by entities carrying out a gambling activity regulated by Law 13/2011 of 27 May on the regulation of gambling, in order to avoid an increase in the consumption of online games of chance.
Labour Law Measures (ERTEs)	**DISMISSAL AND TERMINATION**	• Force majeure and the economic, technical, organizational and production causes underpinning the measures of suspension of contracts and reduction of working hours due to force majeure and objective causes may not be understood as justifying the termination of the employment contract or dismissal. • The termination of a contract or the dismissal of an employee for reasons linked to the COVID-19 shall be considered as unjustified. • An employment contract may not be terminated on the grounds of any cause linked to or as a result of the crisis generated by COVID-19.
	TEMPORARY CONTRACTS EXTENSION	• The suspension of temporary contracts, including training, relief and interim contracts, for reasons of force majeure or objective causes, will entail the interruption of the calculation of their duration and of the reference periods equivalent to the suspended period. • Suspended temporary contracts will be extended for a period equivalent to that of the suspension agreed in the ERTE due to Force Majeure and objective causes linked to COVID-19.
	ERTE DURATION FORCE MAJEURE	• The Force Majeure ERTEs will have the express duration of until the end of the alarm state, the initial period and its extensions. • The ERTEs authorized by positive silence, which has not been expressly resolved, will have the same duration regardless of the content of the request for duration by the company.
	SANCTIONS	• The company may be sanctioned for applications that contain false or incorrect information in the application of the ERTE. • The same sanctions shall be applied in the event that the measures requested are not necessary or are not sufficiently connected with the cause that gave rise to them. • Such breaches shall give rise to an ex officio review of the unduly recognized benefit, and the company shall pay the amounts received by the worker, deducting them from the wages that would have been due. • The Labour and Social Security Inspectorate, in collaboration with the AEAT and the State Security Forces, will include among its action plans the verification of the existence of the causes alleged in the requests and communications of ERTEs based on Force Majeure and Objective Causes linked to the COVID-19.

Labour Law Measures (ERTEs)		• The Labour and Social Security Inspectorate will have a period of 4 years to review all improperly recognised benefits and thus apply the corresponding sanctions, which is the period of limitation for Social Security and inspection.
	SOCIAL SECURITY CONTRIBUTIONS	• Companies with less than 50 employees: The company will be exonerated from the payment of the company's contribution, as well as the contributions for joint collection, during the period of suspension of contracts or reduction of working hours authorised on this basis when the company has less than 50 employees registered with Social Security. • Companies with more than 50 employees: the exemption from the obligation to pay contributions will reach 75 % of the company's contribution. • The exoneration of quotas will not affect the employee's contribution, being considered as a contribution period. • The request will be addressed by the employer to the TGSS identifying employees affected and period. The bonuses will be applied once it is constant that the employee receives unemployment benefit. • The exemption of the contributions by the company only affects the cases of ERTE due to force majeure.
	UNEMPLOYMENT BENEFIT	• Unemployment benefit: The employees concerned are entitled to unemployment benefit even without a minimum period of contribution. The period will not count towards the maximum benefit period. Both the absence of a prior qualifying period and the non-use of the benefit are limited to the duration of the extraordinary situation resulting from Covid-19. The unemployment benefit must be requested collectively by the company on behalf of the workers, with the prior individual authorization of each of them. • Beneficiaries: affected employees, whether at the time of the business decision they had suspended their previous entitlement to unemployment benefit or allowance, or did not have the minimum period of contributory employment to qualify for contributory benefit, or did not receive previous unemployment benefit. • Calculation of the benefit: 70% of the regulatory base of the last 180 days. If the contribution period is shorter, the base will be calculated on the basis of the contribution bases applied during the employment relationship concerned. • Duration of the benefit: Until the end of the period of suspension of the employment contract or temporary reduction of the working hours caused by it. • Unemployment benefit will be extended for the duration of any restrictions on mobility or affecting the operation of services.
	JUDICIAL OBJECTION	• **Claims filed by those entitled to do so in accordance with Article 154 of Law 36/2011 "Reguladora de la Jurisdicción Social" will be processed in accordance with the procedural modality of collective conflict, when they refer to suspensions and reductions of working hours adopted in application of the provisions of Article 23 of Royal Decree Law 8/2020, and these measures affect more than 5 employees.**

	ESSENTIAL ACTIVITY	• **Possibility of realizing/requesting ERTE by force majeure in essential activities, as long as they refer to workers whose task is not essential.**
Labour law measures (other measures)	**EXTENSION OF UNEMPLOYMENT BENEFIT COVERAGE**	• **Employees dismissed, from 9 of March 2020, during the probationary period, regardless of the cause for termination of the previous employment relationship.** • **Employees who have voluntarily terminated their last employment relationship as of 1 March 2020, because they have a firm commitment to sign an employment contract with another company, if the latter has terminated the contract as a result of the crisis arising from COVID-19.** • **To the permanent discontinuous employees, in the following terms:** **a) Should the company they work for has taken the decision to suspend the contract or reduce the working day.** **b) Employees who, without being in the above situation, see their services interrupted by the impact of the COVID-19 during periods which, if this extraordinary circumstance had not occurred, would have been of activity, may again receive unemployment benefit, with a maximum limit of 90 days, when they are once again legally unemployed.** **c) Employees who can prove that they were not able to return to work on the scheduled date and were in receipt of benefits will not have their entitlement to the benefit or allowance suspended.** **d) Employees who have ceased working and those who have not been able to return to work because of the COVID, and who have not completed the period of employment required to obtain unemployment benefit, will be entitled to a new contributory benefit, which may be received until the date on which they return to work, up to a maximum limit of 90 days.**
	JUDICIAL PROCEDURES	• **Until a year has passed since the declaration of the state of alarm, bankruptcy incidents in labour matters will be processed with preference.** • **During the period that elapses from the lifting of the suspension of the procedural deadlines, and until December 31, 2020, in the social jurisdiction, the following files and procedures will be processed with preference:** - **dismissal proceedings;** - **those arising from the termination of employment contracts for objective reasons and those arising from the procedure to declare the duty and form of recovery of working hours not worked during the paid leave provided for in Royal Decree Law 10/2020 and;** - **he procedures for individual or collective challenge of the ERTE's for the causes regulated in articles 22 and 23 of Royal Decree Law 8/2020; and those that are substantiated to make effective the modality of distance working or the adaptation of the working day foreseen in Royal Decree Law 15/2020. These shall be urgent for all**

Labour law measures (other measures		purposes and shall take precedence over all cases dealt with by the court, except those aimed at protecting fundamental rights and public freedoms.
	PENSION SCHEME	• In the case of a self-employed worker who has previously been integrated into a social security scheme as such, or into an alternative mutual insurance scheme, and has ceased to operate or whose turnover has been reduced by 75% as a result of the state of alarm decreed by the Government, he will present, as appropriate: - The certificate issued by the State Tax Administration Agency or the competent body of the Autonomous Community, as the case may be, on the basis of the declaration of cessation of activity declared by the interested party; or - The accounting information justifying the reduction in invoicing, to justify the reduction in invoicing for the extraordinary benefit due to cessation of activity by self-employed workers affected by the declaration of the state of alert. Self-employed workers who are not required to keep books to prove their volume of activity must prove the reduction in turnover by any legally admissible means of proof. • In the case of self-employed workers who have previously been covered by a social security system as such, or by an alternative system of mutual insurance, and have ceased their activity or whose turnover has been reduced by 75% as a result of the state of alarm declared by the Government: the net income that has not been received during a maximum calculation period equal to the validity of the state of alarm plus an additional month, estimated by means of the annual personal income tax corresponding to the previous year and, if applicable, the payment of the personal income tax in instalments and the self-assessment of VAT corresponding to the last quarter.
	TELEWORK	• The preferential nature of teleworking extended during the two months following the end of the estate of alarm. In view of the circumstances, additional extensions may be granted by the Government.
	DEADLINES SUSPENSION	• Suspension of deadlines in the area of the Labour and Social Security Inspectorate. The period of validity of the state of alarm will not count for the purposes of the duration of the verification actions of the Labour and Social Security Inspectorate. Nor will such period count towards the duration of the deadlines set by officials of the Labor and Social Security Inspection System for compliance with any requirements.
Labour Law Measures	PENALTY SYSTEM	• Article 23.1 c) of the Law on Infractions and Penalties in Social Order is modified, establishing that it will be considered a "very serious" infraction: "Making statements, or providing, communicating or consigning false or inaccurate data that result in employees improperly obtaining or enjoying benefits, as well as colluding with their employees or other beneficiaries to obtain benefits that are improper or greater than those applicable in each case, or to evade compliance with the obligations that correspond to any of them in terms of benefits. • There will be one infraction for each employee.

Labour Law Measures	PENALTY SYSTEM	• The company shall be jointly and severally liable for the refund of benefits received unduly, except for the infringement referred to in Article 23.1 c), where the company shall be directly liable for benefits received unduly. • The conduct of the company consisting of requesting measures in relation to employment that are not necessary or have insufficient connection with the cause that gave rise to them shall be punishable.
Insolvency Law Measures	EXTENSION OF THE DUTY TO APPLY FOR INSOLVENCY	• Until 31 December 2020, the debtor who is in a state of insolvency is not obliged to apply for a declaration of insolvency, whether or not it has notified the court competent for the declaration of insolvency of the opening of negotiations with creditors to reach a refinancing agreement, an out-of-court settlement or accession to an advance proposal for a settlement.
	REJECTION OF APPLICATIONS FOR THE NECESSARY INSOLVENCY	• Until 31 December 2020, the judges will not accept for consideration any applications for the necessary insolvency that have been submitted since the declaration of the state of alarm. If, before 31 December 2020, the debtor has submitted an application for voluntary insolvency proceedings, the latter shall be admitted in preference, even if they are submitted after the application for insolvency proceedings has been filed.
	SPECIAL PROVISION FOR CERTAIN COMMUNICATIONS OF NEGOTIATIONS WITH CREDITORS	• If, before 30 September 2020, the debtor has notified the opening of negotiations with creditors to reach a refinancing agreement, an out-of-court settlement or accession to an early settlement proposal, the general regime established by law shall apply.
	AGREEMENT AMENDMENT	• During the year following the declaration of the state of alarm, the bidder may present a proposal for the modification of the agreement that is being complied with. The proposal for modification will be processed according to the same rules established for the approval of the original agreement, although the processing will be in writing, regardless of the number of creditors. • The judge will notify the bankrupt party of any requests for a declaration of noncompliance with the agreement presented by the creditors within six months of the declaration of the state of alarm, but will not admit them for processing until three months have passed since the end of this period. During those three months, the bankrupt party may submit a proposal to modify the agreement, which will be processed in priority to the application for a declaration of default.
	POSTPONEMENT OF THE OBLIGATION TO REQUEST THE OPENING OF THE LIQUIDATION PHASE	• During the period of one year from the declaration of the state of alarm, the debtor will not have the duty to request the liquidation of the active mass when it is aware of the impossibility of complying with the committed payments or the obligations contracted after the approval of the insolvency agreement, provided that the debtor presents a proposal for the modification of the agreement and this is admitted for processing within this period.
	AGREEMENT BREACH	• In the event of failure to comply with the approved or amended agreement within two years of the declaration of the state of alarm, claims derived from cash receipts for loans, credits or other businesses of a similar nature that have been granted to the bankrupt party or derived from personal or real guarantees constituted in favour of the bankrupt party by any person, including those who, according to the law, have the status of persons especially related to the bankrupt party, shall be considered as claims against the estate, provided that the agreement or the amendment states the identity of the obligor

		and the maximum amount of the financing to be granted or the guarantee to be constituted.
Insolvency Law Measures	FINANCING AND PAYMENTS BY SPECIALLY RELATED PERSONS	• In insolvency proceedings declared within two years of the declaration of the state of alarm, those derived from cash income from loans, credits or other businesses of a similar nature, which since the declaration of the state of alarm have been granted to the debtor by those who, according to the law, have the status of persons especially related to him, will be considered as ordinary credits. In insolvency proceedings declared within two years of the declaration of the state of alarm, ordinary credits will be considered to be those in which those who, according to the law, have the status of persons especially related to the debtor as a result of the payments of ordinary or privileged credits made on behalf of the debtor, will have been subrogated as from the declaration of the state of alarm. • In insolvency proceedings which are declared within two years of the declaration of the state of alarm, ordinary credits are considered to be those in which those who according to the law have the status of persons especially related to the debtor as a result of the payment of ordinary or privileged claims made on behalf of the debtor, as from the declaration of that state, have been subrogated.
	INVENTORY AND LIST OF CREDITORS	• In insolvency proceedings where the provisional inventory and the provisional list of creditors have not yet been submitted by the insolvency administrator and where they are declared within two years of the declaration of the state of alarm, in incidents which are initiated to resolve challenges to the inventory and the list of creditors, the only admissible means of evidence will be documentary and expert evidence, without the need for a hearing unless the insolvency administrator decides otherwise.
	APPROVAL OF THE SETTLEMENT PLAN	• When at the end of the state of alarm 15 days have elapsed since the settlement plan was presented to the Court, the Judge must immediately issue an order approving the settlement plan, which may include modifications or agree to the settlement in accordance with the supplementary legal rules. When at the end of the period of validity of the state of alarm the liquidation plan presented by the bankruptcy administration is still not evident in the office of the Court, the lawyer of the administration of justice will immediately agree to it and, once the legal period for making observations or proposals for modification has expired, will inform the bankruptcy judge so that he can proceed in accordance with the provisions of the previous section.
	DISPOSAL OF ACTIVE MASS	• In insolvency proceeding declared within the year following the declaration of the state of alert and in those in process at that date, the auction of assets and rights of the active mass must be extrajudicial. • An exception to this is the sale, at any stage of the insolvency proceeding, of the whole company or one or more production units, which may be carried out either by auction, in or out of court, or by any other means of execution authorised by the judge. • If the judge, in any state of the contest, has authorized the direct realization of the goods and rights subject to special privilege or the giving in payment or for payment of such goods, the terms of the authorization shall apply.

Insolvency Law Measures	PREFERENTIAL TREATMENT OF PROCEDURES	• Until one year after the declaration of the alarm state, it will be processed on a preferential basis: a) Bankruptcy incidents in labour matters. b) Actions aimed at the disposal of production units or the sale of assets. c) Proposals for agreements or modifications of those that are in the period of compliance, as well as incidents of opposition to the judicial approval of the agreement. d) Bankruptcy proceedings relating to the reintegration of the active assets. e) Admission to the procedure of the application for approval of a refinancing agreement or of the modification of the one in force. f) The adoption of precautionary measures and, in general, any other measures which, in the opinion of the bankruptcy judge, may contribute to the maintenance and conservation of the assets and rights
	REFININCING AGREEMENTS	• Within one year of the declaration of the state of alarm, a debtor who has had a refinancing agreement approved may inform the court with jurisdiction over the declaration of insolvency that it has commenced or intends to commence negotiations with creditors with a view to amending the existing agreement or reaching a new one, even if one year has not elapsed since the previous application for approval. • During six months following the declaration of the state of alarm, the judge will notify the debtor of any requests for a declaration of noncompliance with the refinancing agreement made by the creditors, but will not admit them for processing until one month has elapsed since the end of this six-month period. During that month the debtor may inform the court competent for the declaration of bankruptcy that he has commenced or intends to commence negotiations with creditors to amend the agreement that he has approved or to reach a new one, even if a year has not passed since the previous application for approval. If, within three months of the notification to the court, the debtor has not reached an agreement to modify the existing agreement or to reach a new one, the judge will admit the applications for a declaration of default filed by the creditors.
Controversies	SUSPENSION OF TERMS AND DEADLINES	• Terms are suspended and time limits provided for in procedural laws are suspended and interrupted for all jurisdictional orders. The terms and periods provided for in the procedural laws that have been suspended by application of the second additional provision of Royal Decree 463/2020 shall be recalculated from the beginning, the first day of the calculation will be the next working day following that on which the suspension of the corresponding procedure ceases to have effect. The deadlines for the announcement, preparation, formalization and filing of appeals against judgments and other decisions which, in accordance with procedural laws, bring the procedure to an end and which are notified during the suspension of deadlines established in Royal Decree 463/2020, as well as those notified within 20 working days following the lifting of the suspension of the suspended procedural deadlines, shall be extended by a period equal to that provided for the filing of the appeal in its corresponding regulatory law.

Controversies

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EXCEPTIONS TO THE SUSPENSION OF TERMS AND DEADLINES

- In the criminal justice system, suspension and interruption shall not apply to habeas corpus proceedings, proceedings entrusted to the guard services, proceedings with detainees, protection orders, urgent prison surveillance proceedings and any precautionary measures relating to violence against women or minors.

- Likewise, during the investigation phase, the competent judge or court may agree to carry out those actions which, due to their urgent nature, cannot be postponed.

- With regard to the other jurisdictional orders, the interruption referred to in the first paragraph shall not apply to the following cases:

  a) The procedure for the protection of the fundamental rights of the person provided for in Articles 114 and following of Law 29/1998, regulating the Contentious-Administrative Jurisdiction, nor to the processing of the judicial authorizations or ratifications provided for in Article 8.6 of the aforementioned law. .

  b) The procedures of collective conflict and for the protection of fundamental rights and public freedoms regulated by Law 36/2011, regulating social jurisdiction.

  c) Judicial authorization for non-voluntary internment on grounds of mental illness, as provided for in Article 763 of Law 1/2000 on Civil Procedure.

  d) The adoption of measures or provisions for the protection of minors as provided for in article 158 of the Civil Code.

- Notwithstanding the foregoing, the judge or court may agree to conduct any judicial proceedings that are necessary to avoid irreparable harm to the rights and legitimate interests of the parties to the proceedings.

NON-WORKING DAY ALLOWANCE

- They are declared open for all legal proceedings from 11th to 31st August 2020. Saturdays, Sundays and public holidays are excluded from this provision.

HEARINGS

- During the validity of the state of alarm and up to three months after its end, when the Court or Tribunal is constituted in its headquarters, the acts of trial, appearances, declarations and hearings and, in general, all procedural acts, will be carried out preferably by means of telematic presence, provided that the Courts, Tribunals and Public Prosecutors' Offices have the necessary technical means at their disposal.

PREFERENTIAL TREATMENT OF CERTAIN PROCEDURES

- During the period from the lifting of the suspension of procedural deadlines until 31 December 2020, the following files and procedures shall be dealt with in preference.

  - The processes or files of voluntary jurisdiction in which the measures referred to in Article 158 of the Civil Code are adopted.

Controversies	**PREFERENTIAL TREATMENT OF CERTAIN PROCEDURES**	▪ **In the civil jurisdiction order:** - **The processes derived from the lack of recognition by the lending entity of the legal moratorium on mortgages on habitual residence and on properties affected by economic activity;** - **proceedings arising from any claims that may be made by tenants for failure to apply the legally stipulated moratorium or the mandatory extension of the contract;** - **bankruptcy proceedings of debtors who are natural persons and who are not entrepreneurs** ▪ **In the contentious-administrative jurisdictional order, appeals against acts and resolutions of the Public Administrations refusing the application of aid and measures to alleviate the economic effects of the COVID-19 health crisis.** ▪ **In the social jurisdictional order, they will be of an urgent and preferential nature:** - **the processes of dismissal;** - **those arising from the termination of employment contracts for objective reasons and those arising from the procedure for declaring the duty and form of recovery of working hours not worked during the paid leave provided for in Royal Decree Law 10/2020 and** - **the procedures for individual or collective challenge of the ERTE's for the causes regulated in articles 22 and 23 of Royal Decree Law 8/2020; and those that are substantiated to make effective the modality of distance working or the adaptation of the working day foreseen in Royal Decree Law 15/2020. These shall be urgent for all purposes and shall take precedence over all cases dealt with by the court, except those aimed at protecting fundamental rights and public freedoms.**
	PRESCRIPTION AND EXPIRATION OF ACTIONS	• The periods of prescription and expiry of any actions and rights will be suspended during the period of validity of the state of alarm and, where appropriate, any extensions adopted.
Financial Measures	**ICO GUARANTEE LINE FOR COMPANIES AND SELF-EMPLOYED**	• A first tranche of 20 billion Euros is activated, with 50% destined for the self-employed and SMEs. • It is intended for financing granted to the self-employed, SMEs and companies after 18 March 2020. • The guarantee will reach 80% of the amount of new operations requested by the self-employed and SMEs, 70% in the case of companies and 60% in the case of mere renewals. • The maximum duration of the guarantee will be 5 years. • The cost of the guarantee will be assumed by the financial entity. • The financed party must not have been in default by 31 December 2019 or in bankruptcy proceedings by 17 March 2020. • The application must be channelled through the financial institutions before 30 September 2020.

Financial Measures	**VARIOUS**	• The guarantees will be intended for financing operations granted as from 18 March 2020, without it being possible to use them in refinancing operations. • Institutions must keep the cost of new operations in line with existing ones prior to the declaration of the alarm status, as well as maintain the limits of working capital financing to their clients. • Approval of a line of guarantees for the coverage by the State of financing for tenants in a situation of social and economic vulnerability as a result of the expansion of COVID-19. • Temporary suspension of obligations arising from non-mortgage credit agreements. • Right to receive the social bond for self-employed persons who have ceased their activity or have seen their turnover reduced as a result of the COVID-19. • New aid programme to help minimise the economic and social impact of COVID-19 on the rental of permanent housing for particularly vulnerable people. • **The procedures for calls for loans or aid from the General Secretariat of Industry and SMEs that were pending resolution at the time of the entry into force of Royal Decree 463/2020, this is 14 March 2020, are made more flexible**.
Regulatory measures	**SUSPENSION**	• Deadlines for the formulation and presentation of annual accounts for the 2019 financial year of State public sector entities and for the submission of the General State Account to the Court of Audit. The periods provided for in the regulations that will be applicable will be suspended from the time of the declaration of the state of alarm. • Suspension of deadlines in the area of taxation of the Autonomous Communities and Local Entities. • Suspension of deadlines for the execution of the resolutions of economic-administrative bodies. The period from the entry into force of the state of alert until 30 April 2020 shall not be counted for the purposes of the maximum duration of the period for execution of the resolutions of economic-administrative bodies. • Suspension of public contracts and determination of damages for which the contractor may be compensated. • **Suspension of the cause for dissolution of Article 96.1 e) of Law 40/2015, on the Legal Regime of the Public Sector (Régimen Jurídico del Sector Público) for the annual accounts approved during the financial years 2020, 2021 and 2022.**
	PROCEDURES MODIFICATION	• **Article 159.4.(d) is amended as follows: "The tender shall be submitted in a single envelope or electronic file in cases where the procedure does not provide for award criteria whose quantification depends on a value judgement. Otherwise, the tender shall be submitted in two envelopes or electronic files.** **The opening of the envelopes or electronic files containing the proposal shall be done in the order that proceeds in accordance with the provisions of article 145 depending on the applicable method for evaluating the award criteria established in the specifications. The opening shall be done by the contracting table referred to in section 6 of article 326 of this Law".**

Regulatory measures	**POSTPONEMENT**	• Extraordinary postponement of the repayment schedule for loans granted by Autonomous Communities and Local Entities to entrepreneurs and self-employed workers affected by the health crisis caused by the COVID-19. • Deferment of debts arising from customs declarations.
	DEADLINE MODIFICATIONS	• Modification of the granting of subsidies to extend the deadlines for carrying out the subsidised activity and for justifying and verifying that it has been carried out, even though this was not provided for in the corresponding regulatory bases.
	DEADLINE EXTENSIONS	• Extension of the time limit for administrative appeals. The calculation of the period to lodge an administrative appeal will be calculated from the working day following the date of completion of the declaration of the state of alarm, regardless of the time that has elapsed since the notification of the administrative action under appeal. • Extension of the deadlines applicable to the payments to be justified. They will have an additional period of one month for their submission, and in any case until one month after the end of the alarm state.
Other Measures	**VARIOUS**	• Right to receive the social security voucher for self-employed persons who have ceased their activity or whose turnover has been reduced as a result of the COVID-19. • Pension fund rescue. During the period of six months, the participants of the pension plans are allowed, exceptionally, to make their consolidated rights effective in the cases assessed and for determined amounts. • 60 million for CERSA (Re-guarantee Spanish Company), so that it can guarantee a greater number of operations. • The payment of interest and repayment of certain loans granted by the Secretariat of State for Tourism under the Emprendetur programme to support businesses in the tourism sector is suspended for a period of one year without prior application. • The payment of interest and repayment of certain loans granted by the Secretariat of State for Tourism under the Emprendetur programme to support businesses in the tourism sector is suspended for a period of one year without prior application.

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