

Q&A COVID-19

Questions and answers to frequent inquiries on diverse legal matters



English version

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CHILE

Updated July 1, 2020

As in the rest of the world, the social economic situation that Chile is experiencing has been deeply affected by the health crisis caused by the Covid-19.

However, the authorities, aware of the seriousness of the country's impasse, have reacted quickly and have been able to balance health measures with the safeguarding of economic activity through the application of partial quarantines, which has made it possible to maintain commercial activity on a smaller scale, and also to safeguard people's health. In this sense, the government has implemented measures that aim to protect small and medium enterprises through the granting of credit, which should be used mainly to finance working capital.

Undoubtedly these are -and will be- difficult times for the country and the whole world, but if we are able to manage it well and continue to generate accurate policies together with the collaboration of all sectors, the impact will be transitory.



Carlos Pérez-Cotapos, partner

ADMINISTRATIVE LAW

How does the circulation of people and vehicles work in the State of Catastrophe declared in the country?

Right after the "State of Catastrophe" was declared by the Ministry of the Interior on 18 March 2020, a series of measures limiting the free movement of people and vehicles was implemented. A "curfew" was decreed for the entire national territory, and territorial quarantines and sanitary cordons were established.

In relation with the movement of people and vehicles, the Ministry of Interior has issued a document setting the instructions for displacement. This document determines the following permits: (i) individual temporary permit for quarantine; (ii) individual safe-conducts; (iii) collective permit for displacement; and (iv) unique collective permit.

Regarding the **individual temporary permit for quarantine**, it has been set to carry out essential activities, and to obtain essential goods and services. A maximum limit of two permits per person per week has been established, following the detection of excessive authorization of such permits during the previous weeks.

In relation with **individual safe-conducts**, it has been established that this safe-conduct must be obtained by those who need to circulate during curfew hours (10 p.m. to 5 a.m.), under the following cases:

- Attendance of funerals of family members.
- Attendance to health centers, services and establishments for medical treatment and/or medical emergencies.
- Removals.

Regarding the **collective permit for displacement**, the said instructions set forth the cases in which the movement of people in areas under quarantine, during curfew hours and through sanitary cordons will be authorized, carrying only credentials or institutional documents, always accompanied by the national identity card. This authorization is granted only in the context of the performance of their duties.

I. Health

- a) Health professionals and laboratories. Officials of public or private institutions and independent health professionals who carry out activities in this area without restrictions, incorporating companies that offer food, cleaning, repair and maintenance services essential for the operation of these facilities. Extending to quarantine hotels, stadiums and convention centers or others for patient care, and long-term facilities for the elderly.
- b) Children who are under the care of the personnel indicated in the preceding subparagraph, for the sole purpose of going with them to the nursery provided by the relevant health institution, bearing their identity card and birth certificate or document attesting to their status as caregivers.
- c) Staff of pharmacies, laboratories, chemical companies and producers of medicines. Also, staff of companies producing medical supplies, medical devices, personal protection equipment and supplies for storage and preservation.
- d) People dedicated to the care of children or adolescents (NNA) who are children or under the care of those indicated in subparagraph a) above. These persons must present their identity card and a photocopy of the health officer's credentials, with a certificate from the health institution attesting to the shifts in which the parents or careers perform their duties and indicating the name and identity card number of the person designated to care for the child or adolescent by the health worker.
- e) Officials of Legal Medical Service.

II. Emergencies

Emergency services, such as firefighters and fire prevention and combat personnel, including officers of the National Emergency Office, and the Lifeboat Volunteer Crews of the country.

III. Public Sector

- a) Members of the Diplomatic Crew, who must carry their diplomatic credentials.
- b) Members and officials of the National Congress and Library of Congress, performing their duties.
- c) Members and officials of the Judiciary and the Administrative Corporation of the Judicial Power, performing their functions.
- d) Members and official of the Constitutional Court, the Election Qualifying Tribunal and the Regional Electoral Courts.
- e) Armed Forces.
- f) Police Forces.
- g) Investigative Police.
- h) Gendarmerie.

IV. Transportation

- a) Personnel working in public transportation (buses, subway, train or others).
- b) Transporters of goods. Only indispensable personnel to perform the loading and unloading of goods for public and/or private companies in regard to the items indicated in this document.

The dispatch guide will be the health permit for the carrier and must indicate:

- 1. Full name of driver.
- 2. Driver's RUT.
- 3. Truck's patent.
- 4. Date of dispatch.
- 5. Dispatch destination.
- 6. Hourly range to perform.
- 7. Products to be dispatched.
- c) Essential personnel of the companies that perform activities associated with cargo logistics, such as those developed in ports, maritime terminals, airfields and airports; terminals, roads and other railway facilities; storage, deposit, inspection and/or distribution facilities of goods; transportation elements such as containers, trucks and trailers; and, the provision of any maintenance or repair service or inputs necessary for transportation operations.
- d) Staff working in the country's airports, who may travel from the airport to their places of residence and vice versa, carrying their TICA or credential, in the case of crews, and their identity cards

V. Others

- a) Ministers of religion, exclusively, to attend rites or activities that are cannot be postponed.
- b) People who provide services in residences for children and adolescents, older adults, and people with disabilities or in street situations. In addition, the staff of the Women's Centers and Women's Shelters.

- c) The fairground staff presenting their patent and identity card.
- d) Activities that by their nature cannot be stopped and whose interruption generates an alteration for the functioning of the country, duly determined by the authority competent.

According with the said instructions, there is also a **unique collective permit** authorizing essential personnel for the operation of basic services of public utility, security workers and press.

This unique collective permit may be obtained through <http://www.comisariavirtual.cl>, and it replaces the credential use for free movement, during the day, and the safe-conduct requested during the curfew and sanitary cordons for the activities indicated below. This unique collective permit will be valid for 7 days and it must be requested 3 hours before its use.

Each applicant institution must enter in the police website the list of people who may physically attend the workplace and must inform their respective sectoral portfolios, when appropriate, their total allocation and the criteria used to estimate the number of people who must physically perform their duties. The referred information will be audited by the sectorial institutions respective. If any of these institutions that provide public utility services require hiring of services to attend some emergency, support and/or service not covered under the essential services, the institution shall incorporate those who provide the service in the list of people who will attend their work using the unique collective permit.

This unique collective permit is applicable for the following services:

- I. Public Utility Services
 - a) Personnel for energy supply and operations plants (generation, transmission, storage and distribution), both public and private.
 - b) Personnel for the supply of drinking water, operations plants, sewage treatment and liquid industrial waste. Also, personnel who provide services for the processing of inputs that are used for the production of drinking water.
 - c) Gas supply and operations plant personnel.
 - d) Officials of service stations and fuel distributors.
 - e) Essential workers for highways function.
 - f) Personnel of companies that present services for the maintenance, repair and operation of computer and/or technological systems, telecommunications services, data center and operation centers.
 - g) Personnel working in nuclear reactors.
 - h) Staff of banks and financial institutions, clearing houses, transport of securities, general insurance companies for the payment of claims to be physically made, insurance companies that pay annuities and other critical financial infrastructure companies. Also, personnel providing services for the administration of severance funds.
 - i) Pensions funds administrators ("AFP" by its Spanish acronym), private health insurance companies ("Isapres" by its Spanish acronym) personnel, and System of Consultations and Offers of Pension Amounts personnel.
 - j) Funeral services and cemetery personnel (and their contractors).
 - k) Workers from waste collection companies, waste transport companies, septic tanks, sanitary landfills, cleaning and washing of public areas and personnel hired by companies and institutions that transport and process recyclable materials, packaging and containers.

- l) Service providers in postal companies, whether public or private, and delivery companies, which shall be subject to special sanitary rules determined by the Health Authority for the fulfillment of their duties.
- m) Essential personnel for the operation of Public Notaries, in accordance with the shift established by the respective Court of Appeal for this purpose, and of the Conservatives of Real Estate.
- n) Essential personnel for the facilitation of the country's foreign trade, understood as customs agents and their assistants.
- o) Personnel providing services for the construction, maintenance, repair and operation of public infrastructure, such as public buildings, airports, ports, roads, hospitals, rivers, canals, reservoirs and prisons, among others.
- p) Personnel providing services for the production, processing and delivery of food to public institutions and those providing services for them.
- q) Essential personnel for the maintenance and repair of elevators, only with respect to those who are duly registered in the National Registry of Installers, Maintainers and Certifiers of Elevators, both vertical and inclined, or funiculars, freight elevators and escalators or mechanical ramps, whether natural persons and/or personnel dependent on a company registered in the aforementioned registry.
- r) Emergency response crews from transport and gas distribution companies, transmission and distribution companies for electricity, telecommunications, water drinking water, sanitation and pest control.
- s) Essential workers for the operation of mining companies, suppliers and contractors of the same.
- t) Veterinary services personnel and those who provide services for the care of animals in biotheriums, zoos, racetracks, experimental stations, university campuses and other public or private institutions that own or house animals. The following shall be understood including members of non-profit organizations who perform work for animal care, duly qualified by the competent authority.
- u) Personnel providing services in hotels with guests.

II. Security

- a) Concierges and security officers for buildings, condominiums and other types of properties. These permits must be requested by the administrators of the buildings.
- b) Security companies, technological and related resources without a Carabineros de Chile OS10 credential. This permit must be obtained by the entity responsible for providing the service.

III. Press

- a) Journalists and members of the media (TV channels, written press, radio and online media).

IV. Food and essential trade

- a) People who provide services in supermarkets, bakeries, markets, supply centers, distribution, food production and retail centers, restaurant kitchens for delivery and those who provide the inputs and logistics services for them. Also, persons who provide services to entities engaged in the production, distribution or trade of essential household goods and those engaged in the production of inputs for storage and preservation. Fairgrounders only when they present their patent and their respective identity card.

- b) Workers in neighborhood warehouses, food vending premises, hardware stores and other basic inputs.
- c) Personnel of agri-food companies and forestry and livestock producers, concerning the lands and tasks in which critical processes are being carried out (planting, harvesting, processing and distribution), as well as fishing and processing of fish and seafood, production of food for animals, birds and fish farming, and production of cellulose and paper, cardboard, and derived packaging products.

V. Education

- a) Education assistants and teachers who are taking ethical shifts.
- b) Essential personnel for the support and technological maintenance of educational institutions, whether public or private.

VI. Public Sector

It is incorporated the officers and public servants, including honorary personnel in the performance of their duties as set out below:

- a) Municipal officials and civil servants, including councilors.
- b) Regional government officials and civil servants, including regional councilors.
- c) Government authorities, officials from ministries and centralized and decentralized public services.
- d) Officials from the Public Prosecutor's Office, the Comptroller General's Office, the Central Bank, the Electoral Service, the National Institute of Human Rights and the Office of the Ombudsman for Children.

Are the public entities open to the public?

Many public entities have set up online service channels, avoiding public attendance and the possibility of contagion. Although many public agencies have suspended their services to the public, others maintain parallel channels (i.e. face-to-face and online).

Nevertheless, essential public services, such as the Civil Registry Identification Service, pension and social benefits payment agencies, and entities related to measures to combat COVID-19, remain open to the public, although they are limited to essential procedures (i.e. Civil Registry maintains its attention to the public only for registration of births and deaths).

Are the deadlines for administrative procedures carried out before different public bodies suspended?

For the time being, no resolution has been issued to suspend the time limits for most administrative procedures. However, public bodies have gradually declared these suspensions. So far, the Superintendence of the Environment, the Environmental Evaluation Service, the Ministry of Energy and the Superintendence of Education have done so.

Is there a regime of safe-conduct for circulation?

Yes. There is a system of safe-conduct for circulating during the day and during curfew hours and in the national territory. Please, refer to question number two of this topic.

AGRICULTURE, FORESTRY AND WATER RESOURCES

What are the personnel, related to activities of the agricultural sector, whose circulation is allowed?

After setting a curfew, declaring mandatory quarantine for some specific places and the provision of sanitary cordons, the Ministry of Interior prepared an instruction¹ establishing the forms and cases by which authorizations for displacement of essential personnel for the operation of services would be granted. Among others, the services included are the following:

- Personnel of agro-food companies and forestry producers with respect to the lands and tasks in which critical processes are being carried out (planting, harvesting, processing and distribution).
- Fishing and processing of fish and seafood
- Animal feed, poultry and fish farming
- Production of cellulose and paper products, cardboard, derived packaging and containers.

In relation to transport, the only authorized personnel are the one indispensable to do the loading and unloading of goods for public and/or private companies in regard to the items mentioned in the instruction dated 15 May 2020. The transporter must carry a dispatch guide that indicates: (1) full name of the driver; (2) I.D. number (known as “RUT” by its Spanish acronym); (3) vehicle license plate; (4) date of shipment; (5) destination of shipment; (6) time range for shipment; and (7) products to be shipped.

ANTITRUST, CONSUMPTION AND TELECOMMUNICATIONS

Can the authority regulate the prices of necessity goods under the declared emergency situation in the country?

In view of the state of catastrophe decreed on March 18 for all of Chile, which will last 90 days, the respective heads of National Defense may, among other powers, determine the free or onerous distribution or use of the goods that are necessary for the maintenance and subsistence of the population, if it is previously ordered by President. That is to say, the possibility of regulating prices exists while the state of catastrophe extends. However, this has not been exercised.

Under other powers, the Ministry of Health has set prices for some medical examinations and for sites that are leased to operate as hospitals on a temporary basis.

What will happen to the processing times for administrative procedures before the National Economic Prosecutor's Office ("FNE")?

The FNE has decreed that it should preferably operate virtually (its premises have been subject to closure, by virtue of the quarantines decreed, or operating at restricted hours). In this way, the FNE has continued to function normally in relation to the terms currently running, without these having been suspended. Nevertheless, the FNE has called, like other antitrust authorities, for no new notifications of concentration operations, unless they are urgent and essential.

¹ Issued on 19 June 2020 by the Ministry of Interior. Available in: https://cdn.digital.gob.cl/public_files/Campa%C3%B1as/Corona-Virus/documentos/Instructivo_Cuarentena_19062020v4.pdf

What will happen to the deadlines and procedures before the Competition Court ("TDLC")?

On April 2nd, 2020, the TDLC issued an agreement on the occasion of the publication of Law No. 21,226, which establishes a legal regime of exception for legal proceedings, in hearings and judicial acts, and for the deadlines and exercise of the actions it indicates, due to the impact of the COVID-19 disease in Chile. In this way, the plenary of ministers of the TDLC agreed:

- To suspend the terms of evidence that have begun to run or that are initiated during the validity of the constitutional state of exception.
- To suspend any evidentiary hearings that have been decreed and are pending, in cases whose evidentiary terms have expired. The parties or interveners who have been unable to meet the deadlines set for the proceedings may claim the possible "impediment".
- Hearings of cases and public hearings that may take place will be held remotely.
- With respect to the resolutions that the TDLC will issue in the proceedings before it during the state of constitutional emergency, the TDLC will resolve those matters that are easy to handle and, in general, all those whose resolution cannot cause defenselessness of the parties or interveners, as a result of the restrictions imposed by the authority or because of the consequences caused by the health emergency.
- With respect to personal notifications and proceedings requiring the appearance of a party during the period of a state of constitutional emergency, they could be carried out, through the Court Clerk, by videoconference or other electronic means.

What about agreements between competitors that may take place to address the crisis in relation to the provision of goods and services?

The FNE has pointed out that cooperation between competitors is not always illegal, unlike cartels. According to the FNE, cooperation agreements will be legitimate if (i) they generate efficiencies that outweigh their risks; (ii) there is no less risky way of obtaining such efficiencies; and (iii) maximum safeguards are taken to limit contact between competitors. At the same time, it has indicated that it will vigorously pursue those who engage in anti-competitive behavior by taking advantage of the health crisis.

What happens if, as a result of the emergency measures, it is not possible to comply with the delivery of a good or service contracted by consumers?

It has not been established whether the breach of contract resulting from measures implemented by the Government *per se* results in the exoneration of the breaching party. Thus, it will be subject to the regulation that applies to the contract in question and, especially, to the Law for the Protection of Consumer Rights.

Whenever the emergency involves force majeure (an unforeseeable, irresistible and unavoidable event), the supplier is entitled to delay the delivery of the products or not to provide the service for the duration of the emergency.

However, the price or fare may not be charged for the duration of the suspension and suppliers must inform consumers in a timely manner of the circumstances that led to the delay or suspension, the measures taken to resume service and the rights of consumers.

If the telecommunications bill has not been paid (fixed or mobile telephony, cable and internet), will the user's service be suspended?

According to the President of the Republic, a special plan ("**Solidarity Connectivity Plan**") will be implemented in relation to Internet access for the most vulnerable households. Through this, it has been ensured that 40% of the population with the lowest income will have free access to the Internet. This plan, however, will not replace existing contracts that may exist, but it is the people who must terminate such contracts, in case they can no longer afford them, to join this solidarity plan.

At the same time, a bill that would prohibit the suspension of drinking water, electricity, gas, telephone and internet services in the event of a delay in payment during the state of disaster and for up to 30 days after the disaster has occurred is being discussed in Congress.

Can the provision of electricity and drinking water services be suspended in the event of non-payment of bills by consumers?

It has been reported that the Executive Branch has reached an agreement with the companies in charge of providing these services, regarding customers who cannot pay for them in a timely manner. In the case of the provision of electricity, it has been agreed that the cut of the electricity service will be suspended due to delays in the payment of bills, without prejudice to offering payment facilities, both for the debts that are generated during the state of catastrophe, and for those that existed previously, but up to a certain amount.

On the other hand, in relation to sanitary services, household customers belonging to 40% of the most vulnerable households, and who register a monthly consumption of less than 10 m³, may opt to defer payment of their drinking water and sewerage bills, for the entire duration of the state of disaster, in addition to being given facilities for payment of the deferred amounts.

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Can the information of collaborators who have been diagnosed with the COVID-19 virus be disclosed?

In accordance with Law No. 20,584, which regulates the rights and duties of individuals in relation to actions related to their health care, the information that emerges from the clinical record, studies and other documents that record procedures and treatments to which individuals were subjected, is considered sensitive data and is therefore reserved.

Who can report people who have been diagnosed with the COVID-19?

The Ministry of Health has reiterated that, within the government and the health entities, there is a protocol for channeling information, by virtue of which it would be established that the only valid interlocutor to make known the information regarding the number of infected persons, deaths and health measures to be implemented, is the Ministry of Health.

Health facilities must run their activities abiding by what is indicated by the Ministry of Health, so information regarding cases of COVID-19 must be channeled in the official manner, trying to avoid data leakage, also considering that it is subject to the protection of Law No. 20,854

AVIATION LAW

What measures have been adopted in relation to the entry into and exit from the border of the Republic of Chile?

In accordance with the Plan to Combat Coronavirus, published on March 16, 2020 by the President of the Republic of Chile, Sebastián Piñera, as of March 18, 2020, it has been decreed that all land, sea and air borders of the Republic of Chile will be closed for the transit of foreign persons. Decree No. 283 of the Ministry of the Interior and Public Security has extended the validity of this regulation until 1st July, 2020. With respect to the entry of passengers by sea, from March 15 to September 30, 2020, all Chilean ports are prohibited from receiving passenger cruise ships.

Those persons who are in Chile and need to leave the country may do so as long as the border situation of the destination country and the availability of airline flights allow it.

As for Chileans outside the country, the Chilean Ministry of Foreign Affairs, in coordination with the main airlines operating in Chile, is making its greatest efforts to help Chileans who have not been able to return to the country as a result of the measures adopted by other States and which have involved closing borders and banning passenger flights.

In addition, it has been decreed that, as of Sunday, March 22, all Chilean nationals and permanent residents in Chile who return to the country, regardless of their country of origin, may enter the country by submitting themselves to a sanitary custom and a mandatory 14-days quarantine.

The sanitary custom is an obligatory place where people must pass before entering the country. They must submit to a temperature control and answer questions from the sanitary authority, as well as complete an affidavit to obtain a sanitary passport that will be requested by the sanitary authority to enter certain regions in Chile.

In addition to cross-border air transport, what measures have been implemented in relation to domestic air transport?

As of March 20, 2020, sanitary customs (the area through which people must pass before entering one of the regions in which they operate, hereinafter "Sanitary Customs") began to apply to domestic flights with delivery of sanitary passports at the airports of Arica, Tarapacá, Antofagasta, Atacama, Coquimbo, Aysén and Magallanes, and as of March 22, 2020, also at the airport in Santiago. Additionally, to this date, Sanitary Customs have been incorporated in airports located in the regions of Bío-Bío, La Araucanía, Los Ríos and Los Lagos. The Sanitary Customs have the power to prevent a sick person from moving to another region and to request the examination of COVID-19 for a suspicious case.

The sanitary passport allows a person, after control by the authority in charge of the sanitary barrier and sworn affidavit, to enter to a given region. If the sanitary passport indicates that the passenger is at high risk, he or she will not be allowed to enter a region with a Sanitary Custom. In any case, if the passport indicates that it is a low risk person, but the sanitary authority detects that he or she has a fever, he or she will not be allowed to enter and will be returned to the city of origin.

Additionally, those people who live in the boroughs where quarantine has been declared mandatory, and who had scheduled trips within Chile, will only be able to take those flights if the trip is related to any of the critical tasks established by the authority. To do so, in addition to complying with health controls, the passengers must provide some form of proof, such as a company credential.

Is international air freight restricted?

According to the Plan to Combat Coronavirus, published on March 16, 2020 by the President of the Republic of Chile, Sebastián Piñera, the closure of all land, sea, and air borders in Chile does not affect the entry and exit of cargo or carriers, in order to continue guaranteeing a normal supply to the country.

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CORPORATE LAW

Is it possible to conclude contracts by electronic or similar means?

The electronic signature, regulated by Law No. 19,799, is a tremendously useful and necessary tool to assist the operational continuity of companies and individuals who, in view of the restriction of travel due to the health crisis, need to digitize their processes.

The electronic signature has two variants: simple ("**SES**") and advanced ("**AES**"). The SES is suitable for the execution of acts and conclusion of all kinds of private contracts, except: (i) those in which the law

requires a solemnity that cannot be fulfilled by an electronic document (e.g., laws referring to books or physical records); (ii) those in which the law requires the personal concurrence of one of the parties (e.g., the execution of a solemn will); or (iii) those relating to family law (e.g., a contract governing child support). In Chile, the labor contracts and settlements signed through SES by the employer and/or worker are fully valid. The SES may be contracted by multiple providers, who do not necessarily have to be accredited providers.

The AES is certified by one of the eight Certification Service Providers accredited by the Subsecretariat of Economy. The certification process implies that a document signed with AES met a higher standard for the verification of the identity of the referred authors. If an electronic document has the quality of a public instrument, it must necessarily be signed by means of an advanced electronic signature.

By virtue of the electronic signature the will expressed by electronic means has the same validity and effect as that expressed on paper by a handwritten or holographic signature.

Can shareholders' meetings be held off-site?

On March 18th, 2020, the Financial Market Commission ("**CMF**" in Spanish) published General Rule No. 435, which amends General Rule No. 273 of 2010, which regulates remote participation and voting at shareholders' meetings.

In view of the health crisis in the country caused by the COVID-19 and the powers granted to it by law, the CMF authorized the use of technological means that allow shareholders to participate and vote remotely at (1) shareholders' meetings of open corporations and special corporations subject to the supervision of the CMF; (2) at bondholder meetings; and (3) at meetings of contributors of funds supervised by the CMF, when the technological means used for such purposes duly guarantee the identity of the participant and the simultaneity or secrecy of his or her vote.

If due to health restrictions that may be implemented by the authority or for lack of technological means it is not possible to hold the meeting or assembly, the company or entity may invoke the occurrence of an event of force majeure and suspend or postpone the holding of the respective meeting or assembly.

General Rule No. 434, issued by the CMF on February 13th, 2020, also facilitates the process of signing the minutes of board meetings for corporations controlled by the CMF, which may be signed by electronic signature.

On August 28th, 2015, the Cooperatives Department ("*Departamento de Cooperativas*") issued exempt administrative resolution No. 2478, in which it indicated that cooperative entities could hold their general meetings of members by remote means, for which it established a procedure that regulates their holding. Given the worldwide contingency generated by COVID-19, the Cooperatives Department established that partners meetings may be held by remote means, regardless of whether or not such possibility is established in their bylaws.

Can new calls for shareholders' meetings be published in the Official Gazette?

The Chilean Official Gazette, and the private newspapers of national circulation, are functioning and making the requested publications (calls to shareholders' meetings, notification by notices according to Article 54 of the Code of Civil Procedure, among others). The request for publication can be made either by web or by telephone.

In the case of companies with a widespread shareholder base (or with minority shareholders), is it possible to force shareholders to hold a non-attendance meeting, having already issued a call for a presential shareholders' meeting?

Shareholders cannot be forced to participate in a non-attendance meeting in such cases. In such cases, it is suggested that a new call be made, or wait for the pronouncement of entities such as the CMF in the case of regulated companies.

What about notarial services? Are these still being provided?

In the districts where the total quarantine has been declared, the notary public offices are working in shifts. The list showing the notary public offices operating in each district can be found on the website of the Association of Notaries, Conservators and Judicial Archivists of Chile (www.notariosyconservadores.cl).

What happens with the registration procedures in progress at Public Records?

In general, the Real Estate Registrars are operating in a presential way, with access and restricted schedule. In addition, to facilitate the procedures and avoid crowds, they are offering online services, as long as they are documents with electronic signature.

In the districts where they have declared total quarantine, a safe-conduct is required to present itself before the respective Conservatives

Can I apply unforeseen circumstances or force majeure in the event of failure to comply with obligations?

It is extremely important to clarify that, in this matter, there is no general rule that resolves all situations, since these are casuistic situations, where not only the particular facts of each case must be reviewed, but also the contractual clauses agreed upon by the parties, which could alter the legal liability regime, placing the debtor in a situation of greater or lesser risk.

Although the guiding principle in contractual matters is Article 1545 of the Civil Code, which provides that what has been agreed is binding, there are situations that the parties could not foresee at the time of the execution of the contract. Fortuitous event and majeure force are exceptional and of restrictive application. Both must be proven by the party alleging them, following the general burden of proof of obligations contained in article 1698 of the Civil Code, and proving to be (i) unforeseeable, (ii) irresistible and (iii) not related to the parties.

In contractual matters, when the fortuitous event or force majeure occurs, two hypotheses may arise: (i) if the fortuitous event or force majeure is total and permanent, it has the effect of extinguishing the contractual obligation, and; (ii) if the fortuitous event or force majeure is only temporary, it will temporarily suspend the fulfillment of the obligation, without extinguishing it definitively. Particular attention should be paid here to what the parties agreed in the contract, since they could perfectly well have defined a different concept of fortuitous event or force majeure or have previously clarified which situations fall within that concept, or they could have contractually excluded a situation naturally constituting a fortuitous event or force majeure by discarding it.

Thus, although a pandemic, like other extraordinary phenomena, constitutes an event of force majeure, it does not have the virtue of extinguishing or suspending the fulfilment of any and all obligations by the mere fact of its occurrence. In this sense, the determining factor is the circumstances of the case, which make it unpredictable and irresistible, as well as the result of making the fulfilment of a particular obligation absolutely impossible. Therefore, the main thing will be the examination of the assumptions that make it up in the specific case.

What happens if, as a result of the absence of logistics services or lack of workers, I cannot meet a delivery deadline for a product on the contractually offered date?

Fortuitous events or force majeure may be invoked as long as they are proven to be (i) unforeseeable; (ii) irresistible; and (iii) beyond the control of the parties. Notwithstanding the foregoing, the analysis of the unforeseen event or force majeure shall be made on a case-by-case basis, verifying that the requirements set forth above are met. In such contracts, special attention must be paid to whether or not the situations of unforeseen circumstances or force majeure are regulated therein. The COVID-19 pandemic is undoubtedly an unforeseen event, impossible to resist and beyond the control of individuals, so it must be determined whether it operates as a way of extinguishing the obligation in question, or only suspends compliance (exonerating the debtor in default).

CRIMINAL LAW

What are the rights of people who will be investigated by the Public Prosecutor's Office as a result of non-compliance with the various provisions regarding the declaration of a state of national disaster?

These rights are not affected. All people have the constitutional right to a defense, which implies being able to make all the statements that they consider pertinent, to be assisted by a defense lawyer of their choice in order to represent and advise them from the moment that they are summoned by any police or prosecutorial authority, the right to be treated with dignity, the right to remain silent, the right to inform whoever they consider appropriate of their situation and the right that their detention does not extend for more than 24 hours. In addition, they have the constitutional right to due process and a public trial.

What crimes could the Public Prosecutor's Office accuse a person that violates the quarantine?

In addition to the punishments that may be imposed by the health authority, the Public Prosecutor's Office may charge persons who do not comply with the quarantine with the crime provided for in article 318 of the Criminal Code, which punishes anyone who endangers public health by violating the hygiene or health regulations, duly published by the authority, in times of disaster, epidemic or contagion. The penalties for this crime range from 61 to 540 days in prison or a fine of US\$350 to US\$1,100.

Likewise, the commission of the misdemeanor provided for in Article 495 No. 1 of the Criminal Code could be considered, which punishes the offender who contravenes the rules that the authority dictates to preserve public order or prevent it from being altered. In these cases, the penalty is a fine of US\$50 to US\$225.

In the event of a person's death from COVID-19, can a family member bring him or her to a memorial service?

Yes, the protocol established by the Ministry of Health does not prevent the conduction of a funeral service, as long as the health measures established in the protocol for the treatment of corpses are followed.

How long should a person's body be kept in a mortuary, health facility, or at home?

After the previous handling established in the protocol of the Ministry of Health, there are no modifications to the rules of the Health Code, which establishes that no corpse may remain unburied for more than forty-eight hours, unless the National Health Service authorizes it, or when it has been embalmed or any scientific, judicial, or criminal investigation is required.

What is the deadline for the cremation of a body with COVID-19?

The protocol of the Ministry of Health does not establish the obligation of cremation, but rather establishes other obligations for health protection. For this reason, there are no modifications to the regulations of the Health Code, which establish that no corpse may remain unburied or uncremated for more than 48 hours,

unless the National Health Service authorizes it, or when it has been embalmed or any scientific, judicial, or criminal investigation is required

Can the Public Prosecutor's Office intervene in the proceedings to release the body due to COVID-19?

The Public Prosecutor's Office does not intervene in the process of removing the body, except in cases of presumed violent death, suicide or homicide.

What is the situation of citizens who are caught going out on the streets without any kind of authorization and breaking quarantine or curfew?

Those persons who are caught leaving without any kind of authorization will be (i) in the case of non-compliance with the quarantine, detained either by the Police or the Armed Forces and will be , within a maximum of 24 hours, brought before a guarantee judge (criminal court) who will analyze the legality or illegality of such detention and before whom the Public Prosecutor's Office will communicate the decision to carry out an investigation of a crime or not, without detriment to the health proceedings that may be initiated; (ii) In the case of those districts where there is no quarantine and the curfew is broken, those who have not complied with it may be taken to a police or military precinct to be summoned to the prosecutor's office.

What could be the legal status of a citizen who repeats the crime or is a repeated offender?

For the purposes of arrest or summons, there is no difference. The only difference will be the possible exacerbation of the penalty to which he may be sentenced.

Do the limitations on freedom of transit apply to foreign personnel?

These limitations apply to all inhabitants of the districts where a quarantine or curfew has been declared. However, duly accredited foreign staff of diplomatic missions, consular offices and representations of international organizations, acting in the exercise of their duties, by reason of their immunity, may not be arrested or convicted.

What are the criminal consequences for a person who obtains a special transit permit (PET) with information different from the activity in which he is engaged?

As indicated in the permit itself, in case the declaration of the alleged cause is found to be false, the penalties contemplated in article 210 of our Criminal Code (false testimony) will be applicable, which range from 61 days to 3 years in prison and a fine of between US\$350 and US\$550 approximately.

What happens to citizens, national, regional and local authorities who fail to cooperate and obstruct the work of the police and military authorities in the exercise of their duties?

Although members of the armed forces have been appointed as Chiefs of National Defense, the President, and especially the Minister of Health, have retained all their powers. In any case, the civil or military authorities may be punished in accordance with article 253 of the Criminal Code, which punishes civil or military public employees who, when requested by the competent authority, fail to provide, in the exercise of their ministry, due cooperation for the administration of justice or other public service.

What is the alternative solution proposed by the Government when a citizen cannot process the PET?

If a person is unable to get a PET on the Virtual Police Station website, he or she may go to the nearest police station in his or her sector to request authorization

What can a person do if they are caught in the act of committing an offence by reason of the quarantine?

Given that the right to a defense is not affected, detainees will have all the rights granted by our legal system: to be treated with dignity, free legal defense if requested, the right to remain silent, to inform anyone they deem appropriate of their situation, to have their detention not extended for more than 24 hours, to claim before a guarantee judge if their rights have not been observed, and due process.

What happens if I transit without being authorized to do so under the quarantine?

The Armed Forces and the National Police are authorized to arrest the person and bring him/her before a guarantee judge or to summon him/her before the Public Prosecutor's Office if the latter so orders.

How can I prove that I am authorized to transit under the quarantine?

The way to prove it is through the permits granted through the Virtual Police Station online platform or through a pass issued in person by the Police.

Can criminal proceedings be brought for non-compliance with emergency measures issued by the Chilean State?

In the case of quarantine violations, in addition to the penalties that may be applied by the health authority, under article 318 of the Criminal Code, anyone who endangers public health by violating the rules of hygiene or sanitation, duly published by the authority, may be punished in time of disaster, epidemic or contagion. The penalties for this offence range from 61 to 540 days in prison or a fine of US\$350 to US\$1,100.

In the case of curfew violations, our legislation only provides the infringement of Article 495 No. 1 of the Criminal Code, which punishes anyone who violates the rules issued by the authority to preserve public order or prevent it from being disturbed. In these cases, the penalty is a fine of US\$50 to US\$225.

What should I do if my company's property is affected?

In the event that assets are seized, or property rights are limited, the owner has the right to be compensated in an amount agreed upon with the authority or, otherwise, determined by a judge in a summary judgment. Nothing may interrupt the requisition or limitation, but compensation shall be paid in cash.

In the event that the offence does not originate from the authority, the ordinary means of requesting reparation remain.

In what cases is the criminal judge empowered to rule in the period of a state of national emergency?

For the time being, judges are empowered to rule on all matters, although by internal operating agreements, they are being limited to hearings where defendants have been deprived of their liberty.

When a person is considered to be a victim of a crime, where can he or she go to file a complaint during this period of national emergency?

To any branch of the police, prosecutors' offices and criminal courts.

CORPORATE RESTRUCTURING AND BANKRUPTCY LAW

What about deadlines in bankruptcy proceedings?

In bankruptcy proceedings before the Civil Courts (reorganization and liquidation), the same rules apply as those indicated in the section "Litigation and Arbitration". That is, the evidentiary terms are suspended in the

case of compulsory liquidation proceedings and the Supreme Court will order the suspension of the hearings to be held within the different bankruptcy proceedings, but this does not mean that the initial stages of the proceedings are suspended (for example, the issuing of the Voluntary Liquidation or Reorganization Resolution), which should not be affected during this stage.

Following the introduction of technological means in most of the courts, they are progressively resuming the hearings in all bankruptcy proceedings, by videoconference.

As for the bankruptcy procedure of renegotiation of the Debtor (as natural person), which is processed before the administrative authority (Superintendencia de Insolvencia y Reemprendimiento) it was instructed the resumption of these proceedings throughout the country from June 1 2020, holding the hearings by video conference.

What about creditors' meeting sessions scheduled within the emergency period?

This matter has not been regulated in the special law that was enacted for the judicial deadlines and hearings within the state of catastrophe. The supplementary rule for request of suspension by the debtor company, one of the creditors or the trustee applies to these meeting sessions.

What legal mechanism allows the bankruptcy system to handle corporate crises?

The Insolvency and Restructuring Law establishes the Reorganization of the Debtor Company procedure, through which the possibility of negotiating a refinancing agreement between a debtor and its creditors is materialized. Once the ruling that orders the reorganization has been published in the public website (Boletín Concursal), the enforcement of all pending obligations at that date is suspended and the assets of the debtor company are protected. In this way, the insolvency system allows companies to confront the payment difficulties they may have as a result of the catastrophe.

ENVIRONMENTAL

If I have an environmental assessment procedure at the Environmental Assessment Service ("SEA" by its Spanish acronym), is it suspended?

On June 26th, 2020, the SEA issued the Resolution No. 202099101455, which extended the suspension of the deadlines of the Executive Directorate of the Environmental Assessment Service until July 31st, 2020, even for all the procedures processed before the Executive Directorate and the Regional Directorates of the Environmental Assessment Service:

1. The processing of the environmental impact declarations and studies with of citizen participation currently in progress.
2. The processing of environmental impact declarations with environmental load in which citizen participation is decreed, in accordance with Article 94 of the Regulations of the Environmental Impact Assessment Service ("RSEIA" by its Spanish acronym)
3. The processing environmental impact declarations and studies in which a new stage of citizen participation is opened in accordance with Article 92 and Article 96 of the RSEIA.
4. The processing of environmental impact studies submitted to the SEIA during the indicated period. It should be noted that, although they will be admitted for processing, these will be understood to be suspended from this same date. Likewise, the paper copies necessary for the requirements of citizen participation, referred to in Article 29 of the RSEIA, must be delivered once the evaluation periods are reactivated.
5. The processing of environmental impact declarations and studies in which meetings with human groups belonging to indigenous peoples must be held, in accordance with Article 86 of the RSEIA.

In regard to the projects that were required to submit an addendum, a supplementary addendum and an exceptional addendum, as appropriate, to their respective environmental impact evaluation processes issued by the Executive Directorate and Regional Directorates of the Environmental Assessment Service, this resolution provided the following:

1. For projects whose addendum is submitted between June 30th and August 30th, 2020, both dates included, the deadline for submitting the respective addendum is extended until August 31st, 2020, and consequently the holder may submit the corresponding addendum at any time during this period until the day before said date.
2. For projects that must submit their addenda after August 31st, 2020, the deadline for submitting addenda has been maintained in any of these circumstances:
 - a) In the corresponding Consolidated Report for requests for clarifications, rectifications and/or extensions;
 - b) In an extension of term resolution, according articles 38, 41, 50 or 53 of the RSEIA; or,
 - c) When it has been extended under Exempt Resolution No. 202099101326, dated 30 April 2020, of the Executive Directorate of the Environmental Assessment Service.

What will happen with the sanctioning administrative procedures carrying out before the Superintendence of Environmental ("SMA", by its Spanish acronym)?

After having been suspended until 30 April 2020, the SMA did not provide for the extension of the suspension decreed for administrative sanctioning procedures, nor for the time limits conferred to carry out other types of actions derived from the exercise of the regulatory, supervisory or sanctioning powers of the SMA.

However, the SMA has set up a virtual office for parties (oficinadepartes@sma.gob.cl). Documents may be entered there, indicating the procedure with which the submission is associated. The schedule for this is between 9:00 and 13:00 hours, and all attachments must be merged into a pdf file, whose weight should not exceed 50 megabytes.

ELECTRICITY

Is the Superintendence of Electricity and Fuels ("SEC" by its Spanish acronym) supervising the maintenance of electrical activities during the emergency period caused by COVID-19?

Yes. Despite the fact that this Superintendence has temporarily suspended attendance to public, it still maintains its function of supervising and monitoring compliance with legal and regulatory provisions and technical standards on generation, production, storage, transport and distribution of liquid fuels, gas and electricity, in terms of verifying the quality of services provided to users.

Do the companies providing electricity services continue to operate normally?

Yes, these companies maintain their service. Given the public nature of the service they provide, it has been established that the personnel that is essential for maintaining the operation of these companies may transit during the curfew, and move between places subjected to territorial quarantine and sanitary cordons, as long as they have a valid safe-conduct or permit to do so.

Are the deadlines for filing complaints or challenge claims arising from the public electricity service suspended?

The SEC determined in exempt resolution No. 32201, issued on March 20, 2020, the provisional suspension of the deadlines associated with actions that require the audited and interested parties to attend in person to the SEC's offices, starting March 17, 2020, as well as the suspension of the deadlines imposed to make

representations to other entities, public or private, that, given the nature of these actions, do not allow them to be made by any other means.

This measure shall apply until it is rendered ineffective by another substantiated resolution of the Superintendent of Electricity and Fuels.

Do electrical projects that are in the process of construction have to suspend their execution during the validity of the emergency regulation?

No, in general terms, it has not been established that the construction processes of electrical projects have to be stopped. However, construction work may not be carried out during curfew hours, nor in places where there is a territorial quarantine or sanitary cordons, since the transfer of authorized personnel for this purpose is only for the essential operation of the service (i.e., in the operation phase, not the construction phase).

FOREIGN TRADE

Is the import and export of goods in the country during the emergency period limited to any particular type of merchandise (basic necessities) or is it open to any type of goods?

Chile's land, sea and air borders are open for the import and export of all types of goods, so they are not limited to particular goods. The supply chain of all types of goods is operating, whether in the production or distribution of the various goods. International trade operations have been excluded from the closure of all borders in our country that has been specifically determined for the transit of foreign persons.

As a result of the issuance of Decree No. 104-2020 of the Ministry of Interior and Public Security declaring a state of constitutional emergency of disaster due to a calamity in the territory of Chile, have the operations of import or export of goods been restricted?

No restrictions have been placed on imports or exports of goods following the declaration of a state of national disaster.

Article 2 of Resolution No. 102 of the Ministry of the Interior and Public Security dated March 16th 2020 expressly provides that the exceptional measure of temporary border closure for foreigners does not affect the entry and exit of goods to and from the national territory.

Furthermore, by Resolution No. 1,179 dated 18 March 2020, the National Customs Directorate adopted a series of measures to facilitate foreign trade and thus ensure the logistics chain of goods and in turn protect the health of workers who must intervene in various customs processes.

Is freight transport at the international, national or local level subject to basic needs or is it open to all types of goods?

International freight transport is open to all types of goods. However, at the national or local level, a distinction must be made with respect to districts or regions, since in certain sectors a total quarantine has been declared. The above implies the limitation of the movement of persons so that only indispensable personnel to carry out the functions for the transport of goods of the authorized public and/or private companies can transit. Some examples of authorized companies are those considered essential for supply, security, emergency and public utility situations that occur in the quarantine sector.

In cases of total quarantine, the transporters of goods must carry the waybills that serves as a health permit, which must indicate, among other things, the products to be dispatched, the individualization of the driver and the destination of the dispatch.

Are the companies considered foreign trade operators (maritime agencies, cargo agencies, customs agencies, bonded warehouses, among others), as well as companies linked to the cargo or merchandise transport service, allowed to operate under Supreme Decree No. 104-2020 of the Ministry of the Interior and Public Security?

Companies that are considered to be trading companies are allowed to trade. Resolution No. 102 of the Ministry of the Interior and Public Security dated 16 March 2020 expressly provides that the exceptional measure of temporary border closure for foreigners does not affect the entry and exit of cargo to and from the national territory or the personnel associated with it that is strictly necessary. Similarly, the official instruction for travel permits in quarantine zones issued by the Government of Chile on 2 April 2020 exempts from the travel ban personnel who are essential for the facilitation of the country's foreign trade, understood as customs agents and their assistants

Which documents are necessary to support the international and national transport activity of goods and merchandise, as well as the activities related to this transport and logistic services?

For the zones not declared in mandatory quarantine, the documents required for the transport of goods have not changed (transport documents, waybills, commercial invoices, certificates of insurance, certificates of origin, packing lists, etc.) notwithstanding that by exempt resolution No. 1556 of 17 April 2020 and exempt resolution No. 1179 of 18 March 2020 both of the National Customs Service simplified the processing of certain basic documents required, being able to send them to the authorities involved by electronic methods.

On the other hand, the official instruction for movement licenses in quarantine zones issued by the Government of Chile on 2 April 2020, indicates that in quarantine zones transport activity must be supported by the following documents:

1. Public or private institutional credential or institutional document attesting to your status as a worker of the specific item authorizing your movement; or also;

2. Dispatch guide that indicates:

- Name of the driver;
- Rut driver;
- Truck license plate;
- Date of dispatch;
- Destination of dispatch;
- Time range for completion; and
- Products to be dispatched; and

3. Carrier's National Identity Card

Has there been any reduction in the rate of customs duty applicable to the import of goods linked to the declaration of health emergency?

To date, no reduction has been applied to the rate of customs duties on imports of critical supplies to address the coronavirus crisis. However, Exempt Resolution (*Resolución Exenta*) No. 1313 of the National Customs Service (*Servicio Nacional de Aduanas*), dated 26 March 2020, established a simplified procedure for the import of critical supplies by any means of transport, which allows for preferential, fast and unlimited processing, with the health authority determining the corresponding supplies. In addition, on 26 March 2020, the health authority published on its website a reference list of classification and tariff relief for critical supplies to deal with the coronavirus in order to provide a basis for statistical analysis and evaluation of public policies associated with the contingency.

Has any special treatment been approved for the issuance of certificates of origin by Chilean exporters?

To date, no special treatment has been approved for the issuance of certificates of origin by Chilean exporters. However, by Exempt Resolution (*Resolución Exenta*) No. 1179 of the National Customs Service dated 18 March 2020, customs agents were authorized to receive by e-mail from the consignors, consignees and other participants in the logistics chain, the basic documents required, including certificates of origin, for making and submitting customs declarations. In any event, the measures adopted by the National Customs Service provide that all documents processed electronically must be sent in PDF format and submitted in originals within 30 days, and it is therefore emphasized that Customs Agents must duly safeguard these documents.

Has the enforcement of some of the customs procedures that were published before the declaration of the health emergency been extended?

The enforcement of customs procedures published before the declaration of health emergency has not been postponed. Notwithstanding the above, by means of Exempt Resolution (*Resolución Exenta*) No. 1,179 dated 18 March 2020, the National Customs Service adopted a series of measures for the facilitation of foreign trade in order to ensure the logistics chain of goods and in turn protect the health of workers who must intervene in various customs processes. Among these measures: (i) Authorization, at the request of the respective customs agent, to carry out physical inspections without the presence of customs agents' assistants; (ii) Authorization for notification of responses to customs agents' requests, by e-mail, to the e-mail address of the respective dispatcher registered with the Service; (iii) Authorization for both the exchange of bills of lading and the corrections thereto to be sent to customs agents electronically by the issuer; (iii) Authorization to grant the mandate to dispatch, by means of an electronic mail from the person who has sufficient power of representation of the natural or legal person concerned, to the respective Customs Agent; (iv) Authorization for granting the mandate to dispatch, by means of an electronic mail from the person who has sufficient power of representation of the natural or legal person concerned, to the respective Customs Agent; (v) Authorization for the Customs Agents and their assistants, to carry out their functions by means of remote work, from places different from the one where the respective Customs Agency is located; (vi) The validity of the Customs Cards that expire during the validity period of the resolution, was extended until September 30, 2020; (vii) It is authorized that the requests for modification of Customs documents may be submitted via electronic mail; (viii) Authorization for Customs agents to receive by e-mail the basic documents that are required for the preparation and presentation of the respective customs declarations; (ix) Authorization to withdraw the goods that are in customs warehouse areas, to the auxiliary officials of a customs agency different from the one responsible for their clearance; (x) Authorization to send, by e-mail, the documents sent by the exporters to carry out the procedure of Legalization of Export Declarations; (xi) It is authorized, in the case of cabotage, the electronic delivery by sending an e-mail to the box that will be informed in due time by each Customs Office; (xii) It is authorized to send, by e-mail, the documents that must be accompanied to the requests for the issuance of a passport; and (xiii) Suspension of the term of validity of the *pasavantes* that expire during the validity of the resolution.

In addition, Exempt Resolution (*Resolución Exenta*) No. 1621, dated April 23, 2020, the National Customs Service amended Resolution No. 822, dated February 28, 2020, in the sense of postponing the trial run period established for the registration at the Registrar of Importers and Exporters of Controlled Substances, to take place from August 1st, 2020 until October 31st, 2020.

Has any discretionary power been approved for the non-application of the infractions established in the General Customs Law?

Circular letter No. 67 of the National Customs Service, dated 11 February 2020, with the aim of facilitating foreign trade operations, established as an exceptional measure that, in the case of modifications that may occur as a result of the effects that may be caused in a respective process the emergency of Coronavirus, after evaluating each case, the Customs, within the scope of their competence, shall refrain from initiating the sanctioning procedures for regulatory infractions that would correspond to apply in a regular situation

The exempted resolution N°1556 of the National Customs Service dated 17.04.2020 established that the breaches detected by the Regional Directorates, Customs Administrations and other bodies of the National Customs Service, may not apply the presumption of abandonment of goods for which the particular warehouse regime has been granted, and may exempt or reduce the surcharge of article 154 of the Customs Ordinance, weighing each situation on its merit.

FINANCIAL LAW, CAPITAL MARKET AND BANKING REGULATION

What measures has the Comisión para el Mercado Financiero ("Financial Market Commission", "CMF" or "Commission") adopted to facilitate the flow of credit to businesses and households?

In the context of the current economic situation resulting from the effects of COVID-19, the CMF has adopted several measures aimed at facilitating the flow of credit to businesses and households:

a. Regulatory treatment that facilitates the possibility of deferring up to three instalments in the payment of mortgage loans.

The CMF established a regulatory exception in the constitution of provisions associated with mortgage loan installments that are deferred by banks, in order to allow these installments that are rescheduled by their customers to dates subsequent to the original maturity of the loan not to be treated as renegotiations for the purposes of the banks' obligation to constitute provisions.

Under current regulations, banks are subject to the obligation to set up provisions for credit risk and customer receivables. Banks must permanently evaluate their entire loan portfolio and contingent credits, in order to timely constitute the necessary and enough provisions to cover the expected losses associated with the characteristics of the debtors and their credits, which determine payment behavior and subsequent recovery.

This regulatory exception will avoid the computation of greater provisions due to the failure to pay installments corresponding to the flexibilities granted, thus facilitating the reprogramming conditions that the banks offer to their customers.

This special treatment is aimed to those debtors who were up to date in the fulfillment of their obligations under the respective mortgage credit at the time the emergency status was decreed by the Chilean authority on March 19, 2020. This flexibilization in the provisioning obligation will be granted for the rescheduling of up to three dividends to be added after the original term of the credit.

b. Facilities for banks to extend the terms of loans to micro, small and medium-sized companies (SMEs) up to 6 months without this being considered a renegotiation.

The Commission made a regulatory flexibilization to enable banks to increase the term of consumer loans in installments granted to SMEs and individuals up to six months, without this being considered a renegotiation for purposes of the banks' obligation to constitute provisions.

c. Extension of terms for the disposal of assets received in payment.

2 Law No. 20,146 creating the SMEs statute defines these entities as follows:

Micro companies: Companies with annual income from sales and services and other activities in the line of business, which have not exceeded 2,400 UF in the last calendar year.

Small companies: Companies with annual income from sales and services and other activities in the line of business, greater than 2,400 UF, but below 25,000 UF in the last calendar year.

Medium-sized companies: Companies whose annual income from sales and services and other activities in the line of business is greater than 25,000 UF, but below 100,000 UF in the last calendar year.

In general terms, banks are obliged to dispose within a year from the date of acquisition, those goods received as payment of the credits granted by them (for example, when the bank is awarded a real estate property in an execution procedure of a defaulting debtor). The Financial Market Commission exceptionally authorized an extension of 18 months in total the term banks have for the disposal of goods received in payment. The purpose of this measure is to avoid banks having to sell these goods in a period of economic contraction in which securities could be heavily punished with respect to periods of less uncertainty.

d. Treatment of the variation margin of derivatives.

The Commission ordered a modification to the treatment of the amount in cash that banks must provide as collateral for the variation margin of derivative transactions bilaterally cleared. In periods of high exchange rate volatility, "margin calls" occur due to derivative contracts held with banking institutions. In the case of a foreign bank, the cash deposited in favor of the counterparty has a capital charge of 100%, raising the cost of derivatives.

The amendment agreed by the CMF allows the value of the derivative to be offset against the amount pledged as collateral in favour of the counterparty. With this measure, there would be a significant reduction in the capital charge associated with derivative contracts, thus encouraging their use, precisely, in periods of greater exchange rate volatility.

e. Flexibilization of the treatment of provisions required from banks, cooperatives and mutual companies in the rescheduling of credit quotas.

The CMF established temporary measures for the treatment of provisions intended to facilitate the flow of credit to households and companies, which will be in force until 31 July. The special treatment avoids computing higher provisions caused by the nonpayment of the installments corresponding to the granted flexibilities. This facilitates the reprogramming conditions that banks and other institutions offer their clients.

In the first place, in the case of **banks**, the measure considers freezing the provisions of the following types of credits granted to clients: i) Mortgages: the maximum period of grace or extension of dividends will be 6 months for those debtors who are up to date or have a delay of no more than 30 days within the period of validity indicated; ii) Commercial credits: The maximum grace period or extension will be 4 months for those debtors who are up to date or have a delay of no more than 30 days within the period of validity indicated; and (iii) Consumer credits: The maximum grace period or extension will be 3 months for those debtors who are up to date or are not more than 30 days in arrears within the indicated term.

Secondly, with respect to **cooperatives**, the following conditions per portfolio are contemplated for the transitory treatment of provisions: i) Mortgage Portfolio: the maximum period of grace or extension of dividends will be 6 months for those debtors who are up to date or have a delay of no more than 30 days within the indicated period of validity; ii) Commercial Portfolio: the maximum period of grace or extension will be 4 months for those debtors who are up to date or are not in arrears for more than 30 days or one installment within the indicated period; and (iii) Consumer Portfolio: the maximum period of grace or extension will be 3 months for those debtors who are up to date or are not in arrears for more than 30 days within the indicated period.

Thirdly, with respect to **mutual mortgage administrators**, the special treatment for provisions on rescheduled credit installments considers an extension in the payment calendar of up to 6 dividends for customers who are up to date with their credit obligations or who have a maximum default of 1 dividend during the period of validity of the measures.

Finally, with respect to cash **loans granted by insurance companies**, a special treatment is contemplated for the provisions of those debtors who are in compliance with their credit obligations or with a default not exceeding 30 days during the period of validity of the measures, which may contract a new credit with up to 3 months of grace.

With respect to the set of measures indicated above, the Financial Market Commission Council considers that these are temporary flexibilities that can be adopted as long as they do not weaken the medium-term

solvency and liquidity of the institutions. However, the CMF pointed out that it is of the utmost importance that banks maintain adequate risk management policies and establish prudent dividend distribution policies, depending on the exposure and risks they face in the current situation. It is the responsibility of the corporate governments of each bank to ensure that this happens.

f. Amendment of the rules on the determination of banks' effective equity.

On April 20, 2020, the CMF amended Chapter 12-1 of its Updated Compilation of Rules on "Equity for Legal and Regulatory Purposes". This chapter regulates the mechanisms and rules applicable to banks for determining their basic capital and effective equity as required by the General Law of Banks in Chile. Under Article 66 of the General Law of Banks, a bank's effective equity may not be less than 8% of its risk-weighted assets, net of required provisions. The same article states that the basic capital may not be less than 4.5% of its risk-weighted assets, nor less than 3% of total assets, both net of required provisions.

The amendment to Chapter 12-1 consisted of incorporating an extraordinary provision that will allow considering as part of the voluntary provisions that compose the effective equity, a proportion of the guarantees granted by the Chilean government, the *Corporación de Fomento de la Producción* ("CORFO", which is the agency of the Government of Chile, dependent on the Ministry of Economy, Development and Tourism responsible for supporting entrepreneurship, innovation and competitiveness in the country along with strengthening human capital and technological capabilities) and the *Fondo de Garantía para Pequeños Empresarios* (Guarantee Fund for Small Entrepreneurs or "FOGAPE", which is a state guarantee fund), to cover loans granted by banks. Thus, in order to determine effective equity, banks may add to the additional provisions they have made, within the limit of 1.25% of risk-weighted assets, an amount of up to 15% of the guarantees covering the bank's assets, when such guarantees correspond to guarantees or refinancing granted by the Chilean Government, CORFO and FOGAPE.

g. Possibility of recognition of the surplus of housing mortgage guarantees in the standard model of provisions of banks' commercial portfolio.

On May 22, 2020, the CMF issued Rule No. 2,257, whereby it temporarily amended Chapter B-1 of the Accounting Compendium for Banks of the Chilean Central Bank, until the new legal framework reflecting the Basel III guidelines is fully in force. The purpose of this amendment was to allow the recognition of the mortgage guarantee surplus associated to housing loans in the standard model of bank's commercial portfolio provisions in Chapter B-1, determined from the application of a 20% haircut.

Chapter B-1 of the Accounting Compendium for Banks of the Chilean Central Bank establishes standardized methodologies for the calculation of credit risk provisions for the housing mortgage portfolio and the group commercial portfolio of banks in Chile. This amendment would make it possible to reduce, in a static scenario, the provisions of the group commercial portfolio by nearly US\$50 million. The purpose of the CMF is to provide a regulatory incentive for banks to release these resources in provisions and thus promote the liquidity of the system, especially by supporting small and medium-size companies, without losing sight of appropriate risk management policies.

h. Temporarily exemptions to file certain documentation in the registration of publicly offered securities.

On June 15, 2020, the CMF issued General Rule No. 443 which amended General Rule No. 30 (that establishes the rules for registration of issuers and public offering securities in the Securities Registry of the CMF), and created an temporarily exceptional regime applicable to the issue and placement of public offering securities.

On the one hand, a transitional and exceptional regime is contemplated in order to speed up the procedure for issuing securities and thus facilitate access to financing for companies and other economic actors, in the context of the global pandemic. In this way, the presentation of certain documents in the applications for the registration of securities is temporarily exempted from June 15, 2020 until June 30, 2021. The new regime exempts the presentation of the following documents:

- a) Prospectus. Notwithstanding the above, the issuer must comply with the obligations of sending to the CMF the prospectuses and brochures used for advertising the securities issue, two days prior to the placement of the security.
- b) Copies of the notices and communications that must be sent to the shareholders on the occasion of a capital increase or the issuance of convertible bonds.
- c) Documentation in duplicate.

In addition, General Rule No. 30 is permanently amended to facilitate the registration of securities and issuers in the following aspects:

- a) For the registration of new issuers, if the entity's annual audited financial statements are older than 90 days, the issuer may submit its financial statements of a more recent date signed by the entity's board of directors.
- b) In case of a capital increase, the amount of documents to be filed for registration in the Securities Registry of the CMF is reduced to only the minutes of the shareholders and board of directors resolutions approving the issue of the shares.
- c) The risk classification of debt facility securities may be submitted at the time of registration of each issue against that facility.

This amendment is effective as of June 15, 2020.

Is it possible to use remote communication mechanisms to hold shareholders meetings, bondholder meetings and contributor meetings?

The CMF issued General Rule N°435 which allows the shareholders' meetings of corporations and special corporations subject to the existence authorization of the Commission, such as banks and insurance companies, and the bondholders' meetings and contributors' meetings supervised by the CMF, to implement technological means of participation and remote voting.

The board of directors of each company shall be responsible for duly guaranteeing the identity of the shareholders, bondholders or contributors, and for ensuring the principle of simultaneity or confidentiality of the votes taken at such meetings and assemblies.

In addition, Circular Letter No. 141 clarifies the scope and requirements of the regulations on remote attendance and voting, providing the possibility that the supervised parties may invoke reasons of force majeure that may prevent the holding of meetings or assemblies.

Is it possible to use remote communication mechanisms to conduct board meetings in corporations?

The CMF confirmed that board meetings in corporations may be held remotely, according to the rules and requirements set forth in Article 47 of Law No. 18,046 on Corporations and Circular No. 1,530 of the CMF.

Is it possible to digitally subscribe the board of directors' minutes?

General Rule No. 434 of 2020 authorizes the use of electronic signature in corporations under the supervision of the Commission for the subscription of minutes of board meetings, through mechanisms that meet the conditions set forth in Law No. 19,799 on Electronic Documents, Electronic Signature and Certification Services for such Signature.

In relation to the procedure to sign the minutes electronically, the General Rule N°434 recognizes two ways: (i) by means of advanced electronic signature³, and (ii) by means of electronic signature (also called simple electronic signature⁴), with the sounds, symbols or electronic processes used for such purpose being previously agreed upon by the Board of Directors. In addition, in the latter case, the general manager, or whoever officiated as secretary at the respective session, must record the fact that said electronic signature corresponds to the director who appears to have signed the respective minutes.

Can the entities of the financial system modify the opening hours for the public?

The Commission has instructed the supervised entities to take all necessary measures to provide adequate customer service and information, reinforcing their channels, such as web platforms, mobile phone applications, among others.

In the case of the banking industry, bank offices are required to operate from Monday to Friday (working days), from 9 a.m. to 2 p.m., in accordance with the provisions of the General Banking Act. In those cases in which these entities face inconveniences in the current scenario, either in the opening of their offices or in rendering other services, they must adopt the measures required for this purpose so that the public can access the respective banking services in the different geographical areas in which they operate, taking the necessary precautions and keeping them informed of these situations through the means available to them (prominent notices in the offices, websites and mobile applications).

Will it be possible to reschedule the payment of debts with financial entities?

To date, no generally applicable rule has been issued requiring financial institutions to reschedule their customers' debts. However, the CMF has issued certain rules providing flexibilization of provisions for financial entities in this respect (as described in answer (e) above). In practice, some banks have voluntarily implemented debt deferral or rescheduling mechanisms for their clients.

Does CMF continue to operate during a state of disaster?

In accordance with the Commission's operational continuity plan, relevant measures have been taken to ensure the continuity of its functions and the services provided to citizens and financial entities, as well as to make it possible for its officials to carry out their work according to the guidelines established by the health authority, including teleworking measures.

How can information be sent to the CMF?

The supervised entities can send their documentation to the Commission through the SEIL platform (for the Securities and Insurance sector) or Extranet (for the Banking and Financial Institutions sector), which are available on the website www.cmfchile.cl; or also through the platform called "CMF sin papel" (CMF without paper).

Is the obligation for supervised entities to disclose information to the market still in force?

Yes, the common obligations to disclose information to the market are maintained. In addition, the CMF has required issuers of publicly traded securities to disclose as soon as possible any significant information on financial and operational effects that the outbreak of COVID-19 could mean to their businesses and the measures taken to mitigate those effects, in accordance with the transparency obligations imposed on them by the Chilean Securities Market Law and CMF regulations.

3 Law No. 19,799 defines the advanced electronic signature as "*that certified by an accredited provider, which has been created using means that the holder keeps under his exclusive control, so that it is linked only to the holder and the data to which it refers, allowing the subsequent detection of any modification, verifying the identity of the holder and preventing him from being unaware of the integrity of the document and its authorship*".

4 Law No. 19,799 defines the electronic signature as "*any sound, symbol or electronic process, which allows the receptor of an electronic document to identify at least formally its author*".

Is the obligation to send essential facts (*hechos esenciales*) to the CMF still in force?

Yes, the regulations governing the submission of essential information (*hechos esenciales*) by entities supervised by the CMF have not been modified to this date. Therefore, and in accordance with Articles 9 and 10 of Chilean Securities Market Law, as well as the provisions of General Rule No. 30 of the Commission, entities registered in the Securities Registry of the CMF must truthfully, sufficiently and timely disclose any fact or essential information regarding themselves, their business and the securities they offer, at the time the fact occurs or comes to their attention. For these purposes, it must be understood that information is of an essential nature when it would be considered important for its investment decisions by a judicious person.

Has the Commission taken measures in relation to the implementation of Basel III?

Yes. The Commission has decided to postpone in one year the implementation of Basel III, extending the current regulatory framework until December 2021.

The purpose of this measure is to prevent that the increase in capital requirements required by Basel III to intensify the effects of the negative shock caused by this pandemic and also to limit the operational challenges that adopting a new regulatory framework will imply for banks. It also aims to give greater flexibility to banks in the constitution of their provisions to accommodate changes in the payment conditions of their debtors, tending to ultimately benefit bank customers.

Notwithstanding this postponement of the implementation of Basel III, the Commission will continue its regulatory work in the following areas:

1. Issue of the regulations to establish the standard methodology for the calculation of credit, market and operational risks, which will enter into force no later than December 1, 2020.
2. These regulations shall consider, among their transitional provisions, that the assets weighted by market and operational risk shall be equal to 0 until December 1, 2021, and that the assets weighted by credit risk shall be calculated considering the current weights associated to the same five categories currently in force.
3. The first determination of the charge of the additional basic capital for banks with systemic relevance will be made in March 2021, setting this charge at 0%, and which may be gradually increased in the subsequent years.

What measures have been adopted by the Chilean Government to inject liquidity into companies?

To address the economic difficulties resulting from the current global crisis, on March 19, 2020, the Government of Chile announced an emergency economic plan that, as a whole, will involve the use of fiscal resources totaling US\$12 billion.

Within the measures of such plan, on April 24, 2020 Law No. 21,229 was enacted, increasing the capital of the Small and Medium-Sized Enterprises Guarantee Fund ("FOGAPE" in Spanish) by US\$ 3 billion, and temporarily relaxing the requirements to access the FOGAPE guarantee until April 30, 2021, this in order to facilitate access to liquidity for companies in all industries that are facing a significant decrease in their income due to this crisis.

On 25 April 2020, Decree No 130 of 2020 was issued, approving the Regulations of FOGAPE applicable to the COVID-19 credit facilities (the "Regulation"). The purpose of the Regulation is to establish the minimum requirements and conditions that must be met by lenders, borrowers and the credit facility agreements in order to qualify for the granting of the FOGAPE guarantee. The financial assistance is focused mainly on individuals or legal entities that have been commercially affected by the COVID-19 pandemic.

The FOGAPE is a state fund that guarantees a percentage of the capital of loans, leasing operations and other financing mechanisms that financial institutions, both public and private, grant to micro and small entrepreneurs, exporters, supporters and organizations of eligible small entrepreneurs. FOGAPE operates through its administrator, Banco del Estado de Chile.

The main characteristics of the financing to be guaranteed by FOGAPE ("COVID-19 Facilities"), are the following:

- The beneficiaries of the COVID-19 Facilities may be individuals or legal entities whose annual net sales do not exceed UF 1,000,000.
- COVID-19 Facilities may be granted by banks, including their subsidiaries, and savings and credit cooperatives referred to in paragraph first of Article 87 of the Cooperatives General Law.
- The resources from the COVID-19 Facilities may only be used to cover the working capital needs of the beneficiaries.
- The maximum amounts of the COVID-19 Facilities that may be granted are:

Companies with annual net sales of VAT up to:	Maximum financing limit:
1,000 UF	250 UF
10,000 UF	2,500 UF
25,000 UF	6,250 UF
100,000 UF	25,000 UF
200,000 UF	50,000 UF
400,000 UF	100,000 UF
600,000 UF	150,000 UF
1,000,000 UF	250,000 UF

- The term of the COVID-19 Facilities will be between 24 and 48 months, including at least a 6 months grace period for the payment of the first installment. The financial institutions may not charge any prepayment cost or fees for the pre-payment of the obligations from the COVID-19 Facilities.
- COVID-19 Facilities granted by institutions that have access to financing from the Central Bank of Chile must have an annual and nominal interest rate that does not exceed the equivalent of the monetary policy interest rate (today 0.5%) plus 3%.
- If the beneficiary has outstanding commercial debts with the financial institution that will grant the COVID-19 Facility, the financial institution will be required to reschedule these debts, considering a deferral of any capital amortization due within 6 months from the time the COVID-19 Facility is granted, and may, in any case, maintain the accrual of interest. In addition, this financial institution may not initiate bankruptcy proceedings, executive proceedings or executions of any kind against current commercial loans of the beneficiaries for a period of 6 months from the date the COVID-19 Facility was granted. This financial institution also may not initiate bankruptcy proceedings for the liquidation or executive proceedings or executions of any kind with respect to those beneficiaries that have entered into COVID-19 Facilities with other financial institutions.
- The aforementioned financial institution may not initiate liquidation proceedings or executive or execution judgments of any kind with respect to those companies that have contracted COVID-19 Facilities with other financial institutions:
- Borrowers who, meeting the eligibility conditions, may be in various stages of default for the treatment of provisions, both for the COVID-19 Facilities and for the others maintained with the granting financial institution, must comply with the following:
 - **Calculation of provisions created at the date of granting for current loans:** For borrowers of current loans (with arrears of less than 90 days) in installments made prior to the granting of the COVID-19 Facility and subject to the aforementioned rescheduling, depending on the methodology used in the treatment of provisions, the calculation of arrears and the parameters of expected loss will remain constant during the first 6 months of said deferment, as will the provisions to be constituted for such purposes.
 - **Treatment of the non-performing portfolio:** For those borrowers evaluated in a group, that having met the eligibility conditions of Article 14 f) of the Regulations, related to the beneficiary's non-performance, and that being viable, were in non-performing portfolio at the

time of granting the COVID-19 Facility, this condition will maintain until the regularization conditions indicated in numeral 3.2 of Chapter B-1 of the Accounting Compendium for Banks of the Chilean Central Bank are met. In addition, for the recognition in a regular portfolio, the borrower shall be required not to be in arrears in those operations exempted from the deferral regime indicated in the Regulations and in the Circular Letter No. 2,252 of the Financial Market Commission. Due to their nature, the rescheduled loans on the occasion of the granting of a COVID-19 Facility, will not be considered as a forced refinancing, for purposes of provisions, and therefore the mere fact of receiving this financing, will not imply that the borrower is classified as in default.

- **Treatment of borrowers that have contracted a COVID-19 Facility with other financial institutions:** Financial institutions that provide financing with a COVID-19 guarantee may not initiate bankruptcy proceedings for liquidation under Law No. 20,720, executive proceedings or executions of any kind, with respect to those beneficiaries that have entered into a financing with such guarantee with other financial institutions.
- The coverage of the FOGAPE guarantee for the COVID-19 Facilities, will vary according to the company's size and maximum financing amount:
 - a) For companies whose annual net sales do not exceed 25,000 UF: the guarantee will be up to 85% of the debit balance of each financing up to 6,250 UF.
 - b) For companies whose annual net sales exceed 25,000 UF and do not exceed 100,000 UF: the guarantee will be up to 80% of the debit balance of each financing up to 25,000 UF.
 - c) For companies whose annual net sales exceed 100,000 UF and do not exceed 600,000 UF: this guarantee will be up to 70% of the debit balance of each financing up to 150,000 UF.

For companies whose annual net sales exceed 600,000 UF and do not exceed 1,000,000 UF: this guarantee will be up to 60% of the debit balance of each financing up to 250,000 UF.

FISHERY/FISHING AND AQUACULTURE

Will the National Fishing and Aquaculture Service issue certificates of legal origin and provenance?

For the purpose of exporting fishing or aquaculture products outside of Chile, a certificate of origin must be requested from the National Fishing and Aquaculture Service ("**SERNAPESCA**"). For these purposes, the process can be carried out in person at SERNAPESCA's offices (which remain open under certain restrictions and a regime of shifts), or by downloading the corresponding form from its web page and then sending it by e-mail.

Notwithstanding the above, many countries require the certificate of origin to be presented in its original copy, which is why as a general rule certificates of origin must be withdrawn in person. However, SERNAPESCA is in discussions with the relevant authorities in different countries to try to facilitate the process and make it more flexible, so that digital copies of the corresponding certificates are accepted (which has already been achieved in some countries, such as Brazil).

On the other hand, there are certain markets that request other certificates to certify compliance with sanitary measures and traceability of exported products.

In addition, and for the purpose of maintaining the due certification system required for exports, SERNAPESCA, through Exempt Resolution No. 614 of March 20, 2020, amended by Exempt Resolutions No. 671 and No. 724, issued by said agency on March 20, 2020 and April 3, 2020, respectively, established certain measures for the purpose of facilitating the process without putting at risk the health of its officials and workers. Among the measures in question are the possibility of delivering documentation in digital format, the implementation of payments via electronic transfer, acceptance of the replacement of SERNAPESCA's official verification samples by samples taken by an authorized sampler and analyzed by a SERNAPESCA verification laboratory, the possibility of monthly sampling of certain products (pharmaceuticals, contaminants, prohibited and/or unauthorized substances) in facilities without the presence of a SERNAPESCA inspector, as well as the suspension of sampling in certain particular cases,

the possibility of carrying out sampling of prohibited and unauthorized substances from cultivation centers in processing establishments (in cases where it is not possible to carry out official sampling in the centers before harvest) to support the entire corresponding cultivation center, and the authorization of modifications to quality assurance programs that do not represent a substantial change to the programs or their implementation.

In addition, within these measures, there are some that contemplate an effect in different jurisdictions, such as the suspension of the issuance of the "transit certificate" and the "animal health certificate" regarding products transiting through Argentina and which origin corresponds to a sector in Chile (transit will be authorized via communication between inspectors in both countries) and the implementation of a system of authorization of shipments and health certification for fishing and aquaculture products intended for Brazil (with the exception of seaweed and preserves) through an electronic platform (SISCOMEX).

In addition, SERNAPESCA, through Exempt Resolution No. 946 of May 6, 2020, established remote procedures for the sanitary qualification of facilities processing fishing and aquaculture products for export. The procedure in question consists, in general terms, in the submission of a questionnaire together with documents, annexes, records, photographs and audiovisual material, as appropriate, via e-mail to SERNAPESCA, which will carry out a technical evaluation, and as a result, may grant the corresponding sanitary qualification through the assignment of a specific category. Once this is done, the facility may enter the regular control and inspection system of SERNAPESCA.

As a result of the above, the scope of the implementation of shipment authorizations and sanitary and origin certifications for fishing and aquaculture products intended for export was also extended, through the mentioned electronic platform SISCOMEX, referred to in the aforementioned Exempt Resolution N°614 of March 20, 2020, also issued by SERNAPESCA, and its amendments. The above, to the extent that it is approved by the competent authorities of the various destination markets.

Finally, through Exempt Resolution No. 1071 of May 26, 2020 SERNAPESCA amended previously referred Exempt Resolutions No. 724, issued by said agency on April 3, 2020 (which establishing, among others, a remote procedure for purposes of conducting audits of the Quality Assurance Program ("PAC", for its Spanish acronym)) in order to extend its procedures to rectification audits and also, in order to allow PAC monitoring and supervision regarding fishery and aquaculture processing establishments for export (technical evaluation of the fulfillments of PAC based on evidence provided remotely) in order to determine the continuity or otherwise of the PAC certification granted to a particular establishment.

Has the audit of the fishing and aquaculture sector been suspended?

Both the Subsecretariat of Fishing and Aquaculture ("**SUBPESCA**") and SERNAPESCA continue to carry out their inspection work on the fishing and aquaculture industry in Chile.

Notwithstanding the above, SERNAPESCA, through Exempt Resolution No. 565 of March 16, 2020, amended by Exempt Resolutions No. 585, No. 648, No. 672, No. 725 and No. 805 issued by that agency on March 19, 24 and 27, 2020 and April 3 and 15, 2020, respectively, has adopted certain health, environmental and operational measures for the purpose of protecting the health of its officials and reducing exposure to contagion. In that sense, SERNAPESCA implemented a series of measures regarding the control it carries out from different fields:

- (a) General Measures: These measures include the postponement of the sanitary rest periods for the different groups of salmonids (with the possibility of extending or reducing the production periods), the extension of periods of stay in stocking centers, the postponement of the splitting by sowing to double number, the maintenance of certifiers on board in the framework of certain programs or to proceed according to samples to the landing, certain control and surveillance measures applicable to wellboats circulating in specific areas (and establishing sanitary barriers for these purposes), the extension of deadlines for cleaning and disinfecting structures, and the postponement of sampling for environmental reports in cultivation centers that cannot be carried out during the period when movement restrictions are in place, among others;

- (b) Measures Related to Programs of Disease Surveillance and Control: These measures include the possibility of exemption from certain sampling for particular diseases (piscirickettsiosis and rhinibacteriosis) and also the possibility that sampling for particular diseases (caligellosis and AHS) may be carried out by company personnel, the flexibilization of the categorization of programs associated with particular diseases (caligus and SRS) and exemption from the categorization of others (caligellosis), the extension of the monthly validity of the Health Movement Certificate for up to 3 months, permission for certain tests to be carried out over longer periods of time (HPR0 and mollusks), the possibility that the screening of broodstock, the taking of samples and the elimination of specimens may be carried out by the staff of the cultivation center itself and the exception of screening broodstock for particular diseases (ISAv and IPN), the extension of the validity of sampling and analysis of broodstock obtained by non-destructive methods (from 10 to 30 days) and the possibility that sampling of prohibited substances may also be carried out by staff of the cultivation center, among others; and
- (c) Measures Related to General Health Programs: These measures the flexibilization of the visits by veterinarians to the centers (they can be made every 3 months, considering the date of the last visit).

The above is notwithstanding any additional regulations and measures applicable to specific localities or regions of the country.

Also, SENAPESCA, through Exempt Resolutions No. 563 and No. 570, of March 16, 2020 and March 17, 2020, respectively, as amended by Exempt Resolutions No. 586, No. 681, NO. 806 and No. 1087, No. 570 and No. 1278, dated March 19, 2020, March 30, 2020, April 15, 2020, May 29, 2020 and June 25, 2020, respectively, approved exceptional working arrangements for said agency, its officials and honorary staff working on a weekly basis, based on the use of information and communication technologies. The aforementioned, with effect until July 31, 2020.

Moreover, taking into account the complications that have developed regarding logistics that mainly affect the aquaculture sector, SUBPESCA has requested the different salmon farms to reinforce security and health measures and to update the existing contingency plans (especially to avoid that situations that could be general, such as mass mortality of fish, could turn into bigger problems from the environmental and health point of view), and has also shown flexibility with respect to the regulations in force.

Likewise, through Exempt Resolution N°1068 of April 20th, 2020, SUBPESCA extended by one month the terms established in articles 23^N and 23^R of Supreme Decree N°319 of 2001 (corresponding to terms established for the withdrawal of specimens from centers located in rivers and lakes for the purposes of cleaning and disinfecting the structures of the centers in question, to smoltify species and to begin one-month sanitary rests, as well as for the purpose of carrying out sowing), with effect from March 18, 2020 and until the measure is terminated by another subsequent act.

The Superintendence of the Environment ("SMA"), through Exempt Resolution No. 497 of March 19, 2020, instructed that every holder of an Environmental Qualification Resolution must report weekly to the SMA, through its website, the operational condition of the corresponding project or activity (indicating whether it has become necessary to implement additional plans, actions or measures on the occasion of COVID-19, and activating their corresponding emergency or contingency plans in the event that any relevant event occurs for these purposes.

Can hydrobiological resources be extracted?

In the first place, it should be noted that, unlike other countries, Chile does not have a national quarantine, but rather particular quarantines that affect specific districts in the different regions and, likewise, sanitary cordons (specific perimeters in which the authority carries out additional and stricter controls for the entry and exit of persons, allowing entry only for the purpose of supply). To the above, an additional measure adopted since March 22, 2020 should be added, corresponding to a mandatory curfew throughout the country between 10 p.m. and 5 a.m. (restricting freedom of movement).

Notwithstanding the above, the Chilean Ministry of Defense guaranteed the supply chain and essential goods in Chile, so that the needs of the population can be covered. Accordingly, an instruction on transit permits for workers engaged in certain specific activities was issued (including persons providing services in entities engaged in the production, distribution or trade of essential goods, and the staff of companies engaged in fishing and processing of fish and shellfish, among others).

Within the framework of the above, it is essential to maintain the operation of the aquaculture industry under certain additional safeguards and the corresponding sanitary recommendations.

Notwithstanding the aforementioned, it should also be noted that, to this date, many of the districts and towns where the aquaculture and fishing activity is focused are not affected by quarantine, but only by the already mentioned curfew.

What documents must a fishing and aquaculture plant staff carry when they commute to work?

As mentioned above, fishing and aquaculture companies, as well as the plants corresponding to these activities, are part of the country's supply chain and, therefore, have been allowed to operate during the health contingency.

However, a distinction must be made in terms of the documentation that workers of this sector or those carrying out activities relevant to the sector must carry in order to be able to circulate:

- First, it should be noted that for the purposes of circulation during curfew hours (between 10 p.m. and 5 a.m.), the corresponding employer, through his legal representatives, must request a collective permit or pass for those workers who must move or carry out work during the hours in question in areas considered essential to maintain their proper operation, which can be requested through a website and for a maximum of 140 workers. In the case of artisanal fishermen, they can request an individual permit or pass.
- Secondly, for the purposes of movement at times other than the curfew in districts or localities for which there is a quarantine, it is sufficient for the worker concerned to carry and display a document certifying his relationship with the company linked to the activity authorized to operate during the health contingency (such as a certificate issued by the employer, his institutional credentials, his employment contract or other similar document).

Moreover, it is noted that these permits will also be granted to those who participate in the transport chain associated with the products in question (without prejudice that, for these purposes, the corresponding dispatch guide also operates as a pass or permit).

Notwithstanding the foregoing, due protection for workers who continue to work must be ensured at all times and, likewise, efforts must be made to dispense those who form part of the population at risk.

Can companies that distribute hydrobiological products operate?

As indicated above, given that the Chilean Ministry of Defense guaranteed the supply chain and essential goods in Chile (among which are hydrobiological resources), the companies and their workers in all the segments involved are allowed to operate: from production, transport and even distribution to the population. All this, in the terms indicated above.

However, for the purposes of the above, the corresponding companies must obtain the circulation permit or pass for their workers during the curfew (if necessary) and also implement adequate health measures to protect the health of their workers.

Will the fishing terminals be open?

As a general rule, fishing terminals will be kept open throughout Chile.

Furthermore, the authority has even exempted artisanal fishermen from displacement restrictions affecting the population of some regions of the country during night or curfew hours. This is because their work has been considered to be essential in the country's production and supply chain.

What about administrative sanctioning procedures and other deadlines that may be relevant to fishing and aquaculture?

The SMA, through Exempt Resolution No. 518 of March 23, 2020, suspended the processing of all administrative sanctioning procedures initiated by it, between March 23 and 31, 2020, instructing, likewise, that during said period the administrative terms conferred for the compliance of measures, information requirements and any other action developed within the framework of other administrative procedures derived from the exercise of the regulatory, supervisory or sanctioning faculties of the SMA would be suspended.

By Exempt Resolution No. 548 of March 30th, 2020, the SMA replicated the above-mentioned measure for the period between April 1 and 7, 2020, both dates included, and, in turn, by Exempt Resolution No. 575 of April 7, 2020, for the period between April 8 and 30, 2020. As of this date, no additional Resolution has been issued replicating the aforementioned measures after the referred date.

SUBPESCA, through Exempt Resolution No. 886 of March 31, 2020, amended by Resolution No. 1419, of June 22, 2020, suspended, as from March 18, 2020 and until the measure is revoked by a subsequent act, several deadlines and procedures applicable to different activities and matters established in Law No. 18,892 of 1989, on Fishing and Aquaculture (the "**LGPA**"). Particularly in the field of fishing and aquaculture, terms such as those indicated below were suspended:

- (a) Supreme Decree No. 355 of 1995 of the Ministry of Economy, Development and Tourism (Regulations on Benthic Resource Management and Exploitation Areas): Suspension of deadlines for the submission of the study of the area's basic situation, for the submission of draft management plans, for the submission of follow-up reports, whether these are annual or biennial (in the case of resources for which extraction has been authorized under a quota regime, resources may be extracted to the extent that there is an outstanding balance of the corresponding quota), for responding to observations in the follow-up reports, and also for the execution of authorized management actions;
- (b) Supreme Decree No. 390 of 1993 of the Ministry of Economy, Development and Tourism (Regulations on Aquaculture Concessions and Authorizations): Suspension of deadlines for the submission of certain information in connection with the granting of aquaculture concessions or authorizations;
- (c) Supreme Decree No. 113 of 2013, of the Ministry of Economy, Development and Tourism (Regulations of the Public Registry of Aquaculture Concessions): Suspension of deadlines for updating information relevant to certain registries, as well as deadlines for reviewing information and registering transfers, leases or other acts involving the assignment of rights to aquaculture concessions or enabling the exercise of aquaculture activities therein (the deadline established for this purpose in article 81 of the LGPA is also suspended);
- (d) Supreme Decree No. 96 of 2015, of the Ministry of Economy, Development and Tourism (Regulation of Aquaculture Activities in Benthic Resource Management and Exploitation Areas): Suspension of deadlines for the submission by SUBPESCA of proposals for technical projects to overcome existing impediments and to give a response to the same, for the sending of the communication of having been submitted to the Environmental Impact Evaluation System, and to require the applicant whose project should not be submitted to the Environmental Impact Evaluation System to present information directly to SUBPESCA;
- (e) Expiration Declaration Procedures and Sanctioning Procedures: Suspension of the hearing period granted by SUBPESCA to those affected by a procedure related to the infractions referred to in article

118 ter of the LGPA, or a declaration of expiration according to the LGPA. In relation to the latter matter, the expiration procedures initiated by SUBPESCA are also suspended, as well as claims for the expiration of the registration in the Artisanal Fishing Register, and the authority may adopt provisional measures and the authority may adopt provisional measures in both cases. Also, suspension of the administrative and sanctioning procedures in order to determine responsibilities in accordance with article 1180 of the LGPA (once a hearing is granted to the interested party); and

- (f) Others: Suspension of deadlines for the submission of reports relevant to institutional projects and studies, of deadlines relevant to the creation of coastal marine areas of the original peoples and of certain deadlines of Law 19.880, amendments to the applicable administrative statute and elimination of certain formal requirements regarding non-translational business in respect to tradable fishing licenses under article 30 of the LGPA and regarding the assignment under article 55 T of the LGPA (specifically, the submission of certain documents authorized by a Notary Public to the extent certain requirements are met), .

On the other hand, it should be noted that SUBPESCA, through Exempt Resolution No. 817 dated March 19, 2020, also suspended the bidding processes for the industrial part of the quota (LTP B), and extraordinary capture permits and reserve quotas for human consumption of smaller companies. The suspension in question is in force from March 19, 2020 and until the measure is revoked by a subsequent act.

What happens with the expiration of concessions and artisanal fishing?

As previously indicated, SUBPESCA, through Exempt Resolution N°886 of March 31, 2020, suspended several deadlines related to activities and matters contemplated by the LGPA as from March 18, 2020 and until the measure is revoked by a subsequent act.

These suspensions included the suspension of the expiration procedures initiated by SUBPESCA, although the same Exempt Resolution establishes that the holder must argue and prove the grounds for a fortuitous event or force majeure affecting them.

Regarding artisanal fishing, SERNAPESCA, through Exempt Resolution No. 718 dated April 3, 2020, declared that the time of inactivity incurred by artisanal fishermen registered in the Artisanal Fishing Register for a period of 1 year from March 23, 2020 shall not be counted.

INFRASTRUCTURE

What happens with the execution of construction contracts with the Chilean State?

Article 19 of the Law on the Concession of Public Works establishes that the concessionaire may request compensation in the event of an act by an authority justifying it when the following requirements are met (i) the act occurs after the award of the concession bid; (ii) it could not be foreseen at the time of its award; (iii) it does not constitute a legal or administrative rule issued with general effects, which exceeds the scope of the industry of the concession in question, and (iv) it significantly alters the economic regime of the contract.

All amendments to the original contract to include additional works, which separately or jointly exceed five percent of the official budget for the work, and provided that such percentage corresponds to a sum in excess of fifty thousand *Unidades de Fomento*, must have a report from the respective Directorate of the Ministry of Public Works on the impact of the amendment. They will be incorporated into the concession by a supreme decree of the Ministry of Public Works, which must also bear the signature of the Minister of Finance.

The concessionaire may be compensated according to the mechanism indicated above if the consequences of the COVID-19 on the execution of its works so warrant. The compensation must always be calculated in such a way as to ensure that the net present value of the additional project is zero.

What happens with the execution of construction contracts?

With respect to the districts under quarantine, the authority has authorized the operation of companies that are essential for supply, security, emergencies, and public services, or the transit of people working for such companies through quarantine areas.

In the case of construction contracts, as a general rule, construction works are not included in the essential services abovementioned, so it would not be possible to continue with the execution of such contracts in quarantine areas, nor the movement of construction employees from quarantine districts to districts not subject to quarantine where the construction works are being carried out. However, the construction of certain facilities such as hospitals to care for COVID-19 patients would qualify as an essential construction contract under the current emergency situation, and consequently, such works can continue.

Notwithstanding the above, in accordance with chapter IV section 5.d of the Instructions for the granting of Movement Permits issued by the Ministry of the Interior, in justified cases, the corresponding sectoral Ministry could declare that certain construction works, by their nature, correspond to activities that cannot be suspended and whose interruption generates an alteration to the functioning of the country.

Are there any exceptions to the above rule in the area of construction?

On June 19th, the Instructions for the granting of Movement Permits issued by the Ministry of the Interior were updated, including in the list of cases in which the movement through quarantine areas is authorized:

- Essential personnel for the maintenance and repair of elevators, duly registered in the National Registry of Installers, Maintenance and Certification of Elevators, whether individuals and/or personnel working for a company registered in the aforementioned registry.
- Personnel providing services for the construction, maintenance, repair and proper operation of public infrastructure, such as public buildings, airports, ports, roads, hospitals, rivers, channels, dams, jails and others.

What happens with the additional costs in the execution of a work?

According to the second paragraph of article 2003 of the Civil Code, in lump sum construction contracts concluded with a contractor, if unknown circumstances cause costs that could not be foreseen, the contractor must have them authorized by the owner; and if the owner refuses, the judge may decide if the work should have been surcharged, and set the corresponding price increase.

If there is no express regulation regarding the higher costs in the respective construction contract, the owner (or the judge, if there is no agreement with the owner) may be asked to adjust the price of the construction contract, if the COVID-19 constitutes an unknown circumstance that causes unforeseen additional costs.

The requirements for the application of this provision are as follows:

- (i) that the owner and the contractor are bound by a construction contract;
- (ii) its purpose is the construction of a building;
- (iii) the contractor is responsible for the execution of the entire work;
- (iv) the contractor's compensation consists of a single, fixed price;
- (v) the occurrence of unknown circumstances and
- (vi) that those circumstances would cause additional costs which could not be foreseen.

What restrictions exist for the transport of cargo and goods during the state of emergency?

As of 00:00 hours on March 18th, and in the context of the Government's declaration of a State of National Exception due to a Catastrophe, Chile closed all its maritime, air and land borders, one of the measures established by the government after the country entered phase 4 of the COVID-19 pandemic.

The objective of this measure is to restrict the transit of foreign persons to the country, so the closure of the borders does not apply to the transport of goods.

On March 18th, the National Customs Directorate issued Resolution No. 1,179, which contains a series of concrete actions to simplify and secure operations in all Chilean sea, air and land ports, using electronic means of communication and other equipment.

The Instructions for the granting of Movement Permits issued by the Ministry of the Interior authorize the movement of goods carriers through quarantine areas. It refers to the personnel needed to transport goods from public and/or private companies in the areas indicated in the Instructions (i.e., food and essential trade, public services, emergencies, health, security and press, among others). In these cases, the dispatch guide will be the sanitary permit for the carrier and must indicate:

1. Driver's full name.
2. Driver's tax ID.
3. Truck license plate.
4. Date of dispatch.
5. Dispatch destination.
6. Hourly range to perform the transport.
7. Products to be dispatched

IMMIGRATION

What will be the status of the files on migration matters that have been initiated in Migration?

Files on migration matters will continue to be processed and may be subject to delays in the issuance of decisions.

What should I do if my residency visa expires during the state of emergency?

You should ask for an extension of one year, in case it has been previously granted for the same period. Otherwise, you must apply for Permanent Residence. Both procedures are carried out through the online platform tramites.extranjeria.gob.cl.

What should I do if my identity card expires during the emergency?

Identity cards that expired during 2019 will be valid until December 31st, 2020, and those that expire this year will last one more year from the date of expiration.

What will happen with the new procedures in Migration?

All those new procedures that can be carried out through the online platform of the Department of Immigration will be able to be accessed without problems. In-person procedures will be suspended indefinitely.

What will be the status of my appointment during the state of emergency?

In order to avoid further contamination by COVID-19, it has been determined to cancel the appointments at Matucana 1223, Santiago, indefinitely.

What are the administrative sanctions for excessive stay?

The calculation and payment of fines for foreigners can be done through the platform tramites.extranjeria.gob.cl, selected "Calculation of Fine for Foreigners". You can send the paid voucher by certified mail to Chacabuco 1216, Santiago. The voucher will be reviewed and the corresponding resolution will be sent to the e-mail informed at the time of sending the voucher, or to the address informed, as appropriate.

What can I do if the Tourist Visa is going to expire and the person cannot travel because of the border closure?

An Extension or Extension of Tourism should be applied for, if applicable, in the platform tramites.extranjeria.gob.cl.

What to do in case of having to make a Visa stamp?

Since March 23rd, 2020, an Electronic Provisional Visa Stamp (EPE) must be made, which should be downloaded from the platform tramites.extranjeria.gob.cl and will last 6 months, after which an appointment to physically stamp in your passport should be made.

Will the deadlines for introducing applications for Permanent Residence be taken into account?

Applications for Permanent Residence are made 90 days before the visa expires at the portal tramites.extranjeria.gob.cl, for which a Password is needed. As of May 1, 2019, applications will only be accepted digitally through the platform. If the established deadlines are exceeded, a new application must be sent.

What happens to people who have to do digital procedures urgently and do not have a "Clave Única"?

At the main branches of ChileAtiende and the Civil Registry, a person can obtain Clave Única to carry out a digital procedure. It is recommended to pay attention to their respective websites and social networks

INTELLECTUAL PROPERTY

Does the National Institute of Industrial Property (henceforth "INAPI") have online services?

Yes, INAPI's online platform is fully operative for carrying out administrative and judicial procedures.

It must be noted that INAPI's offices are currently closed in order to avoid physical contact and their staff are currently working from home.

INAPI is also providing remote assistance via phone and e-mail.

Have deadlines in administrative and judicial procedures before INAPI been extended?

All the deadlines that originally expired between May 1st and May 15th, 2020, both dates included, have been extended by half of the original term, in accordance with the provisions of Article 26 of Law No. 19,880, that establishes the basis of the Administrative Procedures governing the Acts of the State Administration. This extension does not apply to those deadlines that were already extended by Exempt Resolution No. 314 of 2020 (time periods that expired from March 17 to April 30, 2020). However, terms that expire or have expired after May 15th have not been extended.

In addition, INAPI's Circular No. 398, in accordance with Law No. 21,226, established that any hearing to be held in the context of judicial proceedings before INAPI will be suspended and rescheduled for the earliest possible date after the Constitutional State of Exception ends.

Furthermore, evidentiary terms have been suspended until ten working days after the Constitutional State of Exception ends (decreed on March 18, 2020 for a period of 90 days, and extended on June 15, 2020 for

another 90 days), provided that as of April 2, 2020 they had already been initiated or would have started during the course of the Constitutional State of Exception.

Has INAPI taken new measures in order to simplify some of its procedures?

INAPI reported on its website that, as from May 5 this year, a new online payment method was enabled for PCT applications when the Chilean office operates as a Receiving Office.

Payment can be made in Chilean pesos by a direct bank transfer to INAPI, without the need to resort to intermediaries. Those interested in using this format should consider the observed dollar value published by the Central Bank, with reference to the last working day of the month prior to the payment date.

INAPI also announced on May 15, that they have enabled the option of making an online payment, by electronic transfer, of the final fees of patents, utility models and industrial drawings and designs. This will benefit users with granted applications that are available for payment.

It was also announced on May 20 that trademark appeal fees can now be paid online through INAPI's platform. This measure is intended to help social distancing, as the appeal fees could not be paid online before.

Finally, on June 23rd, INAPI announced via Circular No. 524 that they have simplified the online filing of Powers of Attorney and founding documents, and therefore the advanced electronic signature is no longer required. A simple digital copy of the document is enough, provided that they are filed online and authenticated by the Single Password (Clave Única – a specific password associated to a single person used for official procedures) or INAPI's Password (Clave de INAPI – a specific password associated to a single person for INAPI official procedures). Only in case there are doubts of authenticity and integrity of the documents, or the specific action requires special powers of disposal, may an original document be required for review.

Does the Industrial Property Court (henceforth IPC) have online services?

The IPC usually does not count with online services. However, given the current health crisis, they have enabled an email account for the digital filing of all sorts of writs.

The IPC has also recently implemented an online alternative for the payment of the appeal fees via the National Treasury Services in the specific case of adhering to the counterparty's appeal (since normal appeal fees are paid before INAPI).

Are the oral hearings before the IPC taking place?

The oral hearings are being conducted by videoconference before the Industrial Property Court.

While lawyers cannot be forced to participate in videoconferences, it is recommended that they request the hearings through this format, in order to prioritize the presence of the least number of people on the IPC premises

Have any legal or regulatory initiatives been promoted that affect or may affect intellectual or industrial property rights?

Yes. On March 17th, 2020, the Chamber of Deputies/House of Representatives approved Resolution No. 896 recommending that the Ministry of Health, following the outbreak of COVID-19, declare a public health situation that may serve as a basis for requiring a non-voluntary license in respect of any patent or patent application covering vaccines, drugs, diagnostics, inputs, devices or other technologies that may serve in the detection, prevention, treatment and control of COVID-19. On the basis of the public health declaration, it is possible to request a non-voluntary patent license, in a process that must take place before INAPI.

Although there is still no vaccine or new drugs to combat COVID-19, many companies are exploring the potential effectiveness of existing antivirals, some of which are patented. All of them, along with any other

patented product which show effectiveness in the detection or treatment of this disease, will eventually be exposed to a non-voluntary license.

What measures related to the field of Industrial Property have been taken by the private sector in order to help combat COVID 19?

On March 31st, 2020, ABBVIE INC. requested the voluntary cancellation of six of its patent registrations covering two known HIV antivirals, to be used freely for experimental use in connection with COVID 19.

INAPI accepted the requests for voluntary cancellation on April 6, 2020, and therefore the contents of these patents are now public domain.

Does the Department of Intellectual Rights (DDI) of the National Cultural Heritage Service have online services?

The DDI has inaugurated a new online platform for the registration of copyrights and other related rights called CRIN (Integrated National Registry Center) through which it will be possible to register the intellectual property of Intellectual Works; Phonograms and Related Rights; Pseudonyms; and Contracts. It will also allow users to check the status of their applications.

It should be noted that on March 18, public attention was suspended, and an email account was enabled for remote attention of the most urgent requests.

In addition, it was established that if users request an extension before the deadline for filing physical documents expires, it may be extended until the offices are opened to public again.

INSURANCE

Do insurance policies cover the suspension of operations due to the pandemic?

As a general rule, insurance regulations in our country allow the parties (insurer and insured) to freely agree on coverage and exclusions in the respective policies. For this reason, each policy must be analyzed to verify whether they include the necessary coverage to deal with the health emergency or whether the policies exclude from coverage the claims related to the consequences of COVID-19.

In the event of doubt as to the origin of certain risk coverage, the insured may turn to the insurance brokers who brokered the policies in question, since such brokers are obliged to assist the insured policyholders throughout the term of the insurance contract.

What happens to unemployment insurance policies associated with banking products?

Article 21 of Law No. 21,227, the Employment Protection Law, which was amended by Law No. 21,232, establishes that employees using the benefits established in articles 1, 5 and 7 of the Employment Protection Law, can use the unemployment insurance or unemployment clauses associated with credits of any nature with banks, financial institutions, retail companies and similar, with which they maintain debts.

For the purposes of making effective the coverage of the above-mentioned insurance policies, the Employment Protection Law considers that the employees covered by it are in a situation of involuntary unemployment. This provision operates retroactively, consequently, it is understood to be included in insurance policies contracted even before the entry into force of the Employment Protection Law.

In order to activate the insurance, employees must prove their status as a beneficiary of the Employment Protection Act by means of a certificate from their employer, and without prejudice to other provisions of the insurance contracts.

The amount that the insurance company will pay from each installment charged to the policy will be proportional to the decrease in income that the employee experiences for the period of expiration of the respective installment.

LABOR LAW

Does the employer have the right to sanction workers who are forced to go to work or do remote work or telework?

Yes, the employer is entitled to do so. The state of catastrophe, declaration of total quarantine, act of authority or any other act that has forced the parties to opt for the modality of distance work or teleworking does not exempt the employer from exercising his disciplinary powers.

Is the employer obliged to provide workers who perform on-site work with PPE (personal protective equipment) to prevent the spread of COVID-19?

The measures that the health authority has determined on the occasion of the emergency, as well as those necessary to effectively comply with its duty of care and to consider are the following:

- Encourage employees to wash their hands properly by providing them with drinking water, soap, and alcohol gel.
- Reinforce the cleanliness of bathrooms, places where food is consumed, desks, door handles, pencils and other work elements.
- Provide guidance regarding covering their mouths and noses with a tissue or forearm when coughing or sneezing.
- Provide at least a one meter of distance between employees in common spaces, such as canteens, transportation, offices or desk arrangements.
- The use of masks is mandatory for all those working on public or private transport. As well as the use of this implement by users.

Does the worker have the right to interrupt his/her work and, if necessary, leave the workplace if he/she considers, on reasonable grounds, that continuing with his/her work implies a serious and imminent risk to his/her life or health?

Yes, under article 184 bis of the Labor Code, in situations of serious and imminent risk to the life and health of workers, they have the right to interrupt their work and, if necessary, leave the workplace when they consider, on reasonable grounds, that continuing their work involves a serious and imminent risk to their life or health, which they must inform their employer as soon as possible, who must inform the Labor Inspection Office of the suspension of work.

Which employers may carry out work activities during the period of the quarantine/health cordon?

In those districts of the country where a total quarantine or a sanitary cordon has been decreed, all those who work in companies considered essential may carry out activities.

the following will be considered as employees from essential companies:

1. Professionals regarding health, laboratories, pharmacies, chemical companies, medical and veterinary supplies and animal care.
2. Emergency service professionals such as firefighters, emergency response crews of transport, gas distribution, electricity transmission and distribution, telecommunications, drinking water, sanitation and pest control companies.
3. Public utility service professionals and workers.
4. Civil servants and members of the diplomatic corps.

5. Professionals and workers in food companies and essential trade.
6. Staff of transport companies.
7. Security company's personnel.
8. Education assistants and teachers.
9. People who provide services in hotels with guests.
10. Religious ministers to attend services or activities that cannot be postponed.
11. Others whose activity, by its nature, cannot be halted and whose interruption would generate an alteration in the functioning of the country, duly determined by the competent authority.

Which employers cannot perform work activities during the quarantine period?

Companies that cannot perform activities during the government quarantine period are those that do not perform essential activities.

If the employer performs non-essential activities, what alternatives does the employer have to continue working during the quarantine?

The Labor Department has suggested the following alternative measures to fulfil the obligations arising from the employment contract for those municipalities where total quarantine has been decreed:

- i) Provision of remote services or teleworking as long as the nature of the agreed tasks allows it.
- ii) Granting of collective holidays under the terms provided for in article 76 of the Labor Code.
- iii) Agreeing with the workers on the anticipation of the legal holiday benefit (bearing in mind the administrative jurisprudence in force, contained, among others, in Ords. No. 5894 of December 23rd 2014 and 2474/57 of June 30th, 2013).

For those companies that are not located in a district where a total quarantine has been decreed:

- i) Agreeing on deferred entry and exit times for workers in order to avoid the high crowding that occurs in public transport, mainly at peak times.
- ii) Agreeing with staff on the distribution of work in shifts, in order to limit the number of workers sharing the same workspace or premises.
- iii) Agreeing on measures to avoid crowding at workplaces, especially in canteens set up by the company where workers make use of their meal breaks, and on the means of transport provided by the company, among others.
- iv) To agree on measures to limit the number of users or customers in respect of employees whose work involves direct care of the public.

If the employer decides to close the workplace as a preventive measure, is remuneration affected with any discount?

If the company was closed by unilateral determination of the employer, there will be an obligation to remunerate the worker for this time. If the remuneration considers the payment of commissions or another form of variable remuneration, the average of the last 3 months of the variable part must be calculated for payment. The foregoing, since such preventive closure has its origin in the obligation of the employer to effectively protect the life and health of the workers, in accordance with article 184 of the Labor Code.

How is distance work or teleworking agreed?

This modality of work must be agreed upon in the corresponding employment contract or annex to the employment contract, with certain minimum mentions: (1) Express indication of the modality to be agreed: distance work or teleworking; (2) Place of provision of services; (3) Duration of the agreement; (4) Mechanisms of supervision or control; (5) Working day; and (6) Time of disconnection.

What occupational safety and health (OSH) measures should the employer put in place in the case of remote working or teleworking?

The employer has the obligation to inform the remote worker or teleworker in writing about the risks involved in his work, the preventive measures and the correct working means according to each particular case

If the services are provided at the worker's home or at a third party's home, the employer may not enter it without the prior authorization of one or the other, as the case may be.

Additionally, it is indicated that prior to the beginning of the remote work or teleworking, the employer (directly or through the insurance administrator of the law N°16.744) must carry out a training to the worker about the main safety and health measures that he must have in mind to carry out such work.

The minimum information to be provided by the employer to the workers shall be considered:

- a) Minimum characteristics that the workplace must have, such as: work space, environmental conditions, order and cleanliness, furniture, work tools to be used, type, state and use of electrical installations.
- (b) Organization of working time
- (c) Characteristics of the products to be handled
- (d) Risks to which they may be exposed and preventive measures
- e) Insurance benefits under Law No. 16.744 and the procedures for accessing them

What alternatives does the employer have in case the work of its personnel cannot be performed by means of distance work or telework?

- i) Granting of a collective holiday under the terms provided for in article 76 of the Labor Code.

With prior agreement between the parties, and by means of the signing of an annex to the employment contract, the following may be agreed:

- ii) Anticipation of the legal holiday benefit (bearing in mind current administrative case law, contained, among others, in Ords. No. 5894 of 23 December 2014 and 2474/57 of 30 June 2013).
- iii) Mutual agreement on the reduction of working hours.
- iv) Mutual agreement on the reduction of remuneration.
- v) Mutual agreement on the temporary suspension of obligations arising from employment contracts

Is it valid to apply distance working or teleworking to those who cannot enter the country?

Yes, remote work can be applied to such persons. The work will be done from the place where the worker is physically located. The foregoing is notwithstanding the laws governing the provision of remote services in that country.

According to the new law N°21.220, the costs of operation, functioning, maintenance and repair of the equipment must always be paid by the employer.

What infractions does the employer and/or workers incur in case of failure to comply with the exceptional measures provided by the Government during the emergency?

Any person caught violating quarantine without the necessary permission risks fines or imprisonment:

- Fines of 6 to 20 UTM (about US\$ 350 to US\$ 1150) according to the Criminal Code.
- Fines from 0.1 to 50 UTM (US\$ 5.8 to US\$ 2900 approximately) according to the Sanitary Code.
- Minor imprisonment in its minimum degree (from 61 to 540 days of imprisonment).

What measures can the employer take in case his income is affected?

For those employers whose activity is totally or partially affected by the health crisis, Law No. 21,227 on Employment Protection contemplates the options of subscribing to contract suspension agreements or agreements to reduce working hours, through which the worker may have access to unemployment insurance funds, without losing his job and the employer may also reduce costs.

Can the employer not renew fixed-term contracts during quarantine?

Yes, the declaration of a state of national disaster, compulsory quarantine and other acts of authority do not prevent the non-renewal of fixed-term contracts.

Can the employer terminate employment contracts due to unforeseen circumstances or force majeure?

During six months or in the event of a state of disaster, workers cannot be dismissed on the grounds of force majeure or fortuitous event as set out in Article 159 No. 6 of the Labor Code, based on the health emergency caused by COVID-19.

The other grounds for dismissal provided for in the Labor Code shall be applicable, without prejudice to the determination of the courts of justice with respect to the ground invoked in the event of a challenge to the dismissal on the grounds that the worker is deemed to be undue, unjust or improper.

Can the employer terminate employment contracts on the ground of "business needs"?

Yes, employment contracts may be terminated on this ground when the company is in one of the following situations: rationalization or modernization of the company, establishment or service, decreases in productivity and changes in market or economic conditions, and by paying the corresponding compensation.

Notwithstanding the above, Law 21,227 on employment protection recently provides for the impossibility of terminating the employment contract of workers benefiting from the law, on the grounds of article 161 of the Labor Code (needs of the company).

If the employer carries out essential activities, what obligations must he fulfil if he provides for work in person?

- To inform his workers about the authorization to move in quarantine or sanitary cordon areas. A valid permit that authorizes the displacement will be the institutional credential, public or private, or institutional document that evidences the status as a worker in the specific area, always with the respective national identity card.
- Encourage workers to wash their hands properly by providing them with drinking water, soap, and alcohol gel.
- Reinforce the cleanliness and hygiene of: bathrooms, places where food is consumed, desks, door handles, pencils and other work elements.
- Provide guidance regarding covering their mouths and noses with a tissue or forearm when coughing or sneezing.

- Provide at least a one meter of distance between workers in common spaces, such as canteens, transportation, offices or desk arrangements.

What procedural labor effects does the State of Disaster and quarantine generate?

Since April 2, 2020, the new Law 21,226 has established a legal regime of exception for judicial processes, in hearings and legal proceedings, and for the deadlines and exercise of legal actions.

- Suspension of labor judicial hearings during the disaster period, when these cannot be carried out as a result of restrictions imposed by the authority, such as limitations on mobility or isolation measures.
- Extension for the exercise of labor actions.
- The deadline for bringing actions before the labor courts is extended to 50 working days from the date of cessation of the state of catastrophe.

What is the new Employment Protection Act?

Law No. 21,227 on Employment Protection seeks to protect the labor source of workers, allowing them to access the benefits and complements of the unemployment insurance, when the following situations arise:

- a) The employment contract is suspended by an act of authority: This measure is applied when the health or security authority orders the total or partial cessation of activities (for example, in the quarantine that some municipalities are currently undergoing due to the coronavirus) and allows workers to access their remuneration through the unemployment Insurance (70% the first month).
- b) An agreement to suspend the work contract: Employers whose activities are affected by the health emergency caused by COVID-19 may agree with their workers, individually or collectively, on a temporary suspension of the work contract. This agreement will allow workers to access their remuneration through the unemployment Insurance (70% the first month).
- c) A temporary reduction of the working day is agreed: Employers may agree with their workers, individually or collectively, to reduce their working day by up to 50%. In this case, the employer must continue to pay the remuneration and social security contributions in proportion to the agreed working hours

LITIGATION AND ARBITRATION

Have procedural deadlines been suspended in judicial proceedings?

Law No. 21,226, enacted on April 1st, 2020, establishes a legal regime of exception for judicial proceedings, specifically regarding hearings, judicial acts, deadlines and initiation of certain actions.

This law established the suspension of the evidentiary terms that have begun during the validity of the constitutional state of catastrophe or that begin at the time of the entry into force of the law. This rule applies to all judicial proceedings in progress before the ordinary, special and arbitration courts of the country (except in criminal matters) and will be suspended until the expiration of 10 working days after the end of the state of catastrophe, which was renewed on June 16 for 90 days, expiring on September 14.

With regard to suspension of hearings, the Supreme Court is required to order it in relation to certain courts, such as the High Courts of Justice, civil courts, family courts, labor courts and criminal courts, excepting urgent hearings (for example, protective measures, detention, domestic violence and violations of children's rights).

For cases that do not fall under the previous items, the law provided a compendium of general and supplementary rules, such as:

- Prohibition to the courts to decree legal acts that could cause defenselessness.
- Regime of judicial hindrance for all parties that have been unable to comply with the deadlines established for proceedings, acts or exercise of actions as a consequence of the restrictions derived from the state of catastrophe. This right may be claimed before any court in the country within 10 days from the cessation of the impediment.
- Request for suspension of the hearings by any of the parties, claiming any impediment generated by the public calamity or sanitary emergency caused by COVID-19, except for certain restrictions in criminal matters.
- New rules on extinctive prescription and expiration of actions.

On April 8th, 2020, the Supreme Court of Justice issued Act No. 53-2020, establishing a consolidated text of the agreement about the operation of the courts during the state of catastrophe. This act reaffirms the commitment to provide continuity to judicial services, but always with the necessary limitations for health prevention. This continuity will be provided by both the courts of first instance and the Higher Courts of Justice.

With reference to the suspension of hearings, it refers to the terms of Law 21,226, ordering that priority be given to the examination and ruling of the following matters:

- Urgent protective measures for risk to life or health;
- Actions for domestic or gender-based violence;
- Actions for protection of constitutional rights, and
- Those that may be related to fundamental rights precaution.

In addition, it provides detailed information on the hearings that will be classified as urgent:

- Those related to prisoners, which may include, for example: rescheduling of oral trial, precautionary guarantees and final dismissal;
- protective or precautionary measures relating to children and adolescents;
- requests for placement of children;
- authorization to leave the country;
- domestic violence;
- direct contact with non-custodial parents; and
- provisional alimony, the last two on a case-by-case basis.

Finally, it states that the judiciary will seek to use all technological means, prioritizing their flexible, updated and timely use, as long as it does not constitute an obstacle to the exercise of the basic principles of protection of life and public health, access to justice, protection of vulnerable people and due process, in order to avoid as much as possible the personal appearance of all the participants. It also requests that the courts promote special and expeditious methods of contact between the parties in their first submissions, preferring cell phones and e-mail, among other means.

Due to the implementation of technological means in most of the Chilean courts, they are progressively resuming the oral hearings, such as pleadings before High Courts of Justice, labor, criminal, family and civil hearings. On May 5, 2020, the presidents of the 17 Courts of Appeals agreed to restart hearing cases in all matters as of May 11, mostly through videoconferencing.

Have procedural deadlines been suspended in arbitral proceedings?

The law provides for the suspension of the evidentiary terms of proceedings before any arbitral tribunal in the country, until the expiration of 10 working days after the end of the state of catastrophe, which was renewed on June 16 for 90 days, expiring on September 14.

However, in the case of hearings in ad hoc or institutional arbitrations, the law provides that they may be suspended, except for those that require urgent intervention by the court. In other words, this is a prerogative of the arbitrator and not a legal obligation. If a hearing is suspended, the court must reschedule it for the earliest possible date after the state of catastrophe has ceased.

The general and supplementary rules (hindrance and request for suspension by one of the parties) also apply in arbitration proceedings

MINING AND HYDROCARBONS

How have the measures taken by the Government to stop the spread of COVID-19 affected mining?

Although the government has not yet decreed a halt to mining activity, it has been hampered by the measures taken by the authorities to curb the outbreak of COVID-19. Work times are limited by the curfew, and all workers not considered essential to the work sites are obliged to work through teleworking.

Notwithstanding this, a collective permit can be requested so that workers and service providers - including those from mining companies - can be mobilized in the performance of their duties. This permit is extended to the entire territory of the Republic and is valid for 15 days.

To request it, the company's representative may do so through the website www.comisariavirtual.cl, or in person at a police station.

It is important to point out that until today, the activities of exploration, exploitation and benefit of the minerals continue working properly.

What about the demand and price of copper?

The price and demand for copper is not expected to increase this year, as China, which consumes half of the world's copper and about 50% of the Chilean domestic copper, will not increase its demand.

What has happened to the mining projects under development?

Most mining projects under development are still in operation. Nevertheless, the companies have taken a series of measures to prevent the spread of COVID-19 so that they can continue to operate (suspension of visits to the sites and face-to-face meetings, constant sanitation of workers' belongings, among others).

However, large projects in their initial phases, such as Quebrada Blanca Phase 2 (QB2) at Teck Mining, and three Codelco projects (Rajo Inca, Chuquicamata Subterránea, and Traspaso Andina) have been suspended as a result of the health crisis.

What measures have been taken by the mining authorities to stop the outbreak of COVID-19?

The Ministry of Mining announced that as of March 16th, 2020, all activities of its authorities on the field and/or open to the public, both at the central and regional levels, will be suspended until further notice.

What about the administrative procedures in charge of the Environmental Assessment Service ("EAS")?

On June 26th, 2020, the SEA issued the Resolution No. 202099101455, which extended the suspension of the deadlines of the Executive Directorate of the Environmental Assessment Service until July 31st, 2020,

even for all the procedures processed before the Executive Directorate and the Regional Directorates of the Environmental Assessment Service:

6. The processing of the environmental impact declarations and studies with of citizen participation currently in progress.
7. The processing of environmental impact declarations with environmental load in which citizen participation is decreed, in accordance with Article 94 of the Regulations of the Environmental Impact Assessment Service ("RSEIA" by its Spanish acronym)
8. The processing environmental impact declarations and studies in which a new stage of citizen participation is opened in accordance with Article 92 and Article 96 of the RSEIA.
9. The processing of environmental impact studies submitted to the SEIA during the indicated period. It should be noted that, although they will be admitted for processing, these will be understood to be suspended from this same date. Likewise, the paper copies necessary for the requirements of citizen participation, referred to in Article 29 of the RSEIA, must be delivered once the evaluation periods are reactivated.
10. The processing of environmental impact declarations and studies in which meetings with human groups belonging to indigenous peoples must be held, in accordance with Article 86 of the RSEIA.

In regard to the projects that were required to submit an addendum, a supplementary addendum and an exceptional addendum, as appropriate, to their respective environmental impact evaluation processes issued by the Executive Directorate and Regional Directorates of the Environmental Assessment Service, this resolution provided the following:

3. For projects whose addendum is submitted between June 30th and August 30th, 2020, both dates included, the deadline for submitting the respective addendum is extended until August 31st, 2020, and consequently the holder may submit the corresponding addendum at any time during this period until the day before said date.
4. For projects that must submit their addenda after August 31st, 2020, the deadline for submitting addenda has been maintained in any of these circumstances:
 - d) In the corresponding Consolidated Report for requests for clarifications, rectifications and/or extensions;
 - e) In an extension of term resolution, according articles 38, 41, 50 or 53 of the RSEIA; or,
 - f) When it has been extended under Exempt Resolution No. 202099101326, dated 30 April 2020, of the Executive Directorate of the Environmental Assessment Service.

What happens with the issuance of certificates of origin issued by the Chilean Copper Commission?

The issuance of certificates of origin is suspended until further notice. However, the necessary background information can be sent via email to obtain such a certificate. This applies exclusively to the following destination countries: (1) Mercosur; (2) Colombia; (3) Ecuador; and (4) Peru. This document certifies the origin of the copper and its by-products, and it is necessary to obtain it for exports whose tariff codes are certified by this institution.

What happens with the procedures before the National Service of Geology and Mining ("SERNAGEOMIN")?

SERNAGEOMIN has made available the possibility of carrying out online procedures on its website, in addition to those already available. The following formalities can be carried out, depending on the department in charge of processing them:

A. Department of Project Evaluation, Environmental Management and Site Closure

- Presentation, review, pronouncement of projects larger and smaller than 5000 TPM.
- Presentation, revision, pronouncement of tailings deposits.
- Presentation, revision, pronouncement of closure plans.
- Traceability of revision of exploitation method projects.
- Traceability of revision of projects closing plan.
- Review and pronouncement of Environmental Impact Statement.
- Review and pronouncement of Environmental Impact Studies

B. Department of Mining Property:

- Assignment of Role for Exploration Concessions.
- Role Assignment for Mining Concessions.
- Consultation on Mining Role for Exploitation and Exploration.
- Consultation of Payments National Role.

C. Control Department

- Report forms E-100; E-200; E-300
- Respond to corrective measures requested by the Service in audits already carried out.
- Update company data (Update address - legal representative)
- Enter the start of activities (Clients and Contractors)
- Regulations (those requested by the RSM)
- Request reopening of accident and/or production statistics
- Change of risk prevention expert
- Joint Committee on Health and Safety
- Creation manifold book
- Approval of vehicles for transporting explosives
- Risk management plan
- Critical Item Inventory
- Request for joint inspection
- Term of activities
- Contract Module
- Enter and/or modify contracts of mining companies.
- Report Accident Notice
- Enter Emergency Plan

MUNICIPAL REGULATION AND AUTHORIZATIONS

Are the municipalities attending to the public during the “State of Catastrophe”?

- In places where territorial quarantine has been declared, municipalities do not attend to the public. However, there are municipalities that, without being under this measure, have determined not to attend to the public, as a preventive measure, as well as to reduce the number of officials attending, destined only for emergency cases.
- In regard to the procedures initiated, there is no general resolution that declares them suspended, so it will depend on the criteria of each municipality.

Do the municipalities have control powers during the “State of Catastrophe”?

Yes, their control power has not been affected.

As of today, as part of the declaration of the “State of Catastrophe”, many government agencies, including municipalities, are not operating in their entirety; therefore, what will happen with the payments of obligations that are due or about to become due?

- Even though many municipalities are not attending to public, they have enabled the possibility of making these payments online. Thus, for example, payments of traffic permits, fines for vehicle restrictions, fines for the use of exclusive roads, payment of household cleaning, municipal patents, among others, can be made online.
- In other cases, there are municipalities that have reduced their service to the public only for essential procedures, which could include the payment of obligations that are due or about to become due.

During the curfew, the sanitary cordons and the territorial quarantine measures, what economic activities it is possible to develop?

According to the instructions related to obtaining permits for displacement, only the circulation of necessary and essential workers for the operation and functioning of one of the services listed by the Ministry of the Interior is authorized. These authorizations are granted only when they are strictly necessary.

Thus, construction stages linked to services recognized as socially valuable would not be permitted in places subjected to territorial quarantine or cordon sanitaire, or during curfew hours. This may depend on the content of the instructions issued by the Ministry of Interior.

RETAIL

Is it possible to commercialize products via delivery?

According to the Instructions for the granting of Movement Permits updated June 19th, 2020, in the areas, districts, provinces and/or regions that have been declared under quarantine and/or the sanitaire cordon measure by the Health Authority, the movement is allowed for people providing services in supermarkets, bakeries, markets, supply, distribution and food production and those who provide products and logistics services for them.

Additionally, the movement of service providers working for public and private mailing and delivery companies is also allowed, who will be subject to the instructions issued by the Health Authority for the provision of their services.

Up to this date, all kind of products have been commercialized via delivery (groceries, clothing, furniture, domestic appliances, books, games, etc.). On the week of June 22nd, the government announced the issuance of a thorough regulation on the products that may be commercialized via delivery, but it is unclear if such regulation will contain a list of products or the criteria for determining which products can be commercialized via delivery.

Should the activities of shopping centers be suspended?

In the context of the Government's declaration of a State of National Exception due to a catastrophe, the Ministry of Economy, together with the Chilean Chamber of Shopping Centers and the National Chamber of Commerce, agreed to close shopping centers as a self-regulatory measure that will be evaluated weekly, according to the progress of the COVID-19 pandemic.

With some exceptions, shopping centers have been closed since Thursday, March 19th. Pharmacies, supermarkets, banks and medical centers, which are essential for the provision of families, are excluded

from this closure. It was agreed that the shopping centers will also open their construction material stores and keep food delivery services available.

In addition, on April 20th, 2020 the National Consumer Service issued a good practices circular addressed to suppliers, suggesting them to: (i) promote and strengthen the use of their digital channels, encouraging electronic or online purchases and delivery, complying with the respective health measures, (ii) facilitate digital or electronic platforms for their clients, encouraging electronic payments in order to decongest service centers, (iii) establish flexible opening hours and exclusive schedules for the attention of higher risk population, (iv) adopt hygiene and space distribution measures to avoid, as far as possible, the propagation of the virus, and (v) adopt hygiene and security measures for the relationship of its personnel with clients.

Exempt Resolution No. 282 of the Ministry of Health, dated 16 April 2020, instructs the mandatory use of masks by all persons in shopping centres, provided that 10 or more persons are in the same space.

Should the activities of a restaurant be suspended?

Exempt Resolution No. 349 of the Ministry of Health, dated May 14, 2020, forbids restaurants opening to clients, stating that restaurants may only cook food to take away. Thus, although the activities of restaurants involving public attention must be suspended, it is possible that they operate in delivery mode.

Have the rules governing the State of National Disaster Emergency established any provisions that extend or suspend payment of rent for commercial property?

The regulations issued by the authority have not ruled on the extension or suspension of the payment of rent for commercial property.

What happens if I am a lessee of a property intended for an activity that has been affected by the rules of social isolation? (for example, premises intended for restaurants or retail in general). Can I achieve any reduction in rent?

In this case, the provisions of the contract with respect to force majeure should be reviewed. In the event that there is no specific regulation in the contract, an analysis should be made in consideration of how the obligation to pay rent is regulated therein (for example, if it is a fixed amount; a variable amount depending on the sales or income obtained from the use of the leased property; or a mixture of both), and if the normal use of the property has been an element that the parties have defined as decisive in the execution of the contract. In the event that the rent has been established on the basis of sales, and that the normal use of the property has been in some way a determining factor for the contract's execution, then it could be claimed that one of the essential elements for the existence of the obligation to pay rent, and the amount thereof, relates precisely to the fact that the property has been leased for the commercialization of products and services, this is, the lessee's business. Under this assumption, it could be argued that the obligation to pay rent is directly related to the lessee's right to use the leased property for the purpose set forth in the lease contract, and that in the event of not fulfilling such purpose (which cannot be attributed to the lessee), lessor's demand for rent payment would not have a cause, since the conditions that motivated the parties to contract were not met in practice.

However, this is a matter that must be analyzed on a case-by-case basis, taking into account the circumstances of each contract and the way in which the parties have executed it over time.

SELECTION PROCESSES

What is the situation of the contracts being executed with the State?

Until now, contracts that are executed with the State must remain valid as planned. It is advisable to review the contracts in order to establish if there are provisions related to the fortuitous case or force majeure, or in case there are no such provisions, there is a communication mechanism to be established with the public entity in question, in order to raise the flags of potential non-compliance derived from the sanitary measures implemented by the authority, to achieve a joint solution.

What happens with the contracts that are being executed with the State, that aim to guarantee the supply of food or, of medicines, or the continuity of essential public services?

In relation to these types of contracts, the Government has focused on ensuring that the supply chains for the provision of essential services remain intact. For this reason, permits for circulation through areas under quarantine and collective safe-conducts have been set in order to authorize the movement of essential workers for the operation of areas that are sensitive for society (health, food and essential trade, emergencies, etc.), as well as those who provide the raw materials for its operation.

SANITARY REGULATIONS

Can companies that sell pharmaceutical products, food or first need items, set limitations for the number of products that one person can buy in the context of sanitary alert?

Yes. Many supermarkets have established that each person can only buy five or six products considered to be basic necessities (e.g., cleaning supplies, oils, pastas, rice, vegetables, bottled water, etc.). Also, some pharmacies have limited the amount of medicines per person.

Can the police or any other authority sanction any establishment that sells pharmaceuticals, food or basic necessities for not having stock or consider that prices have risen?

The national legal system does not grant Carabineros de Chile or any other authority the power to sanction establishments of this kind for not having stock or for raising its prices. In relation to the latter, the Chilean legal system only admits the possibility of regulating prices in those cases where the activities constitute natural monopolies. This is the case, for example, of the health services, electricity, or gas market. Thus, outside these cases, the Chilean Political Constitution does not admit the fixing of prices in the economy.

In relation to food and pharmaceutical products, what economic activities are permitted in places subjected to territorial quarantine?

In relation to food, it is established that essential personnel providing services in:

- Supermarkets, bakeries, markets, supply centers, distribution, food production, as well as those providing inputs and logistical services.
- Entities that produce, distribute or commercialize essential goods for the home, as well as for the production of inputs for their storage and conservation.
- Neighborhood warehouses, food vending outlets, hardware stores and other basic inputs.
- Agro-food and forestry companies, with respect to land and tasks in which critical processes are being carried out (planting, harvesting, processing and distribution), as well as fishing and processing of fish and seafood, production of food for animals, birds and fish farming, and production of cellulose and paper, cardboard, and derived packaging products.

In regard to pharmaceutical products, from and to places under compulsory quarantine, essential personnel serving in:

- Pharmacies, laboratories, chemical companies and producers of medicines. Likewise, personnel of companies that produce medical supplies, medical devices, personal protection elements and supplies for storage and conservation.

The State indicates that it will guarantee the supply of food, but is there any limitation regarding what type of food?

No, at the moment there is no limitation regarding this issue.

TAX LAW

Are the subsidies granted by the government to companies subject to income tax?

The government has not granted any subsidy to the companies.

Will the administrative tax procedures terms currently pending be suspended during the emergency state?

Pending terms for administrative tax procedures before the Chilean IRS have not been suspended, however, several compliance obligations have been deferred (e.g. filing affidavits). The Chilean IRS has enabled the possibility of submitting information related to pending procedures via email.

Regarding judicial procedures, Law No. 21,226 established that tax courts and tribunals may suspend hearings during the emergency state, except for those that require an urgent intervention from the judge. Suspended hearings must be rescheduled as soon as possible after the emergency state has ceased.

However, tax courts and tribunals may hold remote hearings in those cases that audiences cannot be suspended, this measure can also be requested by the parties.

Courts cannot order judicial proceedings or activities that, if executed, cause or may cause the deprivation of the parties' defense rights due to restrictions imposed by the authorities in the context of the emergency state. Courts and tribunals will reschedule those proceedings or activities for the closest possible date once the emergency state has ceased.

The terms for presenting evidence that had already started by April 2nd or that start during the emergency state are suspended until 10 working days after the emergency state ends.

Parties, lawyers, agents and other legal professions that are unable to comply with the terms established for judicial proceedings or are unable to file legal actions or represent their rights, as a consequence of the restrictions imposed by the authority during the emergency state or of the public health emergency, can claim that there has been an impediment. They need to submit the claim during the next 10 days following the cease of impediment.

What will happen to payments that had been deferred, agreed to be paid on installments or refinanced, and that were due on June 30 of 2020?

The National Treasury Service is empowered to offer special payment agreements to taxpayers and to fully or partially waive penalty interest and fines related to the payment of taxes or installments accrued in April, May and June of 2020. These payment agreements will be applicable only to individuals whose annual income does not exceed 90 UTA (USD\$ 755,000 approx.), and taxpayers subject to Corporate Income Tax whose annual income does not exceed 350,000 UF (USD \$11,606,778 approx.).

The Chilean IRS and the National Treasury Service are empowered to fully or partially waive penalty interests and fines arising from the delayed payment of installments of the Real Estate Tax, until September 30, 2020. This faculty benefits all taxpayers with no restrictions.

Is it possible to request an advanced refund from the “detracciones” account?

Chilean legislation does not include a “detracciones” account.

Can penalties be imposed for infractions committed during the emergency state?

Yes, penalties can be imposed by the authority during the emergency state if infractions are committed. However, regarding compliance obligations (e.g. filing affidavits) the Chilean IRS has been flexible and has deferred the deadlines for filing several affidavits.

Additionally, the Chilean IRS and the National Treasury Service are empowered to fully or partially waive penalty interests and fines arising from the delay in the payment of taxes or instalments accrued in April, May and June 2020. Also, both authorities are empowered to fully or partially waive penalty interests and fines arising from the delay in filing the income tax and VAT tax returns, until September 2020. Likewise, the Chilean IRS and the National Treasury Service are empowered to waive penalty interests and fines arising from the delay in the payment of installments of the Real Estate Tax, until September 30, 2020.

Has the authority suspended the deadlines to comply with monthly and annual tax obligations?

Supreme Decree N°420 issued by the Ministry of Finance established economic and tax measures to support families, workers and SMEs in the context of the spread of COVID-19 in Chile. The tax measures include:

A. Regarding monthly tax obligations:

- i. Suspension of the provisional monthly payments (PPM) due in April, May, and June of 2020, for all taxpayers. However, the obligation of submitting Form 29 each month will be maintained, as stated in Resolution No. 40 of April 15 of 2020⁵.
- ii. Extension of the deadlines for declaring and paying VAT due in April, May and June of 2020, as follows:
 - For taxpayers that qualify as SMEs (*i.e.* with an annual income that does not exceed 75,000 UF, USD\$ 2,487,166 approx.) the payment date is deferred until July 2020, with the option to pay in 12 equal monthly installments, duly adjusted.
 - For taxpayers whose annual income does not exceed 350,000 UF (USD \$11,606,778 approx.), the payment date is deferred until July 2020, with the option to pay in 6 equal monthly installments, duly adjusted.

These extensions will be valid for the declaration performed through Forms 29 and 50 of the corresponding months, according to Resolution No. 41 of April 13 of 2020⁶.

B. Regarding annual taxes:

- i. **Corporate Income Tax:** extension of the deadline to pay corporate income tax until July 31 of 2020 in the case of taxpayers that qualify as SMEs (*i.e.* with an annual income that does not exceed 75,000 UF, USD\$ 2,487,166 approx.).
- ii. **Real Estate Tax:** deadline extension for the payment of the first installment, which will be paid in 3 equal installments together with the following three installments of year 2020 (June, September and November 2020). This benefits individuals that own properties with a tax valuation that does not exceed \$133,000,000 CLP (USD \$162,195 approx.), and taxpayers subject to Corporate Income Tax whose annual income does not exceed 350,000 UF (USD \$11,606,778 approx.).
- iii. **Municipal Tax:** Mayors are empowered to defer the payment of the Municipal Tax due in June 2020 up to 3 months, and to grant the option to pay it in 6 equals installments, without fines or interests. These benefits would apply to taxpayers qualified as SMEs, which in this case refers to taxpayers whose annual income does not exceed 100,000 UF (USD\$ 3,373,753 approx.).⁷

5 http://www.sii.cl/normativa_legislacion/resoluciones/2020/reso40.pdf

6 http://www.sii.cl/normativa_legislacion/resoluciones/2020/reso41.pdf

7 These faculties were granted to Mayor in Law No. 21.207 of January 20 of 2020 in the context of the social outburst in Chile, however they can still benefit SMEs in the context of COVID-19

How can I register in the RUC and issue invoices if I am employed by a public entity, under CAS or other service provision regime, as a consequence of the national emergency?

Employees do not need to inform the Chilean IRS nor register in the RUT ("*Rol Único Tributario*") when they are hired under a work contract, this, because the employer has the obligation to withhold and declare the corresponding taxes. This is regardless of whether the employer is a public or private entity.

Individuals that provide services as independent service providers, either Chilean or foreign, can inform the initiation of activities at the Chilean IRS website. They can also issue electronic tax documents (e.g. invoices) at the authority's website.

What is going to happen with Audit procedures terms in progress and the attention to the taxpayers in the IRS offices?

The Chilean IRS has enabled the execution of several administrative procedures remotely on its website, such as submitting information required in an audit procedure. It has also encouraged taxpayers not to attend its offices but instead prioritize remote tools.



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Updated June 26, 2020

The beginning of the quarantine in the country brought an immense amount of norms that sought to regulate a new manner of behaving and interacting during a set term. This time of “social distancing” commenced on March 16 and has since been extended more than once due to the gravity of the circumstances.

Our firm has tried, and we believe successfully, to remain close to all its clients during this difficult time. For this reason, since the first day that the quarantine was declared, we have published a Q&A through our social media accounts that seeks to answer in a simple and practical manner, on more than 26 different areas of specialization, the diverse inquiries that have arisen since the beginning of the state of emergency. Additionally, this document has been permanently updated due to the constant legislative changes which have occurred.

Therefore, we did not hesitate in promoting a publication that also contains the regulatory occurrences in other countries of the region. We are pleased that our friends LLoreda Camacho & Cía (Colombia), Cariola Diez Pérez-Cotapos (Chile) and Basham, Ringe y Correa (Mexico) accompany us. We are certain that this material, which will also be periodically updated, shall be very useful for our clients, friends and, in general, for the entire community.



Mauricio Olaya Nohra, principal partner

ADMINISTRATIVE LAW

What are the permits required to circulate in this time of emergency?

People who carry out activities that are exempt from social immobilization by Supreme Decrees 044 and 046-2020-PCM, may circulate carrying the following documents:

- Work pass, which can be obtained from the website
- Fotocheck or a letter of introduction from the company where you work if you do not have a fotocheck
- DNI

What vehicles are allowed to transit?

Only those vehicles that are necessary to supply food, medicines, public services (natural gas, water and sanitation, telecommunications and electricity), funeral homes, solid waste collection, cleaning and transportation of cargo and goods and related activities, as stipulated by the Ministry of Transport and Communications. In addition to the written press, radio and television

Do these vehicles require a pass or a pass to circulate?

The legal regulations applicable to the emergency do not establish vehicle passes or safe-conducts. In such sense, only vehicles that are necessary for the supply of food, medicine, services, etc. may be driven in this direction. (natural gas, water and sanitation, telecommunications and electricity), funeral homes, collection of solid waste, cleaning and transportation of cargo and goods and related activities, as stipulated by the Ministry of Transport and Communications.

In this case, persons in these vehicles must carry (i) a work pass, (ii) identification or letter of presentation of the company and (iii) ID card.

Do people who assist and care for older people, girls, boys, women, children, etc., have to be in a position to do so? Do adolescents, dependents, people with disabilities or people in vulnerable situations, require a transit pass?

Yes, you must obtain your transit pass at www.gob.pe/paselaboral and you must also have a letter from the person who will be assisted. This last requirement is established in the 5.1.4 of the protocol for circulation approved by the Ministry of the Interior and published on March 31, 2020.

Are vehicle maintenance shops allowed to operate?

Only vehicle maintenance workshops that carry out cargo and goods transport

Do companies that produce hospital clothing and other medical and suppliers of inputs or raw materials can operate in the emergency?

Yes, as long as they meet the following requirements:

- Have the status of a formal company (registered with Sunarp and licensed to operate) and to have active and existing RUC.
- Average annual sales over (fifty) 50 UIT in the last three years.
- Seniority and experience in the market of no less than four (4) years.
- Have more than 19 workers on the payroll, which corresponds to the median number of workers in the textile and clothing sector.

- Sell or supply to major local markets or have export company status.
- Not be companies located in the areas covered by the departments of Tumbes, Piura, Lambayeque, La Libertad and Loreto, within the framework of the provisions of Supreme Decree 053-2020 PCM

Is it necessary to have authorization, permission, license or other, of some entity of the Peruvian State to be able to operate within the emergency regime?

No, it is not necessary to have any authorization, permit, license or other, from any entity of the Peruvian State in order to operate within the emergency regime. You only need to be within the following activities to be able to operate.

1. Procurement, production and supply of food, including storage and distribution for sale to the public.
2. Acquisition, production and supply of pharmaceutical products and basic necessities.
3. Assistance to health centers, services and establishments, as well as diagnostic centers, in emergencies and urgent care.
4. Labor, professional or business provision to guarantee the services listed in the Article 2 of Supreme Decree 044-2020-PCM.
5. Assistance and care for older adults, children, adolescents and dependents, people with disabilities or people in vulnerable situations.
6. Financial institutions, insurance and pensions, as well as complementary and related services to ensure its proper functioning.
7. Production, storage, transport, distribution and sale of fuel
8. Hotels and accommodation centers, only for the purpose of complying with the quarantine provided.
9. Media and in the case of call centers, only for the services linked to the emergency.
10. Public sector workers who exceptionally provide services needed to the attention of actions related to the health emergency produced by the COVID-19 can travel to their workplaces on a restricted basis.

What activities are authorized to operate during the curfew hour (18:00 to 5:00)?

Food supply, medicine, public services (natural gas, water and sanitation, telecommunications and electricity), funeral homes, solid waste collection, cleaning and cargo transport and goods and related activities, as stipulated by the Ministry of Transport and Communications. In addition to the press, radio and television entities.

AERONAUTICAL LAW

Have any additional measures been adopted to allow the transport of persons at national level?

By D.S. 068-2020-PCM the Government exceptionally provided for interprovincial transport of passengers, by land and non-commercial air, outside their usual residence or place of work as a result of compulsory isolation measures, for humanitarian reasons and after coordination with the relevant regional government.

This regulation includes the personnel of mining units or production units who have completed the working day in accordance with their special labor regime or have completed compulsory social isolation in order to return to their habitual residence or place of work.

Persons benefiting from the above must comply with the corresponding compulsory social isolation in their place of employment.

Given to the total closure of borders, do Peruvians outside the country and foreigners have any option for their repatriation within the state of emergency?

In accordance with the provisions of the supreme decree No. 045-2020-PCM the General Direction of Civil Aeronautics (*Dirección General de Aeronáutica Civil*) has been exceptionally authorized to give necessary

authorizations or permits for the repatriation of nationals and foreigners to their respective countries. This authorization is made only at the requests of the Foreign Affairs Ministry (*Ministerio de Relaciones Exteriores*) in relation with the official relationship of national and foreign personas traveling on the flights authorized by this decree.

Peruvians who return to the country due to the exceptional opening of borders must comply with the mandatory social isolation in accordance with the provision of the Health Ministry (*Ministerio de Salud*).

In addition to cross-border air transport, is national air transport restricted?

Yes, until the conclusion of the state of emergency. Passengers entering the country must comply with the period of mandatory social isolation provided by the Government. Likewise, the crew is also included in said measure.

Is international airfreight restricted?

The international carriage of cargo is not covered by the restriction. However, the competent authorities may adopt measures to prioritize the entry of products from first need.

AGRARIAN, FORESTRY AND WATER RESOURCES

Is the development of floriculture activities allowed during the state of national emergency?

Yes, by means of the R.M. 0108-2020-MINAGRI published on May 3, 2020 they have been included as activities that are strictly indispensable to those considered essential and the state of national emergency does not affect the following floricultural activities: (a) production, storage, transport, purchase, supply and sale of flowers and ornamental plants; and (b) storage and distribution for the sale and supply to the main wholesale markets of the item and flower shops that have the formal company status and make home deliveries.

Outpatient sales activities are excluded.

Producers and companies carrying out the above-mentioned permitted activities must observe that the following conditions must be met: (a) they must operate with the minimum number of staff required; and (b) must comply with the protocol approved by the Minsa and the sector protocol for COVID-19 approved through R.M. 094-2020-MINAGRI, to prevent, contain and mitigate the spread of COVID-19, in the framework for health control actions.

Which staff, related to activities in the agrarian sector, are still allowed to transit?

In case of companies related to the agricultural sector, transit of the minimum necessary staff to carry out the following activities is permitted:

- a) Harvesting of agricultural products at the national level
- b) Care and maintenance of crops, animal husbandry, milking, forestry and various agricultural enterprises.
- c) Transfer of agricultural products, live animals for consumption, their products and sub-products, beekeeping for pollination that give continuity to productivity; to the various centers of processing, transformation, collection, storage, distribution and marketing.
- d) Operation and maintenance of primary and secondary food processing centers.
- e) Processing and delivery of agricultural materials and inputs, including importation, formulation transport, marketing of seeds and plants; island guanos, pesticides, and fertilizers including their active ingredients, additives and packaging used for their formulation and use.
- f) Processing and delivery of livestock materials and inputs, including importation, formulation, transport, marketing of fodder, baled food and its components, products and genetic material.
- g) Import and export of agricultural products.

- h) Irrigation of agricultural production lands, operation and maintenance of major infrastructure and minor irrigation (dams, reservoirs, intakes and irrigation channels).

No transit for purposes other than or unrelated to such activities

It is important that producers and entrepreneurs in the agricultural sector implement health and rationalization measures in their facilities to contribute to the containment measures against COVID-19. Employers in the agricultural sector are also required to adapt their business activity to the guidelines established in the protocol that forms part of the Ministerial Resolution 0094-2020-MINAGRI published on Saturday April 4, 2020 in the Official Journal El Peruano.

What must producers, businessmen and workers in the agricultural sector who carry out any of the above activities do in order to transit?

They must process the personal work pass by registering their personal data, among other data that the application requires, through the virtual form available on the web portal of the Peruvian National Police (www.pnp.gob.pe) and in the Unique Digital Platform of the Peruvian State ([gob.pe/labor pass](http://gob.pe/labor-pass)), in the "Personal Work Pass" application.

People who have the "Work Pass" must carry the printing or image capture of this document, in addition to their identity card and the photo check of the company in which they work.

What happens if the "Personal Work Pass" cannot be processed through the computer application?

You can go to the nearest police station to request the respective authorization. For this purpose, the agricultural producers may attach the accreditation of the farmer issued by the users' board, users' commission, regional agrarian direction, peasant community or native community, according to format of Annex 1 of the Ministerial Resolution 0094-2020-MINAGRI published on Saturday, April 4, 2020 in the Official Journal El Peruano.

BUSINESS RESTRUCTURING AND BANKRUPTCY LAW

What happens with deadlines in insolvency proceedings?

The deadlines for the insolvency proceedings in progress have been suspended until May 6 of this year, as well as the deadlines applicable to administrative applications and the expiration term of obligations.

What happens with the creditors' meeting sessions scheduled within the emergency period?

These will not take place and will be rescheduled and published in due time in the Bankruptcy Bulletin of Indecopi, complying with the provisions of Directive 009-2018/DIR-COD-INDECOPI.

What legal mechanism allows the bankruptcy system to manage business crises?

The bankruptcy system offers the possibility to negotiate the payment of debts with creditors and to reach refinancing agreements, through a Preventive or Ordinary Bankruptcy Procedure, since, once these are published in the Bankruptcy Bulletin of Indecopi, the enforceability of all obligations pending at that date is suspended and the assets of the company in bankruptcy are protected (it cannot be executed by third parties and the precautionary measures are lifted). In this way, the bankruptcy system allows companies to face up to the payment difficulties they may have as a result of the country's emergency situation and to emerge from the crisis.

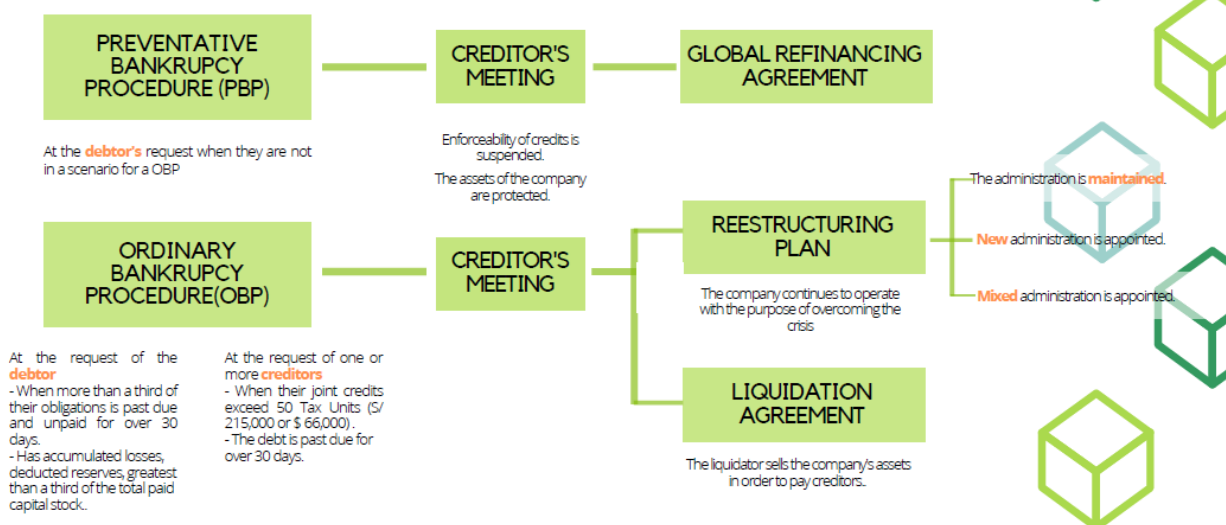
Below is a summarized version of the bankruptcy system:



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BANKRUPTCY SYSTEM



CRIMINAL LAW

What criminal contingencies exist if false, simulated, or fraudulent information is provided in the order to access the Reactiva Peru program?

Under Article 17.2 of Legislative Decree 1455, which creates the Reactiva Program, in order to ensure continuity in the chain of payments in the face of the impact of COVID-19, Peru has sanctioned who in the affidavit he must sign in order to access the program gives false information, faked or made with fraud. This could lead to the Public Prosecutor's Office being able to charge the commission of some of the following offences: false declaration in administrative proceedings (art. 411 of the Criminal Code), forgery of public or private documents (Article 427 first and second paragraph of the Criminal Code), ideological falsehood (art. 428 of the Criminal Code) and generic falsehood (art. 438 of the Criminal).

We also consider that the crime of fraudulent obtaining of credit, regulated in Article 247 of the Criminal Code, could also be configured, where the user of a banking, financial or other institution operating with public funds who, by giving false information or documents, obtains direct or indirect credit, is sanctioned.

Which company official will be criminally liable for making a false statement, fraud or simulation, to access the Reactiva Peru program?

Article 17.2 of Legislative Decree 1455 clearly states that the general managers or representatives of the companies that access the Reactiva Peru Program who must sign a sworn statement that the requirements and conditions laid down in Article 6 of the same regulation (e.g., no coercive collections from the Sunat greater than 1 UIT per year). February 29, 2020). They will be the ones who will be criminally liable if this information turns out to be false, simulated or made with fraud in the law.

Likewise, following the publication of Legislative Decree 1508 dated May 11, 2020, which amends Legislative Decree 1455, credit is restricted, in addition to company's subject to Law 30737, to companies that have a representative subject to proceedings for corruption and related offences or whose representatives are being investigated for such offences.

What is the purpose of the protocol issued by the Public Prosecutor's Office by Resolution of the Attorney General's Office 626-2020 dated May 6, 2020?

The protocol aims at preserving health and suitable biosafety conditions for all the members of the Public Prosecutor's Office in the performance of their duties, and therefore establishes the preventive guidelines and mandatory measures to be followed by the members of The Office of the Public Prosecutor in the progressive process of returning to face-to-face work activities at the end of mandatory social isolation.

What is called the "transition stage" within the protocol?

The transition stage is considered to be 7 days after the end of the lifting of the social isolation and during this period there will be no public attention in any Prosecutor's office.

What services will continue during the transition phase?

During the transition period, on-duty and post-duty service will continue in the provincial prosecutor's offices criminal, family, crime prevention and specialized, with the exception of the offices of the public prosecutor for the extinction of dominance.

What measures will the Public Prosecutor's Office take during the transition phase?

The Public Prosecutor's Office will carry out the following priority actions in all institutional locations: a) evaluate the services provided by tax offices, organs and organizational units to establish the work b) implement and enable technological means for no on site attention to c) evaluate the physical spaces to comply with the measure of social distance, capacity, signaling, among others; and (d) implementing health measures.

What kind of work will the Public Prosecutor's Office officials and civil servants do?

The prosecutor in charge of each office must evaluate and select from among the group of officials who will not presents risk factors at the minimum necessary to perform the corresponding functions of face-to-face way. Other workers must perform remote work on a mandatory basis from completion of the transition phase to the completion of the health emergency or beyond provisions to be established by the national government.

If the server is selected for on-site work, what will be the working day during this period?

While the health emergency lasts and in order to avoid crowding during admission and departure from the headquarters, the daily (Monday to Friday) or inter-day (Monday, Wednesday) working day is established, Friday or Tuesday, Thursday and Saturday) from 7:30 to 14:00 with staggered schedules and the staff should be separated from each other to prevent the entire staff from working simultaneously.

Will the public be allowed to enter the facilities and venues during the transition period?

Public access to the premises of the Public Prosecutor's Office will be restricted during the health emergency or until an express order is issued by the institutional authorities competent. Exceptionally, only in those cases where it is strictly indispensable to will allow the public to enter the Public Prosecutor's Office, after coordination with the prosecutor in charge of the office.

How can a person file a criminal complaint with the single party desk of the Public Prosecutor's Office?

The Presidency of the Board of Supreme Prosecutors, through the areas of information technology, take the necessary measures to ensure that criminal complaints are lodged by electronic (e-mail or other).

How will the submission of papers, general public consultations and interviews be conducted with the prosecutors?

All public prosecutors' offices must communicate to the public - through official channels - the numbers telephone or e-mail so that lawyers or parties to the proceedings can file for this media, writings and make inquiries about their cases. As for the interviews with the prosecutors, these must be made by telephone or technological means (call or video conference).

How will you be notified of any provisions, orders or requirements issued by the Prosecutor's Office?

The Public Prosecutor's Office, through the areas of information technology, will adopt the necessary measures to facilitate electronic notification; that is, the use of institutional e-mails to notify any provision, disposition and requirement issued by the Prosecutor's Office.

What measures have been taken by the Public Prosecutor's Office with regard to the physical prosecution files and their transfer to the hearings?

The Presidency of the Board of Supreme Prosecutors in order to make the reproduction process more dynamic of the tax portfolio and avoid its relocation away from headquarters, will issue guidelines to ensure their progressive digitalization.

What are the criminal consequences of an employer submitting a file before Sunafil with false or inaccurate information in its application for a perfect suspension of work?

According to article 9 of D.S. 11-2020 MINTRA, a rule that regulates the application of D.U. 038-2020 on complementary measures to mitigate the economic effects caused to workers and employers before the COVID 19, anyone who provides false information or acts in fraudulent manner to law shall be sanctioned. Thus, a criminal investigation could be undertaken for the crimes of false declaration in administrative proceedings (art. 411 CP), forgery of documents (art. 427 CP) or generic forgery (art. 438 CP), which could be punished by up to 4 years' imprisonment.

When could the criminal contingency in the request for perfect suspension of work be filed?

In attention to article 10 of the D.S. 011-2020-MINTRA and point 9 of the Protocol 004-2020-SUNAFIL/INII, if the Administrative Labor Authority or the Labor Inspectorate warns of the alleged existence of criminal acts, they shall inform the Prosecuting Attorney of such acts so that he can initiate the relevant actions before the Public Prosecutor's Office.

Which company official would be criminally accountable for providing false information or fraud to the law, according to Article 9 of D.S. 11-202 MINTRA?

The individual acting on behalf of the company in this administrative proceeding will be criminally liable, because the person subscribing the administrative record is endorsing that all the information provided is true and accurate.

What is the period set by Administrative Resolution 129-2020-CE-PJ to introduce immediate measures for the running of the Judiciary after quarantine?

According to the aforementioned resolution, the deadline for implementing the measures will be 30 calendar days after the mandatory social isolation is lifted.

Who will be able to enter the premises of the Judiciary once the quarantine is lifted on May 10?

During the first seven days of implementation of the measure, the Judiciary will not serve the public. Only duly authorized personnel of this entity may enter. Once the first seven days have passed, only parties to the processes and their attorneys may enter the Judicial Branch premises if they have been called to attend

a hearing or have a court order, as well as third parties who have been summoned by a court order (witnesses).

What measures must procedural parties and citizens consider when entering the premises of the Judiciary?

All individuals must be in good health, as security personnel from the Judiciary will perform a body temperature control test at the entrance to the facilities to avoid spread of infection. Likewise, they must wear a surgical mask or similar, and security agents will provide them with antibacterial gel upon entry. Additionally, the premises must not exceed 50% capacity and people must maintain the respective social distance.

When may filings be submitted on the premises of the Judiciary?

After the seven days have expired, the parties and their lawyers may only file briefs that have expired, claims that are time-barred or have expired, appeals, exceptions, precautionary measures and others of an urgent nature. However, in courts where the electronic court record (EJE) is being used, the submission of pleadings will be strictly through the electronic table of parties.

What measures has the Judicial Branch implemented to serve the public?

Interviews with judges have been suspended for a period of 30 calendar days. However, these may be conducted via teleconference or other digital means.

Likewise, personal attention to the public in the judicial user service offices is suspended for a period of 30 calendar days, which shall be carried out by mail, telephone or applications implemented by the courts.

Verbal complaints made to the Office of Judicial Supervision (OCMA) are suspended for a period of 30 calendar days and can only be processed virtually.

How will judicial decisions in urgent and pending criminal proceedings be notified?

The Judicial Branch had already implemented electronic notifications (SINOE) in most jurisdictions, including those specialized in criminal matters; however, in some offices, procedural subjects were still notified physically. Considering the present administrative decision, it has been established that all courts must use electronic notification by sending the decisions to the procedural boxes indicated in the file.

How will court hearings be conducted after the mandatory social isolation is lifted?

Hearings that have not yet been scheduled or have not been held on your date and are pending reprogramming, must be programmed after the 30 days indicated in the protocol before mentioned, with the exception of hearings in freedom guarantee processes and other urgent ones. In addition, Saturdays will be available for the holding of such hearings.

Once the 30-day period has expired, the courts will hold the hearings virtually, making use of technology enabled by the governing body of the Judiciary; to this end, a protocol for online hearings.

What measures will the Supreme Court and Superior Courts of Justice implement to continue their operations?

The Supreme Court has ordered two measures: (a) the digitalization of files that are pending qualification or the holding of hearings on the merits; and (b) judges will conduct the respective voting in a virtual manner.

Who is entitled to the benefit of automatic penalty conversion established by Legislative Decree 1459, to optimize the application of automatic penalty conversion for individuals convicted for failure to provide family assistance in order to reduce prison overcrowding and prevent the spread of COVID-19?

The automatic conversion of sentence applies to all those sentenced for the crime of omission of family assistance and serving a prison sentence in a penitentiary center in the national territory.

What type of punishment can the actual imprisonment suffered by a person convicted of the crime of failure to provide family assistance be converted to?

Under Legislative Decree 1459, in accordance with article 52 A of the Criminal Code, a prison sentence may be converted into an alternative sentence such as electronic surveillance (house arrest), community service (free work in care institutions) or a limitation of days off (participation in educational and psychological programs).

What requirements must the applicant meet for this automatic penalty conversion benefit?

The inmate who wants to access the conversion of the sentence must only certify the full payment of the civil reparation, as well as the payment of the maintenance debt that has accumulated up to the moment of presenting his application, whereupon the judge must resolve the request without any further procedure or hearing.

Does the benefit of penalty conversion provided for in Legislative Decree 1459 apply only to applications submitted after the publication of the regulation?

No. The first final complementary provision of the referred decree establishes that its provisions are applicable to ALL the applications that have been submitted to date to the judicial authority, regardless of the status of their processing and if it favors the applicant; therefore, the processing will be available for the applications that are in process, as well as for those that are submitted after the publication of the norm.

What is the purpose of this provision on the release of maintenance debtors?

Given that the National Penitentiary System is currently in a state of emergency due to the consequences of COVID-19, and due to the well-known problem of prison overcrowding, thus a latent risk of contagion of infectious and contagious diseases, the Government has decided to reduce the overcrowding of penitentiary establishments, which is in line with the constitutional principles that are the object of the criminal execution regime: re-education, rehabilitation and reincorporation of the inmate into society.

Does the regulation of Legislative Decree 1458, regarding fines on citizens who do not comply with the provisions issued during the state of national emergency, preclude the initiation of criminal proceedings?

This regulation is clear in indicating that the responsibility and administrative sanctions committed by the offender are beyond the criminal responsibility that could be imposed, which will be brought to the attention of the Public Prosecutor's Office for the initiation of the corresponding criminal investigation.

What modifications does Law 31012 "Police Protection Law" incorporate?

Article 20.- It is exempt from criminal liability

[...]

"11. The personnel of the Armed Forces and the National Police of Peru who, in compliance with their constitutional function and in use of their arms or other means of defense, in a regulatory manner, cause injury or death."

It also incorporates article 292-A into the Code of Criminal Procedure, with the following text:

"Article 292-A.- Restricted appearance for the Peruvian National Police

The restrictions provided for in Article 288 shall be imposed on the Peruvian National Police, which, in compliance of its constitutional function, makes use of its weapons or means of defense in a regulated manner and causes injury or death, and it is forbidden to issue a warrant for Preliminary Judicial Detention and Preventive Detention."

What are the implications of the amendment to Article 20 of the Criminal Code?

From the reading of the current article, we note that there has not been a substantial modification to it. The exemption of the Armed Forces and the National Police from criminal liability of the Peru for using firearms in a regulated manner, causing injury or death, was already regulated. Only the phrases "in fulfilment of its constitutional function" and "in a regulated manner" we can therefore point out that this amendment does not change the rules of imputation and the exemptions from criminal liability.

What are the implications of the incorporation of Article 292-A of the Code of Criminal Procedure?

In incorporating article 292-A into the Code of Criminal Procedure, the legislator has sought to ensure that police personnel when it fulfils its constitutional function has the legal protection of the State; that is, when the effective use of firearms or other means of defense in a lawful manner causing injury or death in the performance of his duties, the prosecutor may not request preliminary arrest or detention expressly stating that the judge could only issue a summons to appear with restrictions against that member of the police (e.g. going to sign in monthly at the Registration Office and Biometric Control). These benefits are not available to members of the Armed Forces.

In what cases could police effectively incur criminal liability?

Article 3 of Law 31013 expressly states that if police officers use their weapons or means of defense in violation of the Constitution, pursuant to the norms of international human rights law recognized by the Peruvian State, and this law, they will incur in criminal responsibility and the benefits of the Police Protection Law will not be applied.

What is the situation of the citizens who are intervened because they went out on the streets without any type of authorization and not complying with the devices established in D.S. 044-2020-PCM and 046 -2020 PCM?

Those persons who are intervened for having violated the rules established in the referred Supreme decrees will be taken to the sector's police station in order to carry out the control of police identity. In such a police unit, the respondent has the right to communicate with a family member or the person you indicate, and may not be held for more than four hours; after that, the time limit will be set for their release, as provided for in article 205 of the Code of Criminal Procedure.

What are the legal consequences for a person of being included in the computerized record of non-compliance with the measures ordered by the State?

The General Office for Information Technology and Communications of the Ministry of the Interior will be the responsible for creating and implementing the registration of persons who violate the isolation measure and compulsory social security. Any person who fails to comply with the measures arranged by the State shall be registered.

The Peruvian National Police will register the identification data of persons who are arrested by transit without any justification, not complying with the measures of isolation and compulsory social immobilization according to the provisions of Supreme Decree 044-2020-PCM or during the hours of the so called "curfew" The legal consequence is that this information will be sent to the Public Prosecutor's Office to initiate a criminal investigation against such offenders for the commission of the crime of disobedience to authority, in principle. It should be noted that each case is different and therefore the offence(s) may vary.

What crimes could the Public Prosecutor's Office charge a person with when the Peruvian National Police submit the computer log information?

When the information is sent to the Public Prosecutor's Office, this entity, in its capacity as the holder of the public criminal action, may open a preliminary investigation for the following offences:

- a) Spread of contagious diseases, regulated in article 289 of the Criminal Code, which penalizes anyone who knowingly spreads a contagious disease. The sentence may be up to 20 years if grave injury or death is caused.
- b) Breach of sanitary measures, regulated in article 292 of the Criminal Code, which penalizes anyone who breaches the regulates set forth by law to avoid the spread of an epidemic. The sentence may be from 6 months to 3 years.
- c) Violence against an authority, regulated in article 366, which penalizes anyone who employs intimidation or violence against a public authority to impede or hinder the execution of an act in the exercise of their powers. The sentence may reach up to 8 years if the official is part of the national police or a member of the armed forces.
- d) Disobedience of an authority, regulated in article 368, which penalizes anyone who disobeys or resists a legal order issued by a public authority in the exercise of their powers. The sentence is between 3 to 6 years.
- e) Crime against work health and safety, which is regulated in article 168A, which penalizes any employer who endangers the life and safety of their employees due to the risk of contracting a disease. The sentence is 1 to 4 years.
- f) Forced labor, which is regulated in article 168B, which penalizes anyone who forces other to carry out labor against their will. The sentence is 6 to 12 years.

What are the rights of persons to be investigated by the Public Prosecutor's Office as a consequence of not complying with the various provisions regarding the declaration of the state of national emergency?

In principle, every citizen has the constitutional right to self-defense, that includes the right be assisted by a defense attorney of counsel their own choosing to represent and advise them from the moment they are summoned by any police or prosecuting authority.

What are the criminal consequences a person could incur if they obtain a special transit pass (PET) with information different from the activity which they carry out, according to D.S. 044-2020 PCM and 046-2020 PCM?

In accordance with R.M. 304-2020-IN and the MINDEF - MININTER Joint Communiqué. The last one of March 30, 2020, the PET has the character of an affidavit, so that the person that inserts information other than the activity it performs would commit the crime of generic falsehood provided for in article 438 of the Criminal Code.

Similarly, such conduct would violate the presumption of truthfulness, as the police presume that the information inserted is true, so that the crime of falsehood would also be committed in administrative proceedings provided for and sanctioned in article 411 of the Criminal Code.

Can the Public Prosecutor's Office intervene in the proceedings to remove the body because of the COVID-19?

The Public Prosecutor's Office does not intervene in the proceedings for the removal of the body; it will only participate in those cases in which violent death, suicide, or homicide are presumed.

Do the limitations on freedom of transit apply to foreign personnel?

These limitations do not apply to foreign personnel duly accredited in Peru from diplomatic missions, consular posts and representations of international organizations, provided that they transit in the exercise of their duties.

What about citizens, national, regional and local authorities who do not comply with, collaborate and obstruct the work of police and military authorities in the exercise of their functions?

In this case, such natural persons or their due representatives could be charged with the crime of disobedience and resistance to authority provided for and sanctioned in article 368 of the Criminal Code.

What can a person do if they are caught in flagrant offence under Supreme Decree 044-2020 and 046-2020 PCM?

In principle, given that the right of defense is a constitutional right, any person who is detained has the right to a phone call, and to be connected and advised by a lawyer of his/her choice, for which said lawyer in these circumstances only has to take and show his lawyer's card to the authority that requests it, and tell him that he is going to a certain police station or prosecutor's office to give advice according to law.

What to do in case of infringement of property owned by my company?

The Penal Code punishes the crimes of damages, theft and disturbances in its articles 188, 205 and 315; if they occur, they must be reported immediately to the police station in the area and to the prosecutors on duty that are in operation.

In which cases does the criminal judge have the authority to decide in the period of the state of national emergency?

It is only empowered to deal with cases of detention, requisition, determination of freedom, habeas corpus and matters of urgent concern. This in accordance with the Administrative Resolution 115-2020-CE-PJ dated March 16 of this year. In cases of family violence and actions of protection, jurisdiction will fall with civil or mixed courts.

When a person is considered to be aggrieved by a crime, where can they turn to file a complaint in this period of national emergency?

In this type of situation, the National Prosecutor's Office has ordered that shift and post shift prosecutors work in all fiscal districts, in order to receive and process criminal complaints. In addition, it has also been arranged that prosecutors of crime prevention and the specialized prosecution for crimes of domestic violence work.

COMPETITION, CONSUMERS AND TELECOMMUNICATIONS

Do telecommunication utilities have to comply with any security protocol?

Yes, that is why the Ministry of Transport and Communications has issued various ministerial resolutions (e.g. Ministerial Resolutions 257-2020-MTC/01 and 286-2020-MTC/01) which set out the sectorial requirements for authorizing the gradual resumption of activities. It is expected that new protocols will be issued until the full resumption of the 4 reactivation phases pursuant to the economic policy approved by the executive branch.

What violations have been established in terms of splitting and suspension of public service telecommunication?

The following has been established as a serious infringement:

- i. Apply different fractioning conditions to those communicated to Osiptel and to subscribers;
- ii. Withdrawing your installment offer communicated to Osiptel;
- iii. Obstructing subscribers' access to splitting of receipts;
- iv. Make the request for migration or temporary suspension conditional on payment of receipts

owed; or

v. Not allowing free access to the "I Learn at Home" and "Monetary Subsidy" applications, in internet access services and mobile public services that have been suspended.

How can documents be sent to Indecopi during a state of emergency?

Users can submit, through remote transmission means, documents to the Osiptel's organs to the following email sid@osiptel.gob.pe.

Once the documentation has been sent to virtual filing, a record will be generated of automatic reception. Also, within one (1) business day of receiving the documentation, they will be informed, via e-mail, of the assigned registration number.

Notwithstanding the above, in cases where Osiptel requires the filing of original documents that have been issued in physical form by third parties, these must be filed in person within a maximum period of three working days from the end of the state of emergency.

By what means will Indecopi notify its actions during the state of emergency?

Resolution 041-2020-PD/OSIPTEL, provides that during the period of validity of the state of emergency, the notifications to operating companies, the requirements or other acts issued in the administrative procedures that are processed before the Osiptel are made via e-mail.

How can documents be sent to Indecopi during a state of emergency?

In the following link, those administered can present, through remote transmission means, documents to Indecopi's bodies at the national level <https://www.indecopi.gob.pe/en/web/atencion-al-ciudadano/envio-de-documentos>

In accordance with the provisions of Legislative Decree 1497, the obligation to physically present the documents sent by means of remote transmission contained in paragraph 123.3 of Article 123 of the Single Ordered Text of Law 27444 (Law on General Administrative Procedure) is suspended until December 31, 2020. For these purposes, the date of receipt will be considered to be the date registered by the entity at the time of sending (Indecopi's portal generates a record and sends an e-mail to the address indicated in the document sending form).

By what means will Indecopi notify its actions during the state of emergency?

In accordance with the provisions of Legislative Decree 1511, administrative acts and other actions issued by Indecopi are carried out via e-mail or other digital means indicated by the administered or requested from it by Indecopi.

For these purposes, the notification sent to the e-mail address is understood to be validly made when Indecopi sends the communication.

When will the control of business concentration operations approved by Emergency Decree 13-2019 come into force?

In accordance with the provisions of Emergency Decree 13-2019, the business concentration control regime would come into force in August of this year. However, considering the current context and the state of emergency, by means of Legislative Decree 1510, the entry into force of this regulation is extended to March 1, 2021.

Likewise, the regulation of said norm, which was foreseen for May of the present year, will be issued in November.

In what modalities can higher education institutes and schools of higher education provide the educational service during the emergency?

According to Legislative Decree 1495, higher education institutes and graduate schools and higher education technological institutes and higher education pedagogical institutes authorized before Law 30512 came into force, may develop study programs under the semi in person or distance modality through the use of virtual environments, until the educational service is reestablished.

In what modalities can the university educational service be provided during the emergency?

In accordance with the provisions of Legislative Decree 1496, the university education service is provided in three modalities: face-to-face, semi-face-to-face or distance or non-attendance.

Sunedu will set the maximum percentage of virtual credits per academic program by modality.

What will happen after the expiration of the mandate of the governing bodies of the universities?

In accordance with Legislative Decree 1496, the university assembly or the body acting on its behalf guarantees the continuity of the functioning of the governing bodies before the expiry of their mandate, by:

- Holding virtual elections.
- Extension of the mandate of the authorities and members of the governing bodies.
- Assignment of functions of authorities and members of governing bodies.
- Any other act that guarantees continuity.

The competent governing body may suspend the elections of authorities and must resume them immediately after the restrictions linked to the health emergency have been lifted and may use electronic means for this purpose.

What services can I hire during the mandatory social isolation period?

According to Osiptel Resolution 050-2020-CD/OSIPTTEL during the period of social isolation the following services can be offered by the operating companies:

- Mobile public service with home delivery of the SIM card with auto-activation.
- The SIM card will be delivered only by personal home delivery and the operator will be required to show the applicant his ID card.
- The user will perform biometric verification of his or her fingerprint (Reniec verification) and express their willingness to contract the service through the computer application provided by the company.
- The operating company will send the information of the hiring procedure to Osiptel including the images of each stage.
- Once the period of social isolation has ended, the operating company will send the activation system by application to Osiptel for validation.
- The number portability procedure will be carried out following the indications above described; however, the subscriber who has agreed to the splitting of payment receipts, within the framework of D.U. 035-2020, you cannot apply for portability as long as you do not have paid off the entire amount of the installment debt.
- Fixed wireline and wireless telephone service.
- Fixed wired internet access service.

- Distribution service of wired radio broadcasting.

The installation of wiring and delivery of equipment for the provision of wired services is carried out by installation work only up to a single access point outside the paid for. The installation inside the home will be carried out by the subscriber in coordination and with remote assistance from the operating company.

The operator must send the list of new contracts during the period of mandatory social isolation within twenty (20) working days from the end of that period.

Once the period of compulsory social isolation has ended, the operating company shall, within a maximum period of one hundred and eighty (180) calendar days, execute the final wiring installation program within the homes of all subscribers or users of the service contracted, ensuring that the installation is done with all the conditions of a professional installation.

Non-compliance with the provisions of this regulation may be sanctioned as "very grave" or "grave".

What will happen to the processing time of administrative procedures before Indecopi?

By means of Emergency Decree 026-2020 (Second Complementary and Final Provision), the calculation of the processing periods in administrative proceedings subject to positive and negative silence that are in process was suspended, from March 16, 2020 until April 28, 2020, with the exception of those that have a pronouncement of the authority pending notification to the administered parties. The rule in question also established that the Executive could approve by supreme decree the list of those procedures whose processing will not be subject to the above-mentioned exception. On April 28, 2020, Supreme Decree 076-2020-PCM was published, extending the suspension of the deadlines in these procedures until May 20, 2020.

Subsequently, Supreme Decree No. 087-2020-PCM provided for the extension of such suspension of deadlines until June 10, 2020.

Article 28 of Emergency Decree 029-2020 suspended the calculation of processing time in all other administrative procedures (other than those subject to positive and negative silence) by the entities of the Executive Branch, until May 6, 2020.

On May 5, 2020 D.U. 053-2020 was published, by means of which the suspension of terms set forth in D.U. 029-2020 was extended until May 27, 2020.

Subsequently, Supreme Decree 087-2020-PCM provided for the extension of such suspension of deadlines until June 10, 2020.

What should public and private educational institutions and programs consider for reprogramming and provision of educational services?

By Vice-Ministerial Resolution 093-2020-MINEDU, it was established that the new period of rescheduling of the school year should be considered until 22 December 2020. This period could be extended if deemed necessary for duly justified situations, such as students who have connectivity limitations in rural areas or 5th grade students of secondary school or 4th grade of the advanced cycle of ABE, as this is the last year of studies in education and have the need to ensure certain key competencies for their subsequent career.

What steps have been taken to identify and follow up on suspected cases of COVID-19 and what is its impact on the protection of personal data?

In accordance with the provisions of Supreme Decree 070-2020-PCM, only in suspicious cases or confirmed cases of COVID-19, emergency telephone exchange management entities may to access: (i) the personal data of persons making emergency calls to 113 and 197; and (ii) historical record of the location or geolocation of the device from which the call is made up to three (03) days prior to its realization.

The concessionaires of public services of fixed and mobile telephony are obliged to provide access to location or geolocation of the mobile device through which the call is made, according to the capacity and technical facilities of each operator, duly supported.

Concessionaires of public telecommunications services that send via text message on national questionnaire or national digital initial triage implemented by the Executive Branch for the identification of suspected cases of COVID-19 are obliged to provide access to information required by following entities: Presidency of the Council of Ministers, Minsa, EsSalud (and public bodies the National Authority for Personal Data Protection, Reniec, Osiptel, the PNP, the Jointly by the Armed Forces and the national health directorates of the regional governments. Notwithstanding the above, in no case is access to the content of outgoing and incoming calls allowed or SMS text messages.

The entities administering the 113 and 107 emergency telephone exchanges, as well as the Ministry of Health has the authority to share information on suspicious cases or confirmed cases of COVID-19 with all relevant state entities, only for the development of its functions in the implementation of prevention and control actions of the COVID-19.

The treatment of anonymized data of people infected with COVID-19, or under suspicion of being so, is legitimate for the purpose of identifying and following up on suspected or confirmed cases of COVID-19 and any other treatment that falls within the regular powers and functions of public bodies.

Public bodies should adequately protect data security through the use of secure storage and communication protocols, standard encryption algorithms, programs or relevant computer devices and methods, in accordance with the regulations in force and good practice that exist in the areas of software development, information security and personal data protection.

What happens if, as a result of the emergency measures, it is not possible to comply with the delivery of a good or the provision of a service contracted by consumers?

The supplier of goods and services will be exonerated from liability if they can prove that the failure to comply with the law had as its origin and direct cause the emergency measures and restrictions adopted by the State.

Can you share the information of employees who have been diagnosed with the COVID-19 virus?

Data related to health is considered sensitive data by the Personal Data Protection Act and its regulations. In this sense, they cannot be disclosed without the owner's consent. If information is shared, without such consent, companies might face fines of between 5 UIT (S / 21, 500.00) and 50 UIT (S / 215, 000.00).

Health-related data is considered sensitive data by the Data Protection Act Personal and its regulations. Consequently, in principle, these cannot be disclosed without the consent of the holder, otherwise companies could face fines of between 5 and 50 UITs.

However, in accordance with Advisory Opinion 32-2020-JUS/DGTAIPD issued by General Directorate for Transparency, Access to Public Information and Personal Data Protection, the employer may report a worker's health status only if there is a health risk to other workers who have been in contact.

Who can report on those who have been diagnosed with the COVID-19 virus?

The only official institution authorized to report confirmed cases is the Ministry of Health by virtue of its legal attributions. Thus, health establishments nationwide must implement the required security measures to guarantee the confidentiality of the information.

Will public telecommunications services (telephone, cable and internet) be suspended because of the state of emergency?

No. However, the Ministry of Transport and Communications is empowered to order the suspension of outgoing traffic (outgoing calls) and data (Internet) from the lines, if malicious calls (jokes, insults, silence) are made to the emergency, urgent and information centers. The suspension will last thirty (30) calendar days and some lines from which malicious calls were generated have already been suspended.

Likewise, in accordance with the provisions of Legislative Decree 1479, once the period of suspension of administrative sanctioning procedures, the Ministry of Transport and Communications will carry out the pertinent investigations in order to formally initiate the administrative sanctioning procedures for malicious communications, which will involve the application of sanctions of admonition to fines of up to 4 UIT, the partial or total suspension of service for thirty (30) calendar days and/or the cancellation of service. During the investigation, the suspension of service for fifteen (15) calendar days may be ordered as a preventive measure.

If the telecommunications bill has not been paid (fixed or mobile telephony, cable and internet), will service to the user be suspended?

Although, at first, Osipitel decided that the services of telecommunications during the state of emergency could not be suspended (Presidency Resolution 00035-2020- PD/OSIPTEL), the regulator has now approved the gradual suspension of telecommunications of users with outstanding payment receipts (Council Resolution Directive 067-2020-CD/OSIPTEL), according to the following schedule:

- From June 15, 2020, users who have 2 or more outstanding service receipts of payment, consecutive or not.
- As of July 1, 2020, the provisions of the TUO of the Terms of Use will apply. That is to say, the services of those subscribers who present any unpaid bills may be suspended.
- In both cases, the suspension does not apply to subscribers of public telecommunications services who:
(i) have no outstanding receipts as of June 4, 2020; or (ii) have made new service contracts (service discharges) during the emergency period.

In order to suspend service, operators must communicate this intention to the paid not less than 5 working days before the effective date of the suspension, informing the requirements established in Resolution of the Board of Directors 067-2020-CD/OSIPTEL.

In the event that the service of "circuit rental" is being provided to another company, the standard of which is not a reference to telecommunications, but it would be applicable to the established in Article 91 of the Conditions of Use, which states that the prior announcement of the suspension must be made no less than 15 calendar days in advance.

What requests can public telecommunication service operators meet?

Through the Resolution of the Osipitel 050-2020-CD/OSIPTEL it was established that the different procedures for the management of the telecommunications services (temporary suspension, cancellation of services, migrations, portability, new registrations, claims, among others) are developed through the telephone and digital channels. It also specifies the list of procedures that can be carried out at physical customer service centers; however, prior authorization must be obtained from the Ministry of Transport and Communications of the corresponding sectorial protocol for the resumption of activities.

What will happen with the presentation and payment of the monthly declarations made to OSIPTEL, PRONATEL and MTC?

Osipitel has ordered, through Resolution 046-2020-CD/OSIPTEL, the extension for the presentation and payment of the monthly declaration of March and the annual declaration of the contribution by regulation, according to the following dates

- DJ March 2020: Until May 11, 2020
- Annual DJ 2019: Until June 11, 2020

The MTC ordered, through the Directorial Resolution N° 114-2020-MTC/27, that the terms established for the fulfillment of the economic obligations in the TUO of the regulation of the Law of Telecommunications were suspended, while the State of Emergency established in the D.S. 044-2020-PCM). The declarations and payments corresponding to the monthly rate and declaration of the annual budget for the year is suspended until the end of the State of Emergency.

PRONATEL granted an extension, through Executive Directorate Resolution No. 051-2020-MTC/24, for the presentation and payment of the sworn statement of the special contribution to PRONATEL corresponding to the months of March and April 2020 until June 10, 2020.

What will happen with the filing and payment of the March 2020 monthly return and the 2019 annual return of the regulatory contribution?

By Resolution 046-2020-CD/OSIPTEL, Osipitel has extended the deadline for the filing and payment of the monthly declaration for March and the annual declaration of the contribution for regulation, according to the following dates:

- DJ March 2020: Until May 11, 2020
- Annual DJ 2019: Until June 11, 2020

Is it necessary for the employer to obtain the worker's consent for the processing of his or her personal health-related data?

According to the Advisory Opinion 32-2020 JUS/DGTAIPD the employer may process a worker's personal health data, without the worker's knowledge. In this regard, the General Directorate of Transparency, Access to Public Information and Protection of Personal Data has established that the processing of personal data of a sensitive nature related to the health of the worker is in the following cases of exception to the principle of consent, contained in Article 14 of the Law on Protection of Personal Data: (i) the existence of a contractual relationship, such as the working relationship, (ii) the public interest, such as public health and the prevention of risks of contagion, and (iii) the existence of legitimate interests of the data subject, such as safeguarding his/her health.

It should also be mentioned that the exception to obtain consent does not imply the non-observance of other principles or provisions of the Personal Data Protection Act, such as the duty to inform the holders about the treatment given to the data and about its collection.

Is the employer obliged to collect data on workers' health?

The Advisory Opinion 32-2020-JUS/DGTAIPD emphasizes that according to the provisions of the Law on Safety and Health at Work, the employer has the obligation to prevent the occupational risks of its employees, which is particularly important in the context of health emergency. In compliance with this obligation, the employer must treat the health data of its workers.

Likewise, the "Guidelines for the health surveillance of workers at risk of exposure to COVID-19", approved by R.M. 239-2020-MINSA, obliges the employer to take the temperature of the workers, perform serological or molecular tests on the workers at risk who return to work and identify the workers at risk.

It should be noted that the treatment of this sensitive data must obey the specific purpose of containing the spread of the virus and respect the principles of the Law on Personal Data Protection.

CORPORATE LAW

Have the rules governing the state of emergency established any provisions extending or suspending payment of rent for commercial property?

No, to date no provision has been issued to suspend, extend or waive payment of the monthly rent for commercial activities.

However, it should be noted that contracts must be negotiated and also executed in good faith. Therefore, on a case-by-case basis, the reduction of the monthly rent or the extension of the date of payment of the monthly rent could be negotiated, as long as the use of the leased space becomes impossible.

Is it possible to conclude contracts by telematics or similar means?

Unless the law or the agreement between the parties provides for the use of a mandatory formality for the validity of a contract, if both parties have digital signature certificates and access the same communication system, they may use that means. If they do not have digital signatures, the Civil Code (articles 140 A and 1374) allows contracting through electronic, optical or analogous means. A practical way to resolve the current impossibility of signing a contract in person is to send the documents with signatures scanned by the legal representatives with the commitment to then formalize a joint signature, always acting in good faith.

What happens with a call to a general meeting of shareholders whose dates coincide with the period of social isolation?

Unless a rule to the contrary or a particular rule is published indicating an express extension of these calls for certain days after the end of the social isolation, if all the dates of the call notice are during the period of social isolation, a new call must be made for a date later than the indicated period of social isolation.

Is it possible to publish new calls for applications in the Peruvian Official Newspaper?

The Official Gazette El Peruano has announced that as of Monday, April 13, it will receive publications for the official gazette only virtually.

The documents requested for the publication of notices must be sent via email. Quotations should be requested to the following email: cotizacionboletin@editoraperu.com.pe

As of May 4, the printed version of the Diario Oficial El Peruano returned.

In the case of companies with widespread shareholdings (or with minority shareholders), is possible to force shareholders to hold a non-attendance meeting having already prior notice of a general meeting of shareholders in the form of a face-to-face?

Shareholders cannot be forced to participate in a non-face-to-face meeting in such cases. In these cases, it is advisable to make a new call or wait for the pronouncement of entities of the Superintendence of Securities Market (*Superintendencia del Mercado de Valores*) in the case of companies subject to its supervision. In this regard, the MSE has indicated, for the cases of issuing companies with registered securities in the Public Registry of the Stock Market, which recognizes that during the quarantine period it will not be possible to hold mandatory annual meetings of shareholders, or any meeting called or to be carried out in that period.

Can performance of contractual obligations be suspended?

In the cases of commercial activities that are not authorized (e.g. sales of essential products, fuels, medicines), force majeure may be invoked and thus suspend the fulfillment of the obligations, until the state of emergency ends.

What happens to notary services? Do these continue to be provided?

No, notary services have been suspended.

What happened to the registration procedures in progress in Public Registries?

The Public Registry has issued a statement noting that its offices will not provide service in person and that the expiration dates of procedures are suspended until attention to the public is regularized.

Can I apply the fortuitous event of force majeure in case of breach of obligations?

During the validity of the national state of emergency and quarantine, and due to the general prohibition on the displacement of the population, if this implies a legal impediment in order to be able to fulfill the obligations derived from a contract, the party that has been affected by the quarantine may allege majeure as a cause beyond his control that prevents them from temporarily fulfilling their obligations for the duration of the measure. In this sense, the party that invokes such event or cause of suspension of their contractual commitments may apply the clauses that in their respective contracts regulate or consider force majeure as an impediment.

In case there is no clause on the matter, the party can invoke article 1315 of the Peruvian Civil Code as well as supreme decree No. 044-2020-PCM that declares quarantine, a rule published in the Official Newspaper "El Peruano" on March 16 of 2020.

Despite what has just been stated in the paragraphs above, each case requires an analysis. For example, if the obligations of a party can be fulfilled or not in a virtual way that does not require displacement or mobilization, without prejudice to it, then it should also be analyzed whether it makes sense to comply with making a payment for a service or delivery of a good, which will be suspended by the application of force majeure derived from the declaration of the state of emergency and quarantine. In short, all the circumstances surrounding each contract must be considered.

What happens to a call to a general shareholders' meeting whose dates are within the period of social isolation?

Unless some norm or a norm to the contrary is published indicating an explicit extension of these calls for certain days after the end of the isolation period, a new call must be made for a date after the indicated period of isolation.

Can a general shareholders' meeting be held in a non-face-to-face meeting?

Yes, it is possible to hold the general meeting of shareholders in a non-face-to-face manner in case the bylaws allow it. If the bylaws do not indicate anything in this regard, in the case of a closed corporation (sociedad anónima cerrada) it is understood to be completely permitted; and in the cases of the other companies, the shareholders or partners may, for the purposes of determining the quorum, as well as for the respective voting and adoption of resolutions, exercise the right to vote electronically provided that it has a digital signature or by postal means considering that legalized signatures are required.

What happens if, because of the absence of logistics services or lack of workers, I cannot meet a delivery deadline for any product on the contractually offered date?

Given the current circumstances and the publication of recent regulations, a fortuitous event or force majeure may be invoked on the grounds that the circumstances and regulation would make impossible or extremely

complicated or costly the fulfillment of obligations. This should exempt the company or person in general from any sanction for non-compliance or payment of penalties or default interests.

What happens if I am a tenant of a property destined for some activity that has been affected by the social isolation regulations? (for example: premises for restaurants or retail in general). Can I achieve any reduction in the rent?

It is a circumstance that would have to be analyzed on a case-by-case basis and according to the details that may be generated in the coming days. For example, if we are talking about stores that continue to operate (pharmacies or similar), the reduction ration is different compared to a restaurant. Even in these cases it would be necessary to consider if the government decides to allow delivery service. Undoubtedly, the circumstances create a space for conversation between the parties, since there is clearly an alteration of the foreseeable circumstances in which the rules of the contract were established.

What happens to contractual formalities that require the delivery of a legalized or notarized communication?

All these periods are suspended until the end of the state of emergency. The College of Notaries (Colegio de Notarios) has indicated that notarial activities, as well as the deadline for non-contentious procedures contained in notarial regulation, are suspended.

What happens with construction contracts?

If the exception does not apply, the suspension of activities is legally valid. As there are no services, the appraisals would not be paid, on the other hand, in terms of delivery times, they will have to be extended in the same proportion as the temporary impossibility.

EDUCATION

UNIVERSITIES

Can universities and graduate schools implement the adaptation of virtual education as a consequence of the measures to prevent and control Covid19?

Yes, on a temporary and exceptional basis.

Can universities and graduate schools reschedule their academic calendar, as consequence of measures to prevent and control Covid-19?

Yes, temporarily and exceptionally.

Can universities and graduate schools make a change in the mode of face-to-face to semi-face-to-face academic program?

No, they are not entitled to make this change. The face-to-face mode is maintained with the adaptations. The program is not allowed to be used for non-face-to face classes, but it does not imply a change in the program mode.

What formality must universities and graduate schools comply with in order to implement their actions to adapt to non-face-to-face education?

Universities and graduate schools must inform SUNEDU of such actions within a maximum period of time which expires on April 28, 2020.

Is the maximum limit of 50% of credits in the semi-present mode maintained?

No, that ceiling no longer exists, another one will be set. Sunedu will set it by means of a resolution, within a period that expires on June 19, 2020.

Is the deadline for the adaptation of teachers in public and private universities ordered by the University Law maintained?

No, that deadline for teachers to have at least the degree of teacher for the delivery of programs has been postponed until November 30, 2021.

Can the governing bodies of public and private universities meet virtually?

Yes, they can. Their virtual sessions will have the same validity as the face-to-face ones.

INSTITUTES

Can face-to-face educational services be provided at Technical-Productive Education Centers and Public and Private Higher Education Institutes and Schools?

No, they should be suspended indefinitely.

Can distance education services be provided during the suspension period?

Yes, if they have appropriate methodology and tools.

In the semi-presential mode, are there ceilings on non-presential credits?

Yes, minimum 30% and maximum 50% of credits through information technology.

Are there credit limits for distance learning?

No, 100% of the credits can be developed in virtual environments.

Can you develop all types of continuing education programs?

Yes, they can be developed in the modalities of attendance, semi-attendance and distance

SCHOOLS

When does the 2020 school year start?

For public educational institutions, April 6 under the "I Learn at Home" strategy.

When does the face-to-face service start?

Classes are suspended indefinitely. Private educational institutions must adapt the service they provide so that it can be provided remotely.

Can private educational institutions provide the distance learning service?

Yes, if they have the appropriate methodology and tools.

What solution has the government given to the impossibility of teaching classes in person?

Legislative Decree 1476 established that private educational institutions had on May 12, 2020 to inform parents:

-A comparison of fixed and variable costs: (i) applicable to the provision of the face-to-face service and (ii) those applicable to the provision of the service at a distance. The purpose of this comparison is to communicate the costs that are reduced and/or increased, when the service is provided remotely.

- An adjusted proposal for the new educational offer, including a pension adjustment, based on the rule that schools may not charge for any face-to-face benefits that might have stopped running, and the cost variation.

What can parents who disagree with the new offer do regarding education and school fees?

The proposal is evaluated by the users of the service, enabling the possibility of negotiation between the school and the users.

In case the parents do not agree with the proposal, they may: (i) terminate the contract of educational service, which will involve the return of tuition fees, entrance fees and cancelled, in proportion to the length of time the student has been in residence; and discounting the debts (ii) subject to any new conditions laid down by the college, without prejudice to the corresponding administrative (Minedu, Indecopi) and judicial bodies to evaluate the contractual conditions applied by the school.

Is it mandatory for private educational institutions to implement the "I learn at home" designed by the Ministry of Education?

No, private educational institutions can take as a reference for their recovery plan the "I learn at home" strategy designed by the Ministry of Education for educational institutions public.

Do private educational institutions have to submit their tailored recovery plan?

Yes, they must submit it to the competent UGEL within 7 calendar days from the April 3, 2020, when Vice-Ministerial Resolution No. 090-2020-MINEDU was published, approving the technical standard entitled "Arrangements for the provision of basic education by privately managed educational institutions, within the framework of the health emergency for the prevention and control of the Covid-19".

ELECTRICITY

Are electricity distribution companies obliged to pay their debts in instalments for consumption originating in the time of sanitary emergency?

In accordance with Emergency Decree 035-2020, electricity distribution companies may fraction their debts, only to vulnerable populations, according to the following conditions:

- Electric power bills are included within the scope of the norm that were issued in March 2020, or that include some consumption during the emergency period determined by D.S. 044-2020-PCM and its extensions.

- Vulnerable populations are classified as follows:

- a) Residential users of the electricity service with consumption of up to 100 kWh per month
- b) Residential users of the electricity service of non-conventional rural electricity systems supplied with autonomous photovoltaic supply.

- Electricity distribution companies may divide these receipts in up to 24 months, provided that they correspond to users considered to be part of the vulnerable population.

- Likewise, with respect to fractioned receipts, these will not be considered due for application of the service cut referred to in Article 90 of the Law on Electrical Concessions – Decree Law 25844.

- No moratorium interest, fixed charges for late payment, or any other related concept will be applied the non-payment of the instalment receipts, except for compensatory interest, according to the detail set out below.

- The maximum compensatory interest applicable is that laid down in Article 176 of the Regulations of the Law on Electrical Concessions, approved by Supreme Decree 009-93-EM, and Article 66 of the Single Ordered Text of the Regulations on the Distribution of Natural Gas through the Network approved by Supreme Decree 040-2008-EM, according to the type of service, accordingly. These interests are paid from the available balances of the Inclusion Fund Social Energy - FISE, up to a maximum of S/ 25, 000,000, which constitutes a destination additional to Article 5 of Law 29852.

Does the technical standard of quality still apply to electricity companies in this sanitary emergency?

- Transgressions of the Technical Standard for the Quality of Electrical Services, approved by Supreme Decree 020-97-EM, and the Technical Standard for Quality of Rural Electrical Services, approved by Directorial Resolution N° 016-2008-EM/DGE, does not give rise to the application of the payment of compensation or penalties provided that such violations are not related to safety issues and are the result of events not attributable to the electricity companies as a result of the measures or restrictions in the framework of the aforementioned state of emergency or the effects caused by the COVID-19.

- During a state of national emergency, the time limits provided for in the Quality of Electrical Services Technique

What are the powers of the power companies in this emergency?

Utilities that provide public electricity service during a state of national emergency may implement the following measures:

- Suspension of the issuance and delivery of electric utility bills or receipts on physical media.
- Authorization of delivery of electric utility bills or receipts by alternative means, such as digital, even if the user has requested delivery by printed document, provided that the user has such alternative means.
- Suspension of reading of electricity consumption by users.
- Suspension of the obligation to physically serve end users through the centers customer service for electric power and natural gas.
- Authorization for the emission of receipts or bills for consumption to the final user of electricity, using calculation methods that fit their consumption profile of the last six months prior to the month to be invoiced, based on actual readings.
- Determination of alternative measures, which allow to comply with the marketing service to the user of electricity.

Is Osinerghmin's supervision of electrical activities maintained during the period of the emergency by COVID-19?

The electricity sector continues to work during this emergency period and Osinerghmin supervision activities are also maintained, but taking into account the emergency condition, the agency has issued Resolution 033-2020-OS/CD, approving the Protocol for the Supervision of activities to its load during the emergency period of COVID-19.

Are the companies that provide the electricity service still operating normally?

Yes, they operate normally, because they are exempt from the emergency rule, as they provide an essential public service to the population. In this case, the companies that are within the chain of production and distribution of electricity (generators, transmitters and distributors) must operate.

Are the deadlines for filing complaints or challenges for claims derived from the public electricity service suspended?

Yes, they are suspended for a period of 30 working days.

Do electrical projects under construction have to be suspended during the emergency rule?

Yes, they have to suspend their activities because they are not within the exception of Supreme Decree 044-2020-PCM.

ENVIRONMENTAL

Currently, my company has an open environmental assessment procedure at SENACE. Is this assessment suspended or does it continue?

It is suspended. Urgency Decree 026-2020 establishes different type of exceptional and temporary measures to prevent the spread of the coronavirus in the national territory. This legal instrument states in its Final and Complementary Second Provision that, the counting of time limits for administrative procedures currently under revision subject to positive and negative silence are officially suspended for 30 business days; except for those that already have a decision from the authority but notification is pending.

Still, ministries might approve, by means of a supreme decree, the list of procedures that are not subject to the 30 business day suspension mentioned above.

This week I was supposed to submit my arguments to OEFA or, I had a scheduled oral report. Do I still have to comply with deadlines and do I still have to attend?

According to an OEFA statement, deadlines for ongoing procedures have been suspended, as well as other deadlines applicable to administrative filings.

FINANCIAL LAW, CAPITAL MARKETS AND BANKING REGULATION

What is the "Reactivate Peru" program?

Legislative Decree 1455 of April 6, 2020 created the "Reactiva Perú" program (the "Program") to ensure continuity in the payment chain in the face of the impact of working capital of companies facing short-term payments and obligations to their workers and suppliers of goods and services, in order to ensure continuity in the chain of payments in the national economy.

The financing of the replacement of the working capital funds of the companies will be carried out through a mechanism that will provide a national government guarantee for credits in national currency that are placed by the companies of the financial system, for which purpose the National Government for Continuity in the Chain of Payments - "Reactiva Perú".

What are the conditions for access to the Program?

In accordance with the amendments provided for by Supreme Decree No. 124-2020-EF, the conditions to access the Program are the following:

By 29 February 2020, companies wishing to access the Program must be qualified, in the risk center of the Superintendence of Banking, Insurance and Private Fund Administrators of Pensions ("SBS"), such as "normal" or "potential problem". If at that date the company does not have any of the above classifications, it will be classified as "normal" for the 12 months prior to the date the loan is granted. Finally, in case of the company does not have any classification in the last 12 months will be considered within the category "normal"

- It will only be applicable to new credits granted until June 30, 2020.
- The term of the credits granted by the financial institutions to the beneficiary companies may not exceed 36 months, including a grace period of interest and principal of up to 12 months.
- Not have tax debts to the Sunat exceeding an UIT (S/ 4 300) at the time of applying for the credit, for periods prior to 2020, that are due in coactive collection.

What are the restrictions imposed by the Program on beneficiary companies?

- Resources obtained under the Program may not be used to pay financial obligations. Nor may such obligations be prepaid before the cancellation of the credits originated in the framework of the Program.
- No dividends or profits may be distributed, except for the percentage corresponding to workers, for the duration of the credit granted.
- Companies linked to financial institutions, or those included in the scope of Law 30737, a law that ensures the immediate payment of civil reparation in favor of the State in cases of corruption and related crimes.

Have maximum authorized amounts and guarantee limits been established?

Yes; however, these maximum authorized amounts are not those originally foreseen, instead they have been modified by the Supreme Decree 124-2020-EF and have been established as follows:

- The amount equivalent to three (3) months of average monthly sales in the year 2019.
- In the case of micro-enterprises and individuals with their own business, besides the preceding standard, the amount equivalent to two (2) months of average debt in 2019 may be used up to a maximum of S/ 40,000, whichever is greater.

Regarding guarantees:

CREDIT AMOUNTS PER COMPANY	GUARANTEE (%)
Up to S/ 90 000	98%
From S/ 90 001 to S/ 750 000	95%
From S/ 750 001 to S/ 7 500 000	90%
From S/ 7 500 001 to S/ 10 000 000	80%

The total amount of the credits to be guaranteed by the Program, for each debtor company, will be S/10,000,000

What is the additional amount that has been set aside for the Reactivation Peru Program?

By means of Legislative Decree No. 1485, the maximum amount authorized for the National Government's guarantee to be provided to the credits of the Reactive Peru Program was increased by S/. 30 thousand millions in addition to the S/. 30 thousand millions initially authorized. The granting of such additional amount is limited by the conditions and other provisions of Legislative Decree No. 1455, as amended, its regulations and amendments, and Legislative Decree No. 1437, Legislative Decree of the National Public Debt System, as applicable.

What happens to the Program Guarantee credits granted before May 31st 2020?

In accordance with the amendments to the Operational Regulations of the Program provided for by Ministry Resolution No.165-2020-EF, for the purpose of applying the maximum amounts of the credits by debtor company which have been granted until May 31, 2020, the following should be taken into account:

- a) If the debtor company obtained a loan for an amount less than the maximum established by the D.S. No.124-2020, it can access a new loan up to the maximum amount established maintaining the coverage percentage as long as this new loan does not exceed the new maximum amount.
- b) If the debtor company agrees to a new loan according to the conditions of the preceding paragraph and the percentage coverage of this new maximum amount is higher than it was in the original loan the new coverage percentage applies.

What will happen with the Program Guarantee credits granted from June 1, 2020?

The indebted company which obtains a loan guaranteed by the Program as of June 1, 2020 is entitled, for one time only, to a credit corresponding to the maximum amounts and coverage rates established by D.S. 124-2020-EF.

What is the requirement to access the loans guaranteed by the Program within the framework of the provisions of Supreme Decree No. 124-2020-EF and the amendments to the Program's Operating Regulations?

The indebted company must provide the Financial System Company with an Affidavit stating whether or not it previously obtained a loan with the Program Guarantee. Accordingly, if it has obtained a loan prior to the effective date of the D.S. 124-2020-EF, it must indicate the amount of the loan.

Are insurance companies obliged to pay compensation or coverage in this period of health emergency?

Insurance companies are obliged to pay the compensation or coverage in those incidents, which, at the time of the declaration of the state of national emergency, were consented. A claim is consented to when the legal period for the insurance company to pronounce itself has expired or when it has pronounced itself in a favorable manner.

What happens with the calculation of the time limits for the attention of claims?

The calculation of the deadlines for the attention of claims at national level has been suspended until June 30 of the present year; in that sense, the deadlines for the notification of the claim, the request of the coverage, the process of liquidation and the rejection of the claim are suspended until the indicated date.

Has it been recommended to prioritize any type of claims attention during the State of National Emergency?

Insurance companies should try to prioritize the attention to the processes related to the management and payment of claims that are related to health care insurance and others that have health coverage.

What happens when it is impossible to pay the premiums during this health emergency period, are the insurance companies obliged not to suspend the coverage due to the impossibility of payment?

The SBS has provided instructions and/or recommendations to insurance companies, indicating that they should evaluate the relevance of rescheduling the largest possible number of contractors in view of the probable impossibility of payment. Therefore, it is up to each insurer to adopt the measures it considers necessary to seek payment and to adopt all available communication mechanisms. The insurers will be entitled to suspend the coverage when the cases foreseen by the law of the matter occur.

What is the Micro and Small Enterprise Support Fund (MYPE) MYPE?

- The Fund for Business Support to Micro and Small Enterprises ("FAE-MYPE") is a resource allocated by the State, channeled and managed by COFIDE as a second floor bank, so that MYPE's can overcome the economic crisis generated by the COVID-19.

- The fund was created by Emergency Decree No. 029-2020 with the aim of promoting financing of MSEs through loans for working capital and for restructuring and refinance their debts, granted by the companies of the financial system or the cooperatives of savings and credit not authorized to raise funds from the public ("COOPAC"), for which the Ministry of Economy and Finance transferred S/. 300 million to the fund.

- In line with the above, it should be noted that the SAF-MYPE can be leveraged by up to five times the value of its available balance, in order to extend the range of coverage of company's beneficiaries.

What are the modifications implemented to the FAE-MYPE?

Through Emergency Decree No. 049-2020, amendments were approved to strengthen the management of the fund. Currently, the FAE-MYPE has funds of up to S/ 800 million, destined to guarantee only the working capital loans that the companies of the financial system or the COOPACs grant to the MYPE.

What happens to operations performed prior to the effective date of U.S. Department of State No. 049-2020?

Operations carried out before April 28, 2020 within the framework of the provisions of Emergency Decree No. 029-2020 and its regulation, approved by Ministerial Resolution No. 124-2020-EF/15, maintain the conditions originally agreed upon.

Do all MYPEs qualify for these benefits?

The new FAE-MYPE operational regulation, approved by Ministerial Resolution No. 150-2020-EF/15, establishes that the following eligibility criteria must be taken into account:

- Beneficiaries may be natural or legal persons qualified as (i) MYPE and (ii) debtor retail, according to the provisions of the SBS.
- The MYPE must have obtained a credit for working capital from April 28, 2020, according the parameters established by the SBS for loans to micro and small enterprises.
- On February 29, 2020, the MYPE had to be qualified at the SBS Risk Center at the category of "Normal" or "Potentially Troublesome" (CPP). In case of no classification at that date, not have been in a category other than "Normal" during the 12 months prior to the granting of the loan. In case of not having a classification at that date, no have been in a category other than "Normal" during the 12 months prior to granting of the loan.
- In case the MYPE has no credit history and therefore no rating, the company of the financial system and/or COOPAC shall indicate the internal classification assigned to it which shall be equivalent to the categories of "Normal" and/or CPP established by the SBS.

Are there cases of exclusion?

No. Indeed, MYPE's that are not eligible are not eligible:

- are linked to the companies in the financial system and to the COOPACs that grant the credit
- fall within the scope of Act No. 30737, which ensures the immediate payment of civil reparation in favor of the Peruvian State in cases of corruption and related offences.
- They have guaranteed credits within the framework of the "Reactiva Perú" Program.

How do I know if I qualify as a retail and MYPE debtor?

According to the criteria established in the SBS Resolution No. 11356-2008 and its amendments:

- Small businesses: Natural and legal persons whose total level of debt in the financial system (not including home mortgage loans) is greater than S/20,000 but not greater than S/ 300,000 in the last six months.
- Microenterprises: Individuals and corporations whose level of total indebtedness in the financial system (not including home mortgage loans) is no more than S/ 20,000 in the last six months.

➤ Retail Debtor: Individuals or legal entities with direct or indirect loans classified as consumer (revolving and non-revolving), to microenterprises, small businesses or home mortgages.

How do I know if I have a "Normal" or "CPP" rating at the SBS risk center?

According to the classification of the debtor of the "Small Business" loan portfolio, a "Micro-enterprises", "Revolving Consumption" and "Non-Revolving Consumption":

➤ Category "Normal": Those debtors who have been complying with the payment of their credits as agreed or with a delay of up to eight calendar days.

➤ Category "With Potential Problems" (CPP): Those debtors who register delay in the payment of your credits from nine to thirty calendar days.

You can request a free virtual debt report at the following link:
<https://reportedeudas.sbs.gob.pe/reportedeudasSBS1/Default.aspx>

How to apply for working capital credit?

New working capital loans are available from April 28, 2020 and can be requested from companies in the financial system or from COOPACs that have subscribed a pipeline contract with COFIDE.

What is the amount of credit that financial institutions can provide?

Up to a maximum of S/ 30,000 (or its equivalent in U.S. dollars) per MYPE, based on the amount equivalent to twice the average monthly working capital debt registered by the MYPE, in the year 2019, in the company of the financial system or COOPAC that grants the credit. Consumer and residential mortgage loans are not considered for this limit.

Is the granting of credits given individually or by economic group?

It is given individually by MYPE, subject to the regulatory limitations and restrictions applicable to financial entities, if applicable.

What percentage of the credit is guaranteed by the FAE-MYPE?

The limit of the individual guarantee per MYPE is applied according to the following scale

- a) Up to S/ 10,000 (or its equivalent in US dollars) with a coverage of 98% per debtor.
- b) From S/ 10,001 to S/ 30,000 (or its equivalent in United States dollars) with 90% coverage per debtor.

Should additional guarantees be provided since the SAF-MYPE only guarantees a percentage of the credit?

Financial institutions may require additional guarantees for the percentages not covered by the guarantee granted by FAE-MYPE.

In what conditions should the credit granted be returned?

The maximum term is 36 months, which includes up to 12 months of grace period (without payment of the principal and interests). Interest for the grace period is pro-rated for the remaining period of the loan. After the grace period, the loan is paid in equal monthly installments.

What is the interest rate that financial institutions can charge?

Interest rates and/or commissions are determined by each financial entity.

What would happen if the payments assumed in the credit agreement are not paid?

It will depend on what is stated in the loan contract. However, if the debtor is 90 calendar days late in paying his debt, the financial entity will ask COFIDE to activate the coverage of the guarantee granted. In turn, COFIDE disburses the amount of the guarantee 30 calendar days after receiving the request from the financial entity.

What is the provision rate for credit risk of the part guaranteed by the REACTIVA PERU and the FAE-MYPE?

The provision rate for credit risk will be 0% for the part of the credits that are covered by the guarantee of the REACTIVA PERU Program or the FAE-MYPE whenever the replacement of credit counterpart. This is in accordance with the provisions of SBS Resolution No. 1314 and SBS Resolution No. 1315.

In addition, in accordance with the provisions of Multiple Office No. 11999-2020-SBS, the part of the credit not guaranteed by the REACTIVA PERU Program, you are entitled to the provision of the original type of credit according to the classification of the debtor of the credit.

What is the "National Government Guarantee Program for Companies in the Financial System"?

Legislative Decree No. 1508 of May 11, 2020 created the "Guarantee Program for the National Government to the Companies of the Financial System" (the "Government Guarantee Program National" or "Program") that allows companies in the financial system to increase their capacity to face scenarios of higher demand for liquidity. The National Government's Guarantee Program seeks to guarantee the credit portfolio of companies in the financial system, in order to provide it with liquidity extraordinary.

The National Government's Guarantee granted under the Program is channeled through the following mechanisms:

- By trust.
- By trust commission or other instrument of similar nature.
- If the loan portfolio consists of loans whose individual amount is less than S/ 20 000.00, it must be channeled exclusively through a Trust.

What is the purpose of the guarantee granted under this Programme?

The National Government Guarantee to cover the credit portfolio of companies in the eligible financial system only serves as a backup provided that it is used exclusively in BCRP operations. Furthermore, this guarantee does not exceed eighty percent (80%) of the portfolio transferred under the Programme and is effective as soon as COFIDE issues the corresponding certificate to the participating entities

What are the conditions to be met by the entity participating in the Guarantee Program of the national government?

The participating entity must comply with the following conditions to access the Program:

- Have an eligible portfolio.
- Fulfill the following commitments:
 - a) Maintain the provisions corresponding to the transferred portfolio and keep them updated. Under no circumstances will the provisions for the portfolio transfer made under the Program be reduced.
 - b) Guarantee the existence and enforceability of the transferred loans.

- c) As of May 12, the level of exposure to individuals and linked legal entities.
- d) Not to distribute profits or reserves until the total repurchase of the portfolio transferred under the Programme has been completed.
- e) Not to increase per diems, bonuses and remuneration of senior officials and managers until the total repurchase of the transferred portfolio.
- f) Have an evaluation carried out 90 calendar days after joining the Program and, if necessary, after this evaluation, a strengthening plan related to capital contributions or other measures that are satisfactory in the opinion of the SBS.

Sign the Guarantee Agreement with COFIDE, and as a consequence issue an incomplete promissory note in favor of COFIDE and sign an affidavit stating that all the loan portfolios submitted to be guaranteed by the Programme comply with the eligibility requirements and conditions.

Register: (i) As a daily average, in the month prior to the date on which you enter the Program, the sum of liquid assets less reserve requirements, in both currencies, less than 25% of the Total Liabilities Subject to Reserve Requirement in local currency; or, (ii) a decrease of more than 10% on the average daily balance Total Liabilities Subject Currency in the last 15 days, with respect to its daily average value reached in the month that before the month prior to the month in which you access the Program.

What is the eligible portfolio?

- It is the portfolio of corporate loans, to large and medium enterprises, consumer loans and credits and micro-enterprises, in accordance with the definitions contained in the rules of the SBS.
- Corresponds to loans granted to individuals and corporations, in domestic and foreign currency (United States dollars) which, in the latter case, must be computed and updated to their equivalent in local currency, at the SBS accounting exchange rate on the date in that the transfer of the portfolio to the Program Manager is carried out, provided that by February 29, 2020 have had a "Normal" or "Potential Problem" risk rating in the entity participant in the Program.

What credits are not considered part of the eligible portfolio?

- Those that have been generated in another program guaranteed by the national government.
- Those granted to natural and legal persons linked to the entity participating in the Program, in accordance with the definition of linkage contained in the SBS regulations.
- Those guaranteed, committed or supporting operations other than those covered by the Program under commentary.
- Those granted to those companies included in the scope of Law No. 30737, which ensures the immediate payment of civil reparation in favor of the Peruvian State in cases of corruption and crimes related. Unless they have paid in full for any civil reparations that may be due and have the status of being able to contract with the State.
- Those granted to any person or legal entity subject to proceedings for crimes of corruption and related or whose representatives are under investigation for such crimes. Unless they have payment in full of any civil reparation that may be due and are on the condition that authorized to contract with the State.

What is the maximum amount of the guaranteed portfolio and what are the limits for the entity participant in the National Government Guarantee Programme?

The maximum amount of the credit portfolio that the participating entity can enroll in this Program is sum that is lower by comparison:

- The effective equity of the participating entity at February 29, 2020 adjusted for its risk classification; and,
- The sum of S/600 000 000.00

The limit of the guarantee for the maximum amount referred to in the previous paragraph is determined according to the following criteria:

RISK CLASSIFICATION OF THE PARTICIPATING ENTITY	COVERAGE OF THE WARRANTY
Classified at least in the category of B	100% of the effective equity
Classified in category B- and C-	80% of effective equity
Rated below C-	60% of effective equity

It should be noted that for the amount of the S/ 7,000,000,000.00 guarantee to cover the of credits from participating entities that are eligible for the Programme, as indicated in the 3.1 of Legislative Decree 1508, the balance of the operations that the participating FSPs have the current arrangements with the BCRP under this Programme. This total balance, as of December 31, 2022, may not be greater than the amount of the Programme set out in paragraphs 3.1 and 3.5 of Article 3 of the Legislative Decree.

What is the deadline for the participating entity to access the National Government Guarantee Program?

The deadline for participating entities to access the Program is December 31, 2022. The participating entity accessing the Program undertakes to repurchase the portfolio transferred until 31 December 2024.

What are the channels of user service provided by the Superintendence of Banking, Insurance and AFP during the State of National Emergency?

The SBS, through a communiqué, has indicated that the on-site attention in its offices and modules of user care has been suspended until further notice. However, it has made available to the users the following digital channels for the attention of consultations and procedures:

- SBS mail: <https://www.sbs.gob.pe/usuarios/nuestros-servicios/tramites-en-linea/atencion-deconsultas>;
- The Online Procedures Section of the Orientation and Citizen Services Portal: <http://www.sbs.gob.pe/usuarios/nuestros-servicios/>
- Inbox of his Facebook page: www.facebook.com/sbsperu; and.
- The national toll-free number: 0 800 10840 Monday to Friday from 8:45 to 17:00. It has also provided that any attention by documentary processing or table of parts of the Superintendence, as well as any other on-site management, is suspended for the duration the health quarantine dictated by the government. Finally, he also pointed out that the time limits applicable to administrative proceedings pending before the Department of Citizen Services.

What measures should banks and other financial institutions take to reduce the risk of contagion in your establishments?

By Supreme Decree No. 083-2020-PCM extending the State of National Emergency until May 24, it has been ruled that in order to reduce the levels of contagion risk in banks and other financial institutions will be

allowed a capacity of no more than 50% of the establishment's capacity; and, it requires the use of masks, previous disinfection, as well as maintain a social distance of no less than 1 meter. However, these financial institutions could establish additional guidelines to those provided by the present Supreme Decree, taking as reference the provisions contained, inter alia, in Ministerial Resolution 239-2020-MINSA which approves the "Guidelines for the surveillance, prevention and control of the health of workers at risk of exposure to COVID-19" and other provisions as required by the SBS.

Can letters of guarantee be issued during this period?

Entities of the national financial system are working with attention to the public; therefore, it is feasible that they issue letters of guarantee. To date, banks are renewing letters of guarantee without inconvenience on the approved lines.

Regarding the issuance of a new letter of guarantee, despite the complexity of collecting the physical document, the beneficiary of the letter of guarantee could evaluate the risks of receiving it via e-mail directly from the bank, with a confirmation of the existence of the letter of guarantee sent virtually. The procedure could be somewhat more efficient if the applicant and the beneficiary of the letter of guarantee are clients of the same financial entity.

What will happen to the deadline to protest securities?

The SBS, through SBS Resolution No. 1281-2020, has established with respect to the time limit for the protest of securities (as well as the substitution formality according to law) an extension until June 15 of 2020. This is in relation to those securities that comply with the following:

- That those obliged to pay are domiciled in the territory of Peru.
- That the protest should be carried out in the national territory.
- That the securities are held by entities subject to the control of the SBS, which as of March 11, 2020, had deadlines for protest, but which at the state of emergency decreed could not be protested within the deadlines established by the specific regulations.

Through SBS Resolution No. 1357-2020, the SBS extended the deadline for making the protest until June 30, 2020.

Can the entities of the financial system modify the opening hours to the public?

Due to the particular situation that our country is experiencing, the Superintendence of Banking, Insurance and Pension Funds (SBS) has provided that the entities of the Financial System, Insurance, AFPs and Cooperatives may change the opening hours of their offices nationwide. To do so, each entity must establish its hours of operation, with a minimum of hours, which will be applied while the health emergency lasts, as well as the restrictions that exist for people's transit. The public must be informed of the new timetable established by the various media such as websites, notices at the doors of their agencies, social networks.

Will it be possible to reschedule the payment of debts with financial entities?

The Superintendence of Banking, Insurance and Pension Funds (SBS) authorized financial entities to reschedule the payment of their clients' debts in the context of the coronavirus health problem. The SBS has established certain details related to the power of companies in the financial system to make amendments in credit contracts that are not due to difficulties in the ability to pay borrowers, for purposes that are not considered refinancing. The plan applies to clients of the financial system that have not presented delays at the time of the emergency declaration. Having specified that companies in the financial system will be able to modify the contractual conditions of the various types of loans in general without the need to contact each client individually, without this modification constituting a refinance (or a deterioration in the credit rating of the debtors), as far as the total term of said credits does not extend for more than six

(6) months of the original term, and as of the date of the emergency declaration, the debtors are up to date in their payments.

What happens with the deadlines of the administrative procedures followed before the Superintendence of Banking, Insurance and AFPs?

By Resolution No. 1537-2020, the SBS has ordered the extension of the suspension of the calculation of the administrative time limits referred to:

- The functions and powers that correspond to it.
- The delivery of required information to the Superintendence in a virtual manner.
- The prescription of the power of the Superintendence to determine the existence of infractions administrative.
- Limitation on the enforceability of fines imposed for an administrative infringement.
- Compliance with the provisions issued by the Superintendence, with the exception of the deadlines provisions in which the SBS has expressly requested that those managed to compliance.

How and what is the deadline for requesting the optional extraordinary withdrawal provided for by Law No. 31017 and its Operating Regulations?

Affiliates of the Private Pension System may submit their request for extraordinary retirement on a one-time basis within a maximum term of 60 calendar days, computed as from May 18, 2020, under the channels and formats established by the AFPs for such purpose.

What is the amount that affiliates of the Private Pension System can access through the extraordinary retirement option?

- Members can withdraw from 1 UIT, or its equivalent of S/ 4,300, up to 25% of the total registered in your Mandatory Contribution Capitalization Individual Account ("CIC"), setting as a ceiling maximum the equivalent of 3 UIT, or the amount up to S/ 12 900. provide for the delivery of 50% of the requested amount within 10 calendar days of the application, while the remaining 50% be available to the member within 30 calendar days, calculated from the first disbursement.
- In case the participant registers a balance equal to or less than 1 UIT, or its equivalent of S/ 4,300, in its CIC of mandatory contributions, the withdrawal will correspond to 100% of this and will be made in a single payment, within a maximum of 10 calendar days, calculated from the day after the submission of the application.

Thus, the established tranches for the optional extraordinary withdrawal are as follows:

Amount of CIC	Assignment rule	1st Army	2nd Army
Less or equal to S/ 4,300	100% of the CIC	100% of the CIC	N.A.
From S/ 4,300 to S/ 17,200	S/ 4,300	S/ 2150	S/ 2150
From S/ 17,200 to S/ 51,600	Up to 25% of the CIC	Up to 12.5% of the CIC	Up to 12.5% of the CIC
More than S/ 51,600	Up to S/ 12,900	Up to S/ 6,450	Up to S/ 6,450

What happens if the affiliate has already agreed to the extraordinary withdrawal of S/ 2 000.00 provided for by Emergency Decree No. 043-2020?

If the affiliate has already agreed to the withdrawal of S/ 2,000.00 from his/her CIC as provided by Emergency Decree No. 034-2020, this amount will be discounted when making the new withdrawal request.

What happens if the member is physically unable to work or is abroad?

In this case, the AFPs are obliged to establish verification and contact protocols that allow the identification of the requesting holder who is abroad or who is unable to do so physically so that you can submit your request for extraordinary withdrawal if required. This protocol must be disseminated by the AFP before 18 May this year, the date on which the start of the submission of applications.

What is the nature of the funds extraordinarily withdrawn from the Private Pensions under Law No. 31017?

The nature of the funds withdrawn on an optional and extraordinary basis up to 25% pursuant to Law No. 31017 maintain their intangible character and therefore they cannot be subject to discount, legal or contractual compensation, seizure, retention, any form of affectation, either by court and/or administrative order, regardless of the account in which these funds have been deposited.

Are there any exceptions to the intangible nature of the funds extraordinarily withdrawn from the Private Pension System under Law No. 31017?

Yes, the funds withdrawn in an optional and extraordinary manner of up to 25% referred to in Law No. 31017 may be subject to judicial or conventional withholdings derived from alimony debts up to a maximum of 30% of the amount withdrawn, as provided by Law No. 31022.

What measures are being taken to facilitate the process of payment of funds granted or released by laws and other regulations?

According to Emergency Decree No.056-2020, companies in the financial system, including Banco de la Nación, and electronic money issuers may:

- Open accounts, either in bulk or individually, in the name of the beneficiaries identified by the State entity or private company that orders payment, without a prior contract being signed by the which the opening of the referred account is accepted.
- Share with the entity ordering the payment the identification information of the account created or the pre-existing accounts of the beneficiaries of the funds, including the Interbank Account Code (CCI). For these purposes, compliance with this measure is exempted from the scope of banking secrecy.

On the other hand, solely for the purpose of transferring the aforementioned funds, the state or private entity that orders the payment may share it with the companies of the financial system and the issuers personal data of the beneficiaries that are strictly necessary for the opening the account.

Notwithstanding the provisions of Emergency Decree No. 056-2020, the SBS may establish additional features and conditions for opening these accounts.

For what purposes can accounts created under Emergency Decree No. 056- 2020?

The accounts created by the financial entities, including the Banco de la Nación, and the issuers of electronic money for the transfer of funds granted or released by law or other regulations may be used by their holders for purposes other than the deposit and withdrawal of said funds. Also, these accounts can be closed when:

- They do not maintain a balance for a minimum period of 6 months.
- The account holder requests it.

Notwithstanding the provisions of Emergency Decree No. 056-2020, the SBS may establish additional features and conditions for the use and closure of these accounts.

What is the nature of the funds deposited in the accounts created under the Emergency No.056-2020?

Funds granted or released by law or other regulations that have been deposited in the accounts created under the provisions of Emergency Decree No. 056-2020, are intangible for the period of one year from the date of receipt of payment, i.e. these funds may not be subject of legal or contractual compensation, seizure, withholding or any other affectation, whether by court order or administrative.

What happens if funds granted or released by law or other standards within the maximum time limit set by the issuing state agency?

The issuing state entity establishes a protocol and a maximum period for the beneficiaries, holders of the accounts, to use partially or totally the funds that have been transferred to them. In the event that at the end of the maximum period established by the State entity, no movement has been made in the account, these funds will be paid out of the accounts and returned to the corresponding state entity.

Have the deadlines for delivery of information to the Superintendence of the Stock Market (SMV) been suspended?

The SMV has issued Superintendent Resolution No. 046-2020-SMV/02, which modifies articles 2, 3, 4 and 5 of Superintendent Resolution No. 033-2020-SMV/02, effective May 29, 2020, extending the deadlines for the delivery of information.

To whom does this rule apply?

- To issuers with securities registered in the Public Registry of the Stock Market - RPMV.
- To legal entities registered in the RPMV.
- To Collective Fund Management Companies.

It does not apply to entities supervised by the Superintendence of Banking, Insurance and Pension Fund Management Companies.

What are the new deadlines?

Information	New Deadlines
Individual annual or separate audited financial information and annual report for the year 2019	July 31, 2020
Annual audited consolidated financial statements of the parent company of the financial year 2019	August 31, 2020
Annual consolidated financial information of the ultimate parent companies of the financial year 2019	September 30, 2020
Individual or separate interim financial information as at March 31, 2020	August 31, 2020
Consolidated financial statements of the parent company of the supervised entities as at March 31, 2020	September 15, 2020
Individual or separate interim financial information as at June 30, 2020	September 30, 2020
Consolidated financial statements of the parent company of the supervised entities as at June 30, 2020	October 15, 2020
Risk classification update reports prepared with annual audited financial information for the year 2019	September 30, 2020
Economic Group Information	October 31, 2020

Has the deadline for communicating the appointment of independent auditors as a significant event been extended?

Yes, through Superintendent Resolution No.046-2020-SMV/02, effective May 29, 2020, the SMV has extended the deadline to July 31, 2020.

Have the deadlines for the delivery of financial information and supplementary information from brokerage firms to the SMC been extended?

The SMV has issued Superintendent Resolution No. 045-2020-SMV/02, effective as of May 28, 2020, establishing new deadlines for the delivery of financial information and complementary information from brokerage firms. Said information must be presented observing the following schedule:

Financial Information	Closing Date	Deadline
Financial statements and supplementary information	29/02/2020	15/06/2020
Financial statements and supplementary information	31/03/2020	15/06/2020
Financial statements and supplementary information	30/04/2020	15/06/2020
Audited consolidated financial statements	31/12/2019	31/07/2020
Audited consolidated financial statements	31/03/2020	31/07/2020

The presentation of the financial information and complementary information corresponding to the month of May 2020 and onwards, will be carried out in accordance with the deadlines established in the Regulations for Brokers, approved by Resolution SMV No. 034-2015-SMV/01 and its modifications.

What if I already have the annual report and opinion on the annual financial information of the company?

In accordance with Circular No. 46-2020-SMV/11.1, both the Annual Report and the annual audited financial information (individual or separate) for the year 2019 must be sent through the MVNet system, as a matter of importance, explaining and detailing the reasons for which did not disclose such information from the time they were referred to documents. This obligation is independent of the information they are required to submit in the event of call for the mandatory annual meeting of shareholders.

It should be noted that, in the case of issuers that do not have the Annual Report and/or financial information (individual or separate) audited annual report for the year 2019, must explain in an immediate and detailed, by way of important facts, the reasons why, to date do not yet have this information and what is the status of it.

What happens if, because of social isolation measures, it is not possible to call meetings of shareholders or bondholder meetings?

Through Superintendent's Resolution No. 050-2020-SMV/02, the SVM has approved the "Rules for Calls and celebrations of General Meetings of Shareholders and Meetings of Bondholders no In person as referred to in Article 5 of Emergency Decree No. 056-2020", by which it has been authorized by way of exception, to legal persons to which the MVS grants organizational and operation and to companies with securities registered in the Public Registry of the Stock Market at to call and/or hold general meetings of shareholders and meetings of bondholders in a manner not The use of technological or telematics means may be used, even if the statutes or contracts or acts of issuance of obligations of such entities do not provide for such modality.

Those entities that wish to take advantage of this regulation must comply with all the provisions regulated therein and any additional provisions that the SMV may approve under Article 5 of the Decree of Emergency No. 056-2020. Please note that, without prejudice to the application of the offending rates, as provided for

in the Sanctions Regulations, the supervision of the MVS is limited to verifying the timely notification of calls made by the issuing companies, entities and representatives of the bondholders, as the case may be.

This regulation is in force from June 4, 2020 and up to 90 working days after the end of the State of Emergency.

Are important matters still being sent?

Yes, regulated companies (including entities supervised by the Superintendence of Banks, Insurance and Pension Fund Administrators) should continue to send their important facts through the MVNET system.

The SMV has made available the following channels in case they cannot send information through the MVNET or have any problems accessing their digital certificate (token):

- Telephone: 610 6300 (Annex 7062) from 8am to 10pm
- Mail: atencionsmv@smv.gob.pe

What if I was asked to provide other information?

Information required prior to the declaration of a state of national emergency will not be required. The SMV will communicate the new opportunity for delivery.

What about administrative procedures?

The calculation of the periods of initiation and processing of administrative procedures of the SMV, including those subject to positive and negative silence that are in process since the entry into force of Emergency Decree No. 026-2020 (except for those that have a pronouncement of the authority pending notification to the administered), have been suspended until June 10, 2020, a period that considers the extension of established by Article 2 of Supreme Decree No. 087-2020-PCM.

Notwithstanding, the suspension of the administrative procedures do not prevent the submission of applications under the Single Text of Administrative Procedures via MVNET. The SMV will process and/or provide, by means of remote work and through the virtual channels of attention (MVNet and the Stock Market Portal), all administrative procedures and services under its competence, including those for guidance, which have been indicated before and during the health emergency.

However, procedures or services required for your care will not be processed and/or provided for. The following is a list of the services provided by the MVS, with the exception of document processing services and access to the administrative records in process; and procedures or services requiring the transfer or Mobilization of MVS staff outside their usual place of work.

In the case of operating authorization procedures prior to when a mandatory detention (quarantine) has been carried out, they will continue being processed to completion.

What happens if I have securities registered in the Alternative Securities Market and I have to pay taxes?

The companies that participate in the MAV will pay 0% of the contributions to the SMV generated in the months of March, April, May, June, July and August 2020.

What happens with the payment of contributions by the Mutual Fund Management Companies?

The Collective Fund Administration Companies will pay a monthly contribution to the SMV of 0 Tax Units for the months of March, April, May, June, July and August 2020.

Has trading in securities been suspended?

The services of securities trading, transfer of securities, delivery and payment of dividends, subscriptions and redemptions of quotas will be maintained.

Have any exceptions been made to the dividend deadlines?

Only in the case of companies in which the Peruvian State has a sole or majority participation (whether within or outside the scope of FONAFE) whose shares are registered in the Public Registry of the Stock Market and in the Registry of Securities of the Lima Stock Exchange, during the period of State of Emergency and up to 60 calendar days after the end of it, they may report the record date for dividend distribution, at least 3 business days prior to the determined as the date of registration. This period does not include the day of the communication as a fact importance nor the day set as the date of registration.

It should be noted that the date of the respective corporate agreement may be the same as the date of communication of the date of registration, and the date of registration may be the same as the date of dividends.

What happens with the filing of the Self-assessment and Annual Tax Payment for the taxable year 2019 that was presented on April 30?

Through Superintendent's Resolution No. 053-2020 SMV/02, the SMV has extended the deadline for the presentation of the Declaration-Self-assessment and Payment of the Annual Contribution for the year taxable 2019 (Format AP-1) by the stock exchange, clearing and settlement institutions of securities, risk rating companies, mutual fund management companies in securities, investment fund management companies, brokerage firms, companies securities intermediaries, securitization companies, commodity exchanges, stockbrokers products, price suppliers, fund management companies and others entities that the MVS grants operating authorization, until July 31, 2020. Similarly, it has been established that, for the monthly down payment corresponding to the month of June 2020, the audited annual financial information for the year 2018 submitted to the MSS shall be used, when at the end of that month the supervised institution had not yet submitted the audited information to the MSE of the year 2019.

Under stock market regulations, what provisions will be applicable to COFIDE in the framework of the Reactive Peru Program and the National Government's Guarantee Program for the Credit Portfolio of the Companies in the Financial System?

By means of Superintendent Resolution No. 041 2020-SMV/02, the SMV has recognized the registration in the RPMV- a Corporación Financiera de Desarrollo S.A. - COFIDE as a securitization company within the framework of the provisions of Legislative Decree No. 1455, which creates the Peru Reactive Program and the Legislative Decree No. 1508, which creates the National Government's Guarantee Program for the Credit Portfolio of the Companies of the Financial System, so that all obligations as a company will be enforceable issuer with securities registered in the Public Registry of the Securities Market and those contained in the 29, paragraphs g) and i), of the Regulations for Asset Securitization Processes, approved by CONASEV Resolution No. 001-97-EF/94.10 (the "Securitization Regulations").

It should be noted that COFIDE may choose to register the certificates of participation charged to the securitization trusts in the RPMV, which will be automatic upon presentation to the SMV of the constitution of the trust. Likewise, the referred certificates of participation may be subject to private offer, the Securitization Regulations not being applicable in this case.

FISHING

Will Produce issue certificates of origin and legal provenance?

Produce has arranged for the Directorate General of Fisheries for Direct and Indirect Human Consumption to continue issuing the corresponding certificates of origin and legal provenance, through the ministry's virtual platform.

Has the inspection of the fisheries sector been suspended?

In a statement, the Ministry of Production (Produce) has indicated that a minimum number of personnel will be allowed to move around to carry out inspection, control and monitoring of fishing and aquaculture activities carried out by supervisory companies and testing and inspection bodies. It has also established that in the case of reuse plants, they must be supervised by Produce. This implies that the fishing activity continues to be subject to inspection, and inspection reports may be generated recommending the initiation of sanctioning procedures if non-compliance is detected.

Can hydrobiological resources be extracted?

It is permitted to carry out artisanal and industrial fishing activities aimed at supplying direct human consumption.

What documents must fishermen carry to go to work?

In order to work, they must carry the document that qualifies them as artisanal fishermen (as long as they are not within the population at risk).

What about aquaculture activity?

Fresh or processed products from aquaculture (trout, tilapia, fan shell, shrimp, etc.) regardless of the destination market are considered to be for direct human consumption. To this extent, those who carry out aquaculture activities may move the minimum and indispensable personnel to carry out the activity. To this end, they must notify Produce or the Regional Government of the list of minimum authorized personnel.

Can companies that distribute hydro biological products operate?

Companies that distribute hydro biological products can continue their work as long as they have the logistics for the supply chain to the supply centers, supermarkets and markets. This implies that activities related to the transportation of resources, products and fishing and aquaculture inputs to fishing establishments and cultivation centers, as well as their storage and commercialization at the national level, can also be carried out.

Will the fishing terminals be open?

The fishing terminals of Ventanilla and Villa María del Triunfo will be open to guarantee the supply to the public in compliance with safety and health protocols.

What will happen with the administrative procedures in process at Produce?

Processing will be suspended for 30 days. In compliance with the regulations issued by the Government, the staff of the entity shall cease to work except for those linked to indispensable tasks referred to the food supply or emergency.

What about time limits in sanctioning procedures?

The deadlines for initiating and processing sanctioning procedures have been suspended for 30 working days since the publication of D.U. 029-2020 (published 20 March 2020). Sanctioning procedures in progress at the time the above-mentioned emergency decree was issued have also been suspended.

What about the time limits for contesting or presenting argument for sanctioning proceedings?

No express provision has been made for suspension of the time limits for contesting. If the time limit for contesting expires during the state of emergency, insofar as the ministry's filing office is not functioning, that there is no virtual filing office and that the freedom of transit is limited, resources or arguments should be submitted on the first day that the activities are resumed

What about the health protocols issued by Sanipes?

Sanipes has indicated that the time limits for processing administrative procedures related to infrastructure qualification are suspended. It is understood that the other procedures would continue to be processed. As of March 23, 2020, Sanipes is issuing digitally signed export health certificates with a QR code for hydro biological products destined for Colombia, Mexico, Chile and the countries of the European Union.

FOREIGN TRADE

Is the import and export activity in the country during the emergency period limited to any goods (basic needs) or is it open to any type of good?

The import and export operations of goods are not restricted or limited, and foreign trade operators and public entities involved in these operations must continue to provide services to users that allow the materialization of the logistical flow of entry and exit of all types of goods in the country.

Peruvian customs communicated on March 16, 2020 to the users of the customs service that it will attend during the emergency period with restricted personnel, but which allows the customs procedures.

Can companies considered as foreign trade operators, as well as companies linked to the service of transporting cargo or merchandise, operate under D.S. 044-2020-PCM?

On April 3, 2020, R.M. 0238-2020-MTC/01.02 was published, amending Article 4 of R.M. 0232-2020-MTC/01.02, in order to specify the activities that are essential for the continuity of the transportation of cargo and goods as essential services during a state of national emergency.

In this regard, article 4 specifies that the provisions on the transport of cargo and goods includes, in addition to transport operations of cargo and goods by land, water, air and rail, all other activities related to national trade or foreign trade, such as port, airport, customs, logistics, postal and other services, which, by way of example, but not limitation, are carried out by the natural or legal persons listed below:

- | | |
|---|--|
| a) Infrastructure managers public and private port ownership. | (z) Treatment related companies, handling and accommodation of cargo. |
| b) General agencies. | aa) Consignees and cargo owners. including non-prime goods need, only for the purpose of transport your goods for storage. |
| c) Maritime, river and lake agencies. | bb) Transport of empty containers and full. |
| d) Customs agencies. | cc) Transport of containerized cargo, general, bulk solid and liquid, fractional or loose, project, rolling. |
| e) Cargo agencies. | |
| f) Postal service companies. | |

- g) Customs warehouses.
- h) Importer/Exporter's premises or place that it provides for unloading and loading of goods, respectively.
- i) Other foreign trade operators.
- j) Logistics operators.
- k) Suppliers of customs seals.
- l) Suppliers of packaging material.
- m) Suppliers of pallets.
- n) Vehicle and cargo storage companies.
- o) Cargo and ship inspectors.
- p) Document delivery providers.
- q) Express delivery shipping services (courier).
- r) Towing cranes.
- s) Vehicle maintenance workshops.
- t) Port workers in their different port specialties, including drivers for the removal of rolling stock of the port terminals.
- u) Workers under another working regime belonging to the companies and port administrators.
- v) Cargo transport companies.
- w) Stevedoring companies or stowage and destowage cooperatives.
- x) Companies providing services port facilities such as pilotage, towing, diving, ship provisioning, mooring and undoing of ships, collection of waste, fuel supply, maintenance of ships, transport of people and storage.
- y) Cargo fumigation companies.
- dd) Contractors and sub-contractors companies, responsible for the execution of port infrastructure for the provision of public services in the same.
- ee) Contractors and sub-contractors companies, that provide engineering services or provision of building materials or similar ones for the execution of works of port infrastructure for the provision of public services in the same.
- ff) Others related to services or activities within the logistics chain land, air, sea, port, river and lacustrine, and the others listed in rules and regulations to be issued during the state of emergency through of the Executive Branch.

Therefore, companies that qualify as foreign trade operators (FTOs) and those that provide the services described above may continue to operate with the objective of guaranteeing international or national transportation of cargo and merchandise by land, water, air and rail.

Can import and export companies unload and load their goods at or from their premises?

The R.M. N0238-2020-MTC/01.02 brings the following modifications in favor of the import and export companies, so that they can carry out the unloading and loading of their goods:

1. The transit of personnel from importing and exporting companies is permitted so that they can carry out the unloading and loading of the goods from their facilities or from the premises they have available.
2. Consignees and cargo owners are allowed to transport their goods to storage, including those cases where the goods are not basic necessities.
3. The transit of the natural or legal persons detailed in Article 4, as well as personnel, that they may provision for such purposes, is effected during a state of national emergency, including the period of compulsory social isolation.
4. Transit may take place in:
 - a. Private vehicles owned by employees of the companies listed in the Article 4.
 - b. Mass transit vehicles of the undertakings listed in Article 4 or hired from a third party.
5. The transit must be supported by the respective authorizations issued by the Ministry of Defense or the Ministry of the Interior.
6. It is suggested that the activities be carried out **with the strictly necessary personnel and that comply with the health and safety conditions required by the Health Sector.**

What documents are required to support international and national transport activity of cargo and merchandise, as well as the activities related to this transport and logistic services?

Recently, the activity of cargo and goods transport and related activities has been incorporated, such as road maintenance, emergency road care, road services (crane, ambulance, mechanical assistance, etc.), as well as logistical support services for cargo transport, such as support of work reason for the issuance of the special transit pass. In this regard, operators of the activity of transporting cargo and goods must carry the following documents:

1. Special transit pass obtained from the Government's website
(<https://www.gob.pe/pasedetransito>)
2. Credential or certificate from the company certifying the worker.
3. Photo check
4. National Identity Document (DNI)

In addition, we suggest that companies make a statement identifying the vehicles they use to carry out their activities, as well as to support the transfer that they perform.

Has any reduction been made to the rate of import duty applicable to goods linked to the declaration of a health emergency?

By Supreme Decree No. 051-2020-EF dated 13.03.2020, a list of national subheadings was published for which an ad valorem CIF of 0% is temporarily fixed; this ratio has been updated on 28.03.2020, as additional goods required for the care of the problems linked to the declaration of a health emergency at the national level have been identified.

It is specified that once the period of declared health emergency has expired, the tariff rate of 6% and 11% applicable to the national subheadings covered by the reduction shall be reinstated.

Has any special treatment been approved for the issuance of certificates of origin by of Peruvian exporters?

The General Directorate of Foreign Trade of the Ministry of Foreign Trade and Tourism has informed that, so far, the following countries will accept copies of the certificates of origin: China, the European Union, Costa Rica, Uruguay, Colombia, Chile, Bolivia and Japan.

Please note that, in the case of the FTA signed with the United States, Canada and Korea, the system of certification of origin is self-certification, and the signature of a certification body is not required, only the signature of the exporter or producer or importer is sufficient, depending on the provisions of each commercial agreement.

Finally, it should be noted that as of March 24, 2020, digital certificates of origin are being issued in the framework of the Pacific Alliance with Colombia.

Can importing companies submit copies of certificates of origin to take advantage of the tariff benefits of any of the free trade agreements signed by Peru?

At the moment and while the state of emergency lasts, Peruvian customs is accepting copies of certificates of origin of the following treaties:

- **FTA Peru - China:** certificates of origin presented in copy and can be verified in Chinese Customs and the China Council for International Promotion website.
- **ACE No. 58:** In relation to Mercosur countries (Argentina, Brazil, Paraguay and Uruguay)
- **CAN:** In the case of Colombia.

Has the entry into force of some of the customs procedures that were published before the declaration of the health emergency been extended?

By Resolution of the Superintendence 063-2020/SUNAT dated March 28, 2020, the entry into force of the definitive export procedures, acts related to the exit of goods and means of transport and "Material for Aeronautical Use, as can be seen below:

General export procedure DESPA-PG.02 (version 7)

- June 30, 2020: At the customs offices in Puno and Tacna.
- July 31, 2020: At the Maritime Customs Service of Callao and other customs offices.
- The rules concerning the exit of goods by customs office other than the numbering of the declaration takes effect on July 31, 2020

General procedure events related to goods issue and means of transport DESPAPE.00.21 (version 1)

- June 30, 2020: At the customs offices in Puno and Tacna.
- July 31, 2020: At the Maritime Customs Service of Callao and other customs offices.

General procedure for aeronautical material DESPA-PG.19 (version 3)

- Effective July 31, 2020.
- Beneficiaries must register or transmit, until July 30, 2020, the materials for use of the inventory that are in stock, according to the data structure that will be published on the SUNAT portal (www.sunat.gob.pe)

Has any discretion been approved for the non-application of the offences established in the General Law of Custom?

On March 20, 2020, the Resolution of the Deputy National Superintendent of Customs 006-2020-SUNAT/300000, which provided for the application of the discretion to not determine or sanction the infringements provided for in the General Customs Law, under the following considerations:

- 1) The infringement is covered by the single annex, which forms an integral part of the Resolution of the National Deputy Superintendence of Customs 006-2020-SUNAT/300000.
- 2) The infraction was committed from 12.3.2020 to 9.6.2020
- 3) The infraction was committed by a foreign trade operator (FTO), operator Intervener (OI) or third party.
- 4) The missing or correct information has been transmitted or recorded.

IMMIGRATION

Has the National Superintendence of Migration (Migrations) provided for the creation of a virtual parts table?

Yes, by Resolution of the Superintendence 000131-2020-MIGRATIONS, published on May 29th 2020 in the Official Gazette El Peruano, Migrations arranged the creation of its virtual table of parts, which will operate through the "Virtual Migration Agency" platform. Likewise, in said resolution, it will approved the list of administrative procedures and services to be provided through this platform.

What procedures will be attended to?

- Administrative Procedures

Change in migratory quality

Extension of residence

- Services provided exclusively

Special travel permit

Special permission to sign contracts (tourist and student)

Registration in the Central Registry of Foreigners and issuance of the foreigner's card

Duplicate of the foreigner's card

Modification of data in the Central Registry of Foreigners

Certificate of migratory movement

- Other services

Duplicate of the temporary residence permit - PTP

Return of payments

Payment of the annual fee for foreigners

Electronic mailbox

PAS blocking

Online Dating

Online Consultation

Online claims

It is important to mention that detailed administrative procedures and services may be managed from the restart of the online attention of Migrations through its digital platform "Virtual Migration Agency", which is scheduled for Wednesday, June 3rd.

Which documents will Immigration issue through its website?

- Proof of issuance of foreign ID card
- Proof of issuance of foreign ID card (for minors)
- Proof of issuance of the temporary stay permit (PTP)
- Proof of issuance of temporary stay permit (for minors)

These documents may be used by all foreign citizens that may not have been able to pick up their foreign ID card or PTP due to the mandatory social distancing decreed in the framework of the sanitary state of emergency due to COVID-19, having previously carried out the following steps:

- Registry in the Central Foreign Registry and issuance of the foreign ID card
- Duplicate of the foreign ID card
- Issuance and duplicate of the PTP for Venezuelan citizens.

It is free and online through the website www.migraciones.gob.pe and shall be valid for the duration of the sanitary emergency and delivery of the corresponding ID.

What is the status of the immigration files that have been initiated before the Superintendence National Migration (Migrations)?

Migration files that are pending approval will be maintained in this manner until the state of emergency is over and Migration resumes activities.

Foreigners with processes of application for change of temporary migratory status or resident in process must not leave the country without travel permission processed by Migration for a maximum of 30 calendar days per trip.

In fact, under the national state of emergency declared by the Government, the National Superintendence of Migration published on May 5, 2020 the Resolution of Superintendence 000120-2020 in the Official Gazette El Peruano, which provides for extending the calculation of the processing time of administrative procedures subject to positive and negative silence that are in progress by the term of fifteen (15) working days from April 29, 2020. This taking into account that the On March 19, 2020, Superintendent Resolution 000104-2020-MIGRATIONS was published, which in its article 4 provided for the suspension of administrative deadlines for 30 working days from March 16, 2020.

Therefore, all foreign citizens with pending immigration procedures or have not been able to initiate them during the state of emergency will remain as regular, will not accumulate fines or penalties.

What should I do if my immigration residency or temporary stay expires during the state of emergency?

Migrations has extended the validity of the resident's immigration status until the end of the national emergency.

Once the state of national emergency has ended and the borders have been opened, you must not leave the country if, has a residence that has expired or is about to expire, until the renewal of the same or after the application for a permit for a maximum of 30 calendar days per trip.

What will happen with the new procedures in the Immigrations' office?

The new appointments can be obtained once the state of emergency ceases and Immigration resumes its activities.

What will be the status of my appointment during the state of emergency?

All appointments will be rescheduled by Immigration and the new date will be notified to the interested party by email. Attention to the public in all offices nationwide until the state of emergency ceases and Immigration resumes its activities.

What are the administrative sanctions for excessive stay?

Immigration reported the extension of the term of temporary migratory conditions until the end of the state of emergency; therefore, there will be no sanctions for excess in stay during the state of emergency.

INFRASTRUCTURE

What happens with the execution of the concession contracts entered into with the Peruvian State during the state of emergency?

In general, the rules applicable to concession contracts that are executed under the of public-private partnerships, allow for the suspension of obligations due to force majeure.

The situation of state of emergency qualifies as a force majeure scenario. However, it would be appropriate to review the clauses of each contract to establish the formalities and procedures to be carried out in order to invoke the suspension of obligations, and the extent to which such suspension will take place.

What restrictions exist for the transport of cargo and goods during the state of emergency?

The transport of cargo and goods is not covered by the temporary closure of borders. Therefore, the entry and exit of goods from the country is guaranteed through enabled ports, airports and borders. In the case of restricted goods, the authorities may provide for special measures for their entry and exit. The transport of cargo and goods within the national territory is also not subject to restrictions.

INTELLECTUAL PROPERTY

Is Indecopi open?

Indecopi is providing attention to specific queries through its telephone center (+01 2247800). Likewise, some areas of the institution are providing services and processing procedures initiated virtually remotely, including the Directorate of Distinctive Signs.

How long are the deadlines for administrative procedures before Indecopi suspended?

In view of the extensions of the period of compulsory social isolation provided for by S. D. 072-2020-PCM and of the suspension of the deadline for administrative procedures according to D.S. 076-2020-PCM, Indecopi has extended the suspension of the time limits applicable to administrative procedures according to Decree Supreme Court No. 087-2020-PCM, Indecopi has extended the suspension of the deadlines applicable to administrative procedures before your institution until Wednesday June 10, 2020, even. In view of the above, the count of the time limits of the administrative procedures in mention will be re-established on Thursday June 11, 2020.

Are the virtual trademark application and renewal services enabled?

Yes, the trademark registration renewal service has remained in place during the period of social isolation; while as of Monday, April 16, 2020, Indecopi reactivated its virtual trademark registration service.

Taking into account the suspension of administrative deadlines, what date will be assigned to the trademark registration and renewal applications filed virtually?

Applications submitted virtually during the period of compulsory social isolation shall be allocated a filing date of Thursday June 11, 2020, in the order in which they are submitted, so as not to affect the corresponding right of priority.

Are trademark applications filed virtually being published?

As of April 30, 2020, Indecopi has begun publishing those applications for registration entered through its Virtual Trademark Registration Service, as well as those that were pending publication due to the introduction of the mandatory period of social isolation, provided that they comply with the formal requirements laid down in Decision 486.

It should be noted that, through its official channels, Indecopi has informed that the publication is referential and will proceed to the formal publication of applications entered virtually during the period of compulsory social isolation on June 11, 2020, i.e. the day on which the counting the time limits of administrative procedures conducted before your institution.

In view of the above, in principle and provided that the suspension of time limits is not extended, the Count of the 30 working days for the submission of applications must be counted from the following day of the publication, i.e. from June 12, 2020

Can I file oppositions against applications published for reference?

Yes, however, they will not be processed because the processing deadlines for administrative procedures have been suspended. The date for filing these oppositions will be assigned once the suspension is lifted.

Is Indecopi's online submission service enabled? Should I correct the physical presentation of the documents submitted virtually?

Yes. The platform for online submissions is enabled.

However, in accordance with the provisions contained in Legislative Decree No. 1497, published on Sunday May 10, 2020, it has been provided that, since the establishment of the State of Emergency in our country (March 16, 2020) until December 31, 2020, the requirement of physical presentation of documents initially submitted virtually. This exemption applies to those documents submitted from March 16, 2020 to December 31, 2020, through the platform for the presentation of writings online enabled by Indecopi.

In addition to being able to apply for trademark registrations and renewals virtually, can I file applications for amending acts and registration of other distinctive signs? Can I file oppositions, invalidities, cancellations, among others, concerning trademarks?

Yes, through the platform for the presentation of written documents online enabled by Indecopi it will be possible to file all kinds of pleadings and applications other than applications for the registration and virtual renewal of marks.

What other online services offered by Indecopi are enabled?

In addition to those already mentioned above, the following are enabled - among other digital services:

Brands:

- ✓ "Search your Brand": free search engine for distinctive signs
- ✓ Products and Services Classifier Peruano

✓ Interactive map of collective marks: service to identify collective marks registered with Indecopi and the locality in which they are located.

Patents:

✓ Patent Registration PCT

✓ Identi-Pat: a reference tool that helps creators and inventors to identify whether their projects are eligible for patent or utility model protection or an industrial design registration.

✓ Peruvian Patent Marketplace: a tool for interaction between inventors and designers' Peruvian industrialists with the national and international market for the negotiation of their acquisition.

Copyright:

✓ Virtual Registration of Works

✓ Catalogues of works in the public domain

LABOR LAW

Is the employer entitled to sanction workers who are forced to go to work or perform remote work or telework?

Yes, it's empowered. The time of legal quarantine does not create an exemption for the employee to be sanctioned in case they fail to comply with work obligations. If this happens, and depending on the If the employer is not satisfied with the seriousness of the offence committed by the employee, they are entitled to apply the principle of authority recognized in art. 9 of the Supreme Decree N ° 003-97-TR.

Is the employer required to provide workers who perform on-site PPE to prevent the spread of COVID-19?

Yes, article 4.1.3 of the Ministerial Resolution N ° 055-2020, establishes that it is the employer's obligation provide employees with appropriate and sufficient hygienic material, as well as the recommendations issued by the occupational physician of the company according to the environment and work environment in relation to the job to prevent the spread of COVID-19.

Which employers can perform work activities during the quarantine period?

Companies that can carry out activities for the period of the quarantine ordered by the government, are those that carry out the following essential activities: Work centers dedicated to acquisition, production and supply of food, including its storage and distribution for sale to public; procurement, production and supply of pharmaceuticals and basic necessities; assistance and care of elderly people, children, adolescents, dependents, people with disability or in a situation of vulnerability; financial institutions, insurance and pensions, as well as complementary and related services to ensure their proper functioning (such as surveillance and systems); production, storage, transport, distribution and sale of fuel; services necessary for the distribution and transport of educational materials; storage, transport, preparation and/or distribution of food from the social program for school feeding, as well as acquisition, transport and distribution of inputs for infrastructure and equipment maintenance (hygiene kits) for the prevention of COVID-19, at the appropriate educational levels; all this is in accordance with the provisions of the Ministry of Education in coordination with the Ministry of Development and Social Inclusion and according to the protocols issued by the Ministry of Health, hotels and centers accommodation, for the purpose of complying with the quarantine provided or for the accommodation of staff providing essential services and goods; media and call centers (call centers), the latter only for essential services.

In addition, the provision of labor, professional or business services is allowed to guarantee the services of food supply, medicine, water, sanitation, electric power, gas, fuel telecommunications, cleaning and collection of solid waste, and funeral services. Any other activity of a similar nature to those referred to or to be carried out by reason of unforeseen circumstances or force majeure. And, by exception, in the productive and industrial sectors, the MEF in coordination with the competent sector, you can expand this list.

Which employers cannot perform work activities during the quarantine period?

Companies that cannot perform activities for the period of the quarantine ordered by the government, are those that do not perform essential activities.

If the employer performs non-essential activities, what alternatives do they have to continue working during the quarantine?

a) Remote working, which is either mandatory or optional. It is mandatory for employers to provide this measure if they have employees at risk qualified as such by R.M. 084-2020-MINSA. It is optional to provide this measure for employers who do not have employees at risk. In both cases, remote working is imposed by the employer.

Employer is not required to assume costs for equipment used for remote work.

b) Telework agreed with the employee.

Employer forced to assume costs of equipment used for teleworking.

How is remote work communicated?

The employer can inform the worker by physical or digital means. When using digital support, the communication can be through institutional or corporate mail, intranet, extranet, instant messaging applications, social networks or other similar means that allow the registration of the message.

What Occupational Safety and Health (OSH) measures should the employer implement regarding remote work?

The employer must inform the worker, by physical or digital means, of the OSH measures, conditions and recommendations that they must follow during remote work; specify the communication channel for the worker to communicate any additional risks that may arise, or accidents at work. This notice may be given by any person with whom the worker shares a home or place of isolation.

Is it valid to apply remote work to those who cannot enter the country?

Yes, remote working can be applied to these people. Work shall be performed from the place where the worker is physically present.

What measures can the employer take if remote work or paid leave cannot be implemented?

Pursuant to Emergency Decree 038-2020 and Supreme Decree 011-2020-TR, employers who are unable to perform remote work or apply for leave with pay that can be recovered, due to the nature of their activities or the economic impact they suffer, may take the necessary measures to maintain the employment relationship and the receipt of remuneration, giving priority to the agreement with the workers.

The impossibility of working remotely due to the nature of the activities occurs when the presence of the worker is required in an indispensable manner, due to the use of tools or machinery that can only be operated at the work center, or other situations that are inherent to the characteristics of the service contracted.

On the other hand, the impossibility of applying leave with compensation due to the nature of the activities occurs when the compensation is not reasonable due to objective causes related to the work, such as when

the employer has different shifts that cover their activity continuously 24 hours a day (3 shifts), when the extension of the workday may put the safety and health of the workers at risk, when the employer's working hours are subject to restrictions established by law or administrative arrangements (restaurants, bars, discotheques) or, where other situations are manifestly beyond the control of the parties.

Regarding the impossibility of applying remote work or leave with the benefit of compensation for the level of economic affectation, the regulations provide that this occurs when the employer is in such an economic situation that it severely and objectively prevents them from applying such measures. The level of economic affectation is understood to be:

a) For the employers exempted from quarantine:

a.1) when the ratio resulting from dividing the salaries of all workers declared on the electronic payroll by their sales level in March 2020, compared to the ratio for the same month in 2019, shows an increase of more than 6 percentage points in March 2020 in the case of micro and small companies and more than 13 percentage points in the case of medium and large companies. This applies to the measures adopted in April 2020.

a.2) when the ratio resulting from dividing the salaries of all workers declared on the electronic payroll by their level of sales in the previous month in which the measure is adopted, compared to the ratio for the same month in 2019, registers in that month 2020 an increase of more than 12 percentage points in the case of micro and small enterprises and 26 percentage points in the case of medium and large enterprises. This applies to measures adopted since May 2020.

b) For employers not exempted from quarantine:

b.1) when the ratio resulting from dividing the salaries of all workers declared on the electronic payroll by their sales level in March 2020, compared to the ratio for the same month in 2019, shows an increase of more than 4 percentage points in March 2020 in the case of micro and small companies and more than 11 percentage points in the case of medium and large companies. This applies to the measures adopted in April 2020.

b.2) when the ratio resulting from dividing the wages of all workers declared on the electronic payroll by their level of sales in the previous month in which the measure is adopted, compared to the ratio for the same month in 2019, registers in that month 2020 an increase of more than 8 percentage points in the case of micro and small enterprises and 22 percentage points in the case of medium and large enterprises. This applies to measures adopted since May 2020.

c) For employers with less than one year of operation, whether or not they are exempt from quarantine, instead of comparing with the ratio for the same month 2019, the comparison is made on the basis of the average monthly sales ratio for the first 3 months of operation. If the sales of the month prior to the adoption of the measure are 0, the employer may apply the measure.

The measures that can be adopted, favoring dialogue with employees, including those in the risk group, are, among others, the following:

- 1) Granting acquired and pending vacation.
- 2) Agreeing physically or virtually on advance vacation.
- 3) Physically or virtually agreeing to reduce the daily or weekly working hours, with a proportional reduction in remuneration.
- 4) Physically or virtually agreeing to the reduction of remuneration, in proportion to the causes that motivate it and without lowering it below the Minimum Vital Compensation (RMV).

- 5) To adopt other measures regulated by the current legal framework, provided that they allow the compliance with the objective of Emergency Decree No. 038-2020.

Before applying them, these measures must be informed to the labor union or, in its absence, to the elected representatives of the workers or workers concerned, explaining the reasons for their adoption in order to enter into negotiations that seek to satisfy the interests of both parties. A record must be kept of the provision of information and the call for negotiations.

These measures may be in force up to 30 calendar days after the end of the health emergency (09.06.20), and may therefore last until 9.7.20. The Ministry of Labor and the Ministry of Economy may extend this period by supreme decree.

The Emergency Decree also states that these measures may be applied only until 09.06.20 to the personnel of the risk group, if the employer cannot apply remote work or leave with recoverable pay.

These measures may be applied up to 30 calendar days after the end of the health emergency and may therefore last until 09.07.20. The Ministry of Labor and the Ministry of Economy may extend this period by supreme decree.

Can the employer suspend work without pay?

It was possible since the beginning of the quarantine, in application of the Law of Productivity and Labor Competitiveness. However, it is now expressly regulated in Emergency Decree 038-2020 as an exceptional measure, under the following guidelines:

- 1) The employer must submit by mail a communication to the Ministry of Labor, as a sworn statement according to the format published on the website of the Ministry.
- 2) The communication must state the reasons for the communication: unforeseen circumstances, force majeure, economic impact or any other cause that prevents the resumption of work and/or the payment of staff salaries.
- 3) Within 30 working days of the submission of the communication in question, Sunafil shall verify the existence of the cause invoked. If it is found that the cause does not exist or that it affects freedom of association, the Ministry of Labor will rescind the suspension, and the employer will be required to pay the unpaid wages and resume work where appropriate (that is, if the company can already operate normally). In this case, the period of time in which work is stopped is considered to be worked for all legal purposes.
- 4) The Ministry of Labor issues a resolution confirming or not the suspension within seven working days of verification by Sunafil. If it does not do so, positive administrative silence is applied, i.e., the suspension is assumed to be confirmed. Up to 3 instances of resolution may be reached, if the work center or centers where the suspension is applied are in a single region. If they are in more than one region, the Directorate General of Labor (Lima) makes a single decision. The decision of last instance may be challenged judicially through a contentious-administrative complaint.
- 5) The suspension may be in effect up to 30 calendar days after the end of the health emergency (9.6.20), so it may last until 9.7.20. The Ministry of Labor and the Ministry of Economy may extend this period by supreme decree. ^[1] If, during the suspension of work, the employer can implement remote work or grant leave with recoverable pay, it can leave the suspension totally or partially without effect, having to communicate this to the Ministry of Labor via the virtual platform on the following working day at the latest, leaving the benefits to which they had access during the suspension without effect for the workers excluded from the suspension.

- 6) If the Ministry of Labor confirms the suspension, the time that it lasts is not computable for CTS, bonuses, profit sharing and is only computable for the vacation record.
- 7) During the suspension, the employer stops contributing to ESSALUD, but this entity will continue providing assistance during this period, financed by the Ministry of Economy.

If the suspension of work is not approved, the employer must reimburse ESSALUD for the expenses incurred in assisting the workers affected by the suspension. In addition, the employer and the worker included in the suspension may agree that the respective IAFAS (insurance company) will continue to provide the health care service, provided that either party assumes all or part of the cost.

What income will the workers affected by the suspension of work receive?

Those who have a CTS account can use the funds deposited in it up to a monthly gross remuneration for each calendar month expired during the suspension of work. The depositary entities must pay the corresponding amount at the worker's request and to the account indicated by him/her, after confirming that the worker is included in a suspension approved in the platform that will be enabled by the Ministry of Labor or by information provided by the latter to such entities. The deadline for disbursement is 2 working days.

The gross monthly remuneration is considered to be that received before the start of the perfect suspension of work. In the case of commission agents, pieceworkers and others who receive imprecise main remuneration, the average of the 6 months prior to the suspension of work must be calculated. If the period is less than 6 months, the average is that received in that period. At the worker's request, the employer must issue a physical or virtual document indicating that he is included in the suspension of work, the duration of the suspension and the amount of his gross monthly remuneration.

This power of the worker is additional to that of the withdrawal of up to S/. 2400 provided for in Emergency Decree 033-2020.

Those who do not have a balance in their CTS account may ask their employer for an advance payment of the May 2020 CTS (no deposit) and the July 2020 bonus, calculated at the date of disbursement. The deadline for the employer to do so is 5 calendar days after the worker's request, by means of a deposit in the account the worker indicates.

To that effect, the worker must attach to his request to the employer, the document that supports that he does not have a balance in his CTS account, which must be given to him by his depositary entity.

These benefits are applicable not only to the perfect suspensions implemented with the Emergency Decree 038-2020, but also to those previously communicated based on the Law of Labor Productivity and Competitiveness (art. 12).

Microenterprise workers subject to the MYPE regime who receive a gross monthly salary of up to S/ 2400 (in payroll), will receive from EsSalud an economic benefit of up to S/ 760 per month that expires during the suspension, for up to 3 months.

Will workers affected by the suspension of work be able to dispose of their pension funds?

Those who, if they had continued to work during the suspension of work, would have reached the necessary contributions to access a pension in the SNP, will not be required to make the contributions for the period of suspension and may request the ONP to grant them such a pension. The ONP may recognize up to three months of contributions, for which the worker only has to prove that he or she is suspended from work. For the calculation of the pension, the salaries for the exceptional period accredited are not taken into account.

AFP members may withdraw up to S/ 2,000.00 from their fund, upon request submitted to their AFP as of April 30, 2020. The AFP will confirm that the disbursement is due, based on the information of the approved suspensions provided by the Ministry of Labor. This benefit is exclusive with the withdrawal of up to S/

2,000.00 authorized by Emergency Decree No. 034-2020 for members who, up to 31.03.20, do not have contributions for at least 06 consecutive months.

Can workers not included in a work suspension withdraw part of their AFP fund?

Yes, members who do not have evidence of the contribution earned in February or March 2020 at the time of the application evaluation may withdraw up to S/ 2,000.00 from their Individual Capitalization Account (CIC). The amount is delivered in a single payment. This withdrawal is freely available and unattachable and is exclusive of the withdrawal of up to S/ 2,000.00 authorized by Emergency Decree N° 034-2020 for those affiliates who, up to March 31, 20, do not have contributions for at least 06 consecutive months.

Affiliates whose last declared remuneration does not exceed S/ 2,400.00 may also withdraw up to S/ 2,000.00 from their Individual Capitalization Account (CIC), and as long as at the time of the evaluation of their request they can credit the contribution accrued in February 2020 or March 2020. Said amount shall be delivered in two consecutive monthly payments, the first of S/ 1,000.00 and the second for the difference. This withdrawal is freely available and unattachable and is exclusive of the withdrawal of up to S/ 2,000.00 authorized by Emergency Decree No. 034-2020 for members who, until March 31, 2010, have not made any contributions for at least six consecutive months.

Can the May CTS deposit be postponed?

The employer may do so until November 2020, except for workers who earn up to S/ 2,400.00 or are included in a perfect work stoppage.

The CTS deposit that should have been made in May and was postponed until November, will be paid on this occasion with the interest rate that would have been applied from May if the deposit had been made on this date.

The employer must communicate to the worker such decision physically or virtually, until April 30.

How do workers in remote work declare themselves on the electronic payroll?

They must be registered as teleworkers according to the Parametric Table No. 35 "Special Situation".

Can the employer refuse to renew fixed-term contracts during quarantine?

Yes, the declaration of the state of national emergency does not prevent the non-renewal of fixed-term contracts.

Can employers remove probationary staff during quarantine?

Yes, they can.

If the employer carries out essential activities, what obligations must they fulfil if they arrange for on-site work?

- a) Communication plan regarding prevention measures before the COVID-19 in charge of the Committee of Health and Safety at Work.
- b) Informative talks to prevent the spread of COVID-19 in the workplace.
- c) Provision of hygienic material to prevent the spread of COVID-19 at work.
- d) Apply cleaning protocols in the work center.
- e) Provide immediate attention in health insurance to workers suspected of having contracted the COVID-19 in order to carry out the corresponding medical evaluation.
- f) It is not possible to travel abroad for work.

g) Unilaterally modify work shifts.

What procedural labor effects does quarantine generate?

In the Judicial Branch, work is suspended until April 26.

The procedural deadlines are also suspended for this period.

What is an employer's subsidy to preserve jobs?

The employer receives a one-time subsidy of 35% of the sum of the gross monthly salaries not exceeding S/1500 soles, which have been recorded in the January 2020 form, submitted on February 29, 2020 and whose work period according to the T- Registration does not indicate an end date or this is not before March 15, 2020, according to the information available to the Sunat.

Sunat will determine the employers and the amounts they will receive from the subsidy. For this purpose, the processing that the Sunat will do is as follows:

- i) The employer must have complied with the declaration of the concept of Social Health Insurance - EsSalud by means of the Plame corresponding to the period January 2020, not being in the process of deregistration from the RUC and not being in the capacity of not having done so.
- ii) (In determining the amount of the subsidy, only those employers who meet the conditions laid down by the emergency decree shall be considered, and the gross monthly remuneration of all workers who also meet those conditions shall be added together. This sum shall be multiplied by 35%.

Those employers entitled to the subsidy must communicate their CCI to SUNAT by April 13, 2020. To do so, they must enter SUNAT Online Operations (with user and SOL password) and locate the next option in the Companies category: CCI Registration -Subsidy D.U. 033-2020. SUNAT has up to that date to process the PLAME, after which payment will proceed.

Not included in this benefit are the employers of Law No. 30737, the law that ensures payment immediate civil reparation in favor of the Peruvian State in cases of corruption and related crimes. Likewise, employers who on December 31, 2019 maintain enforceable tax debts SUNAT managed by more than 5 ITU of 2020, have a person as owner or partners who have been convicted of tax offences; or who are in the process of bankruptcy, according to the law of the matter.

What is the temporary availability of CTS?

The workers who are entitled to CTS from March 28, 2020 to June 9, 2020, can dispose of freely from the funds of the intangible amount for deposits of the CTS up to the amount of S/ 2,400.

The financial entities must disburse the corresponding amount of the worker's STS at the simple request, which may be submitted by telephone, internet or other non-on site means, and executed by transfer to active or passive accounts of the worker indicated by him.

This withdrawal is not exclusive of that which may be carried out by workers involved in a suspension perfect of work under Emergency Decree No. 038-2020

What is the scope of the temporary suspension of the withholding and payment of the contribution and commission to the AFP?

With regard to the remuneration for the month of April 2020, the obligation to withhold and pay the components of the compulsory contribution of 10% of insurable earnings to the account individual capitalization and the commission on the flow discounted monthly to the workers affiliated to the Private Pension System. Such suspension shall not generate penalties for employers or fines.

During the period of suspension provided for above, employers shall retain, declare and pay to the AFP the amount corresponding to disability and survival insurance, which shall retain its full coverage.

What infractions could the employer incur in the event of failure to comply with the exceptional measures ordered by the Government during the emergency?

It constitutes a very serious infringement in the framework of the health emergency and the national emergency that affect compliance with exceptional and temporary labor provisions to prevent spread of the coronavirus (COVID-19) in the national territory, arrange, require or permit the entry or permanence of persons to provide services in the work centers whose activity is not except for the State of National Emergency declared by Supreme Decree No. 044-2020-PCM or for work other than that which is strictly necessary within the scope of the exception.

It is also a very serious infringement to fail to comply with the regulations applicable to remote work for workers considered to be in the risk group for periods of national and health emergency.

Fines are applied according to the following table:

Micro-enterprise										
	Number of employees affected									
Severity Fine	1	2	3	4	5	6	7	8	9	10 and more
Mild	0.045	0.05	0.07	0.08	0.09	0.11	0.14	0.16	0.18	0.23
Severe	0.11	0.14	0.16	0.18	0.20	0.25	0.29	0.34	0.38	0.45
Very	0.23	0.25	0.29	0.32	0.36	0.41	0.47	0.54	0.61	0.68
Small business										
	Number of employees affected									
Severity Fine	1 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 a 50	51 to 60	61 to 70	71 to 99	100 and more
Mild	0.09	0.14	0.18	0.23	0.32	0.45	0.61	0.83	1.01	2.25
Severe	0.45	0.59	0.77	0.97	1.26	1.62	2.09	2.43	2.81	4.50
Very Severe	0.77	0.99	1.28	1.64	2.14	2.75	3.56	4.32	4.95	7.65
No MYPE										
	Number of employees affected									
Severity Fine	1 to 10	11 to 25	26 to 50	51 to 100	101 to 200	201 to 300	301 to 400	401 to 500	501 to 999	1 000 and more
Mild	0.26	0.89	1.26	2.33	3.10	3.73	5.30	7.61	10.87	15.52
Severe	1.57	3.92	5.22	6.53	7.83	10.45	13.06	18.28	20.89	26.12
Very Severe	2.63	5.25	7.88	11.56	14.18	18.39	23.64	31.52	42.03	52.53

Consider that the values are expressed in terms of UIT (tax unit), which is equivalent to S/ 4,300.

LITIGATION AND ARBITRATION

Have the procedural deadlines in judicial proceedings at the national level been suspended?

Yes, the Executive Council of the Judiciary has declared the suspension of all procedural time limits for the period of fifteen calendar days, as well as the suspension of all work of the Judicial Branch on a national level.

Have time limits been suspended in arbitration proceedings?

It depends on whether the arbitration is ad hoc or institutional (arbitrations administered by arbitration centers). The arbitration centers of the Lima Chamber of Commerce, the Pontificia Universidad Católica del Perú and the Colegio de Ingenieros del Perú have communicated the suspension of all procedural deadlines. In the next few hours, we should see communications from other arbitration institutions. In the case of ad hoc arbitrations, the decision will finally be left to the respective arbitral tribunal.

MINING AND HYDROCARBONS

What happens to the development of mining activities during a state of national emergency?

By Supreme Decree 080-2020-PCM published on June 4, it was established that in May to begin Phase 1 of the Resumption of Economic Activities, a phase that includes the activities of exploitation, profit, storage, transport and mine closure of the large mining stratum.

In view of this, the Ministry of Energy and Mines, through Ministerial Resolution No. 128-2020- MINEM/DM approved the "Health Protocol for the implementation of prevention and response measures against COVID-19 in the activities of the Sub-Mining Sector, Sub-Hydrocarbons Sector and the Sub-Sector Electricity"; and, through Ministerial Resolution No. 129-2020-MINEM/DM approved the "Criteria for territorial targeting" to be applied in the resumption of exploitation activities, profit, storage, transport and mine closure of the large mining stratum.

By Supreme Decree No. 101-2020-PCM published on June 4, Phase 2 of the Resumption of Economic Activities, which includes the activities of (I) mining exploration of the medium and large mining stratum; and, (II) exploitation, profit, storage, transport and mine closure for the medium and small mining in the following particular cases:

- (i) Medium-scale mining and related activities, which have mining camps or are being developed auxiliary components or external housing for the exclusive use of your workers
- (ii) Previously formalized small-scale mining and related activities and artisanal mining accredited by the competent regional authority.

What happens with the hydrocarbon sector during the state of national emergency?

Supreme Decree 080-2020-PCM, published on June 4, established that in the month of May the Phase 1 of economic reactivation, a phase that includes hydrocarbon projects. However, it should be noted that fueling and natural gas supply activities had already been exempted in accordance with the provisions of Supreme Decree No. 044-2020-PCM. It should be added that, in the case of these activities, the owners must comply with the provisions of ministerial resolutions 128-2020-MINEM/DM and 129-2020-MINEM/DM and the Vice-Ministerial Resolution 016-2020-MINEM/VMH.

Likewise, the Vice-Ministerial Resolution 016-2020-MINEM/VMH establishes that for the activities referred to in item II.2 of the Annex to Ministerial Resolution No. 129-2020-MINEM/DM shall present a "Plan for the monitoring, prevention and control of COVID-19 at work" as a condition for to resume their activities. Similarly, the owners of hydrocarbon activities that are allowed by exception, they must submit their "Plan for the surveillance, prevention and control of COVID-19 at work", without prejudice to the continuation of its activities.

What about the administrative procedures in charge of the Energy and Mines sector?

Supreme Decree No. 087-020-PCM provided for the extension of the suspension of the computation of time limits for the processing of administrative and any other type of proceedings (Emergency Decree No. 026-2020, extended by Supreme Decree No. 076-2020-PCM and Emergency Decree No. 029-2020, extended by Supreme Decree No. 053-2020-PCM) until June 10, 2020. In this regard, Emergency Decree No. 053-

0200 empowered public entities to approve the list of procedures whose processing is not subject to such extension. Consequently, by Ministerial Resolution No. 147-2020-MINEM/DM the Ministry of Energy and Mines published the list of administrative procedures, corresponding to the mining subsector, whose processing is not subject to the suspension of deadlines. The administrative procedures exempted for the mining subsector are as follows:

Procedures of the Directorate General of Mining		
Name of the procedure		Title of the procedures by case
1	Granting and modification of benefit	Case A: Granting of benefit
		Case B: Modification of Benefit Award
		Case C: Mining Technical Report
2	Authorization for initiation/resumption of exploration, development, preparation, exploitation activities (including mining plan and dumps) in metallic/non-metallic mining concessions and modifications.	Case B: Authorization of exploitation activities (includes approval of mining plan and dumps).
		Case C: Modification of the operating license
		Case D: Mining technical report
Procedures of the Directorate General for Mining Environmental Affairs		
Name of the procedure		Title of the procedures by case
1	Evaluation of the Mine Closure Plan and Environmental Liabilities	Large and medium mining
2	Modifying/updating Mine Closure Plan or Mining Environmental Liability Plan	Large and medium mining
3	Evaluation of the Detailed Environmental Plan (PAD) - Supreme Decree No. 033-2005-EM and amendments.	

Similarly, through Ministerial Resolution 148-2020-MINEM/DM the Ministry of Energy and Mines published a list of administrative procedures, corresponding to the electricity and hydrocarbons subsectors, whose processing is not subject to the suspension of deadlines. The administrative procedures exempted for the hydrocarbons subsector are as follows:

TUPA order number	Name of the procedure	TUPA Code
Concessions		
17	Granting of a concession for the transport of hydrocarbons by pipeline	CH01
18	Granting of concession for natural gas distribution by pipeline network	CH02
19	Modification of the transport concession for extensions, expansions and branches	CH03
20	Renunciation of the concession	CH04
Authorizations		
21	Authorization of duct installation for own and main use	AH01
22	Duct operation authorization for own and main use	AH02
23	Authorization to burn natural gas	AH03
24	Authorization to carry out tests to verify the viability of a project that will use natural gas	AH04
25	Favorable opinion for authorization to extend the temporary importation regime	AH05
26	Authorization for the construction and operation of the network for the supply of CNG and/or LNG to several supply points	AH06
27	Authorization for the marketing and registration of fuels, other hydrocarbon products and biofuels	AH07
Registration		

29	Registration or change of registration of use of sign and distinctive color for LPG cylinders ** applicable only for procedures in progress	IH01
Easements and surface rights		
30	Establishment of easements and surface rights for oil operations (oil and natural gas)	SH01
31	Establishment of easements for transporting hydrocarbons by pipeline	SH02
32	Establishment of easements for natural gas distribution by pipeline network	SH03
33	Modification of easement	SH04
34	Extinction of servitude	SH05
Approvals		
35	Favorable opinion for the approval of the acquisition of explosives	BH01
36	Approval for registration	BH02
37	Qualification of natural gas venting as unavoidable in the event of a contingency or emergency	BH03
38	Rating of operational venting as unavoidable	BH04
39	Approval of list of goods and services for tax refund	BH05

List of administrative procedures of the Directorate General for Environmental Affairs of Hydrocarbons whose processing is not subject to the suspension of deadlines:

TUPA order number	Name of the procedure	TUPA Code
55	Approval of Environmental Impact Statement for Hydrocarbon activities	BA03
57	Approval of a semi-detailed Environmental Impact Study for Hydrocarbons and Electricity activities	BA02
59	Approval of modification of Environmental Studies for Electricity and Hydrocarbons activities*.	BA09

*The procedures are referred to only for hydrocarbon-related activities.

Procedures of a special nature:

Nº	Name of the procedure	Legal basis
1	Approval of the Substantive Technical Report for hydrocarbon activities	Article 40 of the Regulation for Environmental Protection in Hydrocarbon Activities, approved by Supreme Decree No. 039-2014- EM. Ministerial Resolution N° 159-2015-MEMDM approving the technical criteria for the evaluation of modifications, component extensions and technological improvements with non-significant impacts, with respect to hydrocarbon activities that have environmental certification.
2	Approval to update Environmental Studies or Complementary Environmental Management Instruments	Articles 13 and 30 of the Regulations of Law No. 27446, Law of the National System of Environmental Impact Assessment, approved by Supreme Decree No. 019-2009-MINAM

It should be noted that the above-mentioned procedures will be carried out provided that the administered party authorizes or has authorized the electronic notification, or that its express consent is obtained, in

accordance with the provisions of paragraph 20.4 of Article 20 of the Code of General Administrative Procedure.

MUNICIPAL REGULATION AND AUTHORIZATIONS

Once the state of emergency is lifted, will the authorized capacities in the operation and the ITSE (Civil Defense) certificate will be allowed again?

No, the R.M. 297-2020-IN establishes that the capacity of the premises will be equal to half of the capacity authorized by the competent body or, if applicable, half of the capacity requested by the administered body while find the health emergency to be in force. As you are aware, the Ministry of Health by D.S. 008-2020-SA declared a national health emergency for the period of ninety (90) calendar days, counted from March 12th. In this way, the restriction will be in force until May 9, 2020.

What will happen to the procedures and formalities initiated?

Municipalities' tables will not operate during the state of emergency. It must also be taken into consideration that the procedures initiated and the deadlines have been suspended, with the exception of those with a pronouncement by the municipal authority and which is pending notification. In accordance with the provisions of D.S. 076-2020-PCM extends the suspension of the computation of time limits for administrative procedures subject to positive and negative administrative silence established by D.U. 026-2020 for a period of 15 working days as of April 29, 2020.

What happens to the enabling titles obtained in accordance with the provisions of Law 29090 (urban planning permission and building permits) and issued until 16 March 2020?

In accordance with the provisions of the Only Temporary Complementary Provision of Legislative Decree 1469, these titles extend their validity for a period similar to that established for the state of emergency (56 calendar days)

Do they have inspection authority during the state of emergency?

Yes, in addition to the serenity and public cleansing service, the oversight agencies may intervene independently or jointly with serenity personnel, the police and the armed forces to verify compliance with the measures set forth in S.D. 044-2020-PCM and S.D. 046-2020-PCM.

As of today, as part of the declaration of the state of emergency, many government entities, including municipalities, are not operating in their entirety; therefore, what will happen with the payments of taxes and property taxes that are due or about to be due?

Municipalities are defining new payment schedules to meet these obligations. We will be informing about these new deadlines.

During the period of the emergency, is it possible to carry out conditioning work to start any of the economic activities that are exempt?

Yes, given that the performance of these tasks does not require a building permit according to Law 29090 and its regulations.

However, as it is known, in some municipalities it was requested to communicate the beginning of these works since they considered that it was convenient to have this information to evaluate if inspection staff would be necessary to verify if it was indeed a refurbishment or not. To date, since the Reception Desks are not operating, there would not be any infraction for not sending this communication.

RETAIL

Should shopping center activities be suspended?

On June 18, 2020, the D.S. 110-2020-PCM was published approving the resumption of commercial activities, conglomerates and department stores, from June 22, 2020, to national level, with the exception of Ica, La Libertad, Arequipa, Huánuco, San Martín and the provinces of Santa Casmá and Huaraz in the Ancash region. They must register their Exposure Prevention and Control Plan to COVID-19 in the integrated system for COVID-19 (Sicovid-19) at the Ministry of Health.

Among the main considerations are: (i) the 50% capacity, (ii) prohibiting the entry of minors (iii) cinema and recreation activities are suspended and (iv) food courts shall cater for under the mode of pick up store and dark kitchen (delivery). The standard also requires: (i) social distance of 1 meter; (ii) use of mask and (iii) hand washing stations, but not mentions the use of fitting rooms so it is up to the free will of fashion retailers if they eliminate or put the goods in quarantine for the customer's use

Can I market household and related products through e-commerce?

The D.S. 080-2020-PCM, published on May 3, 2020, establishes that in this first phase of reactivation only household and related goods can be traded through e-commerce. In that sense, in order to start operations, the plan for monitoring must be adapted, prevention and control of COVID-19 at work to R.M. 239-2020-MINSA and R.M. 137-2020-PRODUCE (which establishes the health protocol for the operation of electronic commerce in household goods and related), as well as with R. M. 138-2020-PRODUCE, which approves the criteria of territorial targeting and obligation to report incidents for gradual and incremental commencement of trade activities electronic household and related goods, both standards published on 6 May. It should be noted that the criteria for territorial targeting have recently been modified by R. D. 0007-2020- PRODUCE-DGED, which eliminates the criterion of minimum annual sales, as well as establishes that the E-commerce marketing can be through our own channel or through a market place (third party).

On the other hand, household and related products may also be marketed under the delivery method by third parties, provided that the companies providing the delivery service comply with the sanitary protocol established in the R.M. 163-2020-PRODUCE, published on May 23rd.

Likewise, the D.S. 101-2020-PCM, published on June 4, which approves phase 2 of the reactivation of the economy of our country, establishes that the Plan of vigilance, prevention and control of COVID-19 in the work approved under R.M. 239-2020-MINSA, modified by R.M. 265-2020- MINSA, and R.M. 283- 2020-MINSA, must only be registered with the Integrated System for COVID-19 (SICOVID-19) of the Ministry of Health, and need not be submitted to Produce.

Is it allowed to start activities corresponding to a textile factory?

The annex to D.S. 080-2020-PCM, provides for the extension of textile and clothing activities. In this sense, in order to initiate operations, the security and safety protocol for the prevention and control of COVID-19 at work must be adapted to R.M. 239-2020-MINSA y la R.M. 137-2020-PRODUCE (that established the sanitary operation protocol of e-commerce for home good and related products), as well as R. M. 138-2020-PRODUCE, that sets forth the criteria for local concentration and the obligation to notify incidents for the gradual return and increase of e-commerce activities for home goods and similar products, both published on May 6, 2020. Please note that once the plan is adapted, it shall be filed for review and approval of MYPE. Once approved, it must be registered in the integrated system for COVID-19 (SICOVID-19) of the Ministry of Health.

Should the restaurant's activities be suspended?

Yes, restaurant activities should be suspended in their locations, unless service is provided through delivery, as detailed below.

Can you provide services or market products via delivery?

The annex to D.S. 080-2020-PCM states that restaurants and related establishments authorized to deliver to homes (with the establishment's own logistics, security protocol and collection from the premises), i.e., dark kitchen, will be able to provide the service from May 2020 onwards, complying with the technical guide for restaurants and related services with the modality of home service, published also on May 3rd by R.M. 250-2020-MINSA.

Likewise, on May 8th, R.M. 142-2020-PRODUCE was published approving the operation protocol to the COVID-19 of the production sector for the gradual incremental start of activities in restaurants and similar establishments authorized to deliver to your home (with the establishment's own logistics and security protocol and collection of the premises), as well as R.M. 153-2020-PRODUCE which approves the criteria and the obligation to report incidents, which has been complemented by R.D. 00002-2020-PRODUCE/DGDE, and amended by R.D. 00006-2020-PRODUCE/DGDE, eliminating the criterion of minimum annual sales and extending its scope of application also to natural persons with business, among others.

Likewise, on May 23, the R.M. 163-2020-PRODUCE was published, which approves the Sanitary protocol of operation before the COVID-19 of the production sector for the gradual and incremental beginning of activities in phase 1 of the resumption of activities in the field of home delivery by third parties for the activities: (i) restaurants and related establishments authorized to deliver to or collect from (ii) e-commerce of household and related goods. Among the highlights of this standard are which disables the cash payment mode, as well as establishes that the delivery men must count with private insurance against COVID-19. It should be specified that this rule delegates to the Directorate-General of Business Development of the Vice-Minister's Office of MYPE and Industry the power to issue provisions amending the health protocol until December 31, 2020.

Likewise, by means of the D.S. 101-2020-PCM that approves the phase of the economic reactivation of our country, it indicates that the Plan of vigilance, prevention and control of COVID-19 in the work approved under the R.M. 239-2020-MINSA, modified by R.M. 265-2020-MINSA and R.M. 283-2020-MINSA, must only be registered in the Integrated System for COVID-19 (SICOVID-19) of the Ministry of Health, not being necessary its presentation to Produce.

On the other hand, on Sunday June 14, 2020, the R.M. 178-2020-PRODUCE was published, which approves the resumption of activities carried out by business conglomerates such as shopping centers, the Emporium Gamarra, among others, which will be able to sell their products behind closed doors via the electronic, either with our own logistics or through third parties. It should be noted that this resumption of economic activities through productive or commercial conglomerates is carried out in a way automatic once they have registered their "Plan for the surveillance, prevention and control of COVID-19 in work" in the Integrated System for COVID-19 (SICOVID-19) of the Ministry of Health.

It should be noted that those companies that provide essential services such as supermarkets (only grocery, perishable and staple goods) and pharmacies will continue to provide delivery service.

Can I provide services that are accessory or related to the list of essential services and goods allowed by Article 4 of the Supreme Decree, such as the acquisition of services, supply of pharmaceuticals and necessities, services to health centers, assistance to the elderly, among others?

According to Article 2 of the aforementioned Supreme Decree, public and private entities determine the complementary and related services for the adequate provision and access to the essential services and goods established in Article 4.

Therefore, we consider that complementary security services should be provided if a pharmacy, supermarket or financial entity needs it, considering that these entities rely on such complementary service

to operate appropriately. It is also necessary for malls and shopping centers to grant access to the establishments. Another example could be a clinic or hospital's cafeteria, which should continue to operate given that medical personnel may require this facility. It should be noted that these complementary services to the essential services must also comply with the rules and timetables laid down by the Government.

SANITARY REGULATION

Can companies that sell pharmaceuticals, food and basic necessities set limits on the number of products to be purchased per person in this sanitary emergency context?

As long as they are reasonable measures to allow access to essential products to the greatest number of people and do not imply any arbitrary restriction directed at any specific person, limitations of the type "maximum 5 products per person" would find support in the obligation of these companies to make reasonable efforts to guarantee the supply of this class of products, and therefore could not be questioned.

Can the police or any other authority sanction any establishment that sells pharmaceuticals, food or basic necessities for not having stock or considering that prices have risen?

Although the police can inspect establishments and warehouses, in Peru there are no regulated prices, they are defined by supply and demand, so no questioning will be valid on the basis of product prices, nor can any company be sanctioned if, despite taking all reasonable measures, it does not have any product in stock as a result of the emergency situation.

In addition to the production, storage and distribution of essential goods and services (such as food and pharmaceuticals), are there other economic activities allowed in this quarantine period?

The law guarantees during this period the supply and access of food, medicines and other products of first necessity, so that those complementary and related activities or those that affect the productive chain and are decisive in achieving the objective of ensuring the supply of essential goods and services, shall also be exempt. In this situation, the suppliers of inputs, equipment and packaging, specialized service companies for agriculture and the pharmaceutical industry, providers of transport and storage services or companies specializing in replacement services at points of sale could be included, provided that their intervention is indispensable for the final supply of food, pharmaceuticals and other first need goods.

The State indicates that it will guarantee the food supply, but are there any limitations regarding what type of food?

The DS 044-2020-PCM guarantees "food" supply, so it is exempted from the restriction to transit freely to acquire, produce and supply "food", which also includes storage and distribution for sale to the public.

The standard refers to a general concept of "food", so the definition should be of "food" in CODEX which states the following:

"Food" means any processed, semi-processed or unprocessed substance intended for human consumption including beverages, chewing gum and any other substances used in the preparation, manufacture or "food" treatment, but does not include cosmetics, tobacco, or substances used only as medicines.

Under this definition, any food or beverage may be marketed, unless specifically provided for in some ministry, as in the case of the Ministry of Production, which in recent communications has that the food supply would not include alcoholic beverages.

SELECTION PROCEDURES

What happens with the contracts that are being executed with the State, whose contractual object is not in the exception activities foreseen in the Supreme Decree 044-2020-PCM?

Contractors who are executing contracts with the State, whose activities are not included within the exceptions of S.D. 044-2020-PCM, which was modified by Supreme Decree S.D. 046-2020-PCM, may

request an extension of a deadline for the payment of benefits, claiming that this is a situation that is not attributable to them and prevents them from fulfilling the contract. The extension of time may be requested for the duration of the emergency situation. The legal basis is as follows:

Procurement Regulations approved by the D.S. 344-2018-EF.

In the case of contracts for goods and services

Article 158. Extension of the contractual term

158.1. It is justified to extend the deadline in the following cases:

- (a) When the additional period is approved, insofar as it affects the time limit. In this case, the contractor extends the term of the guarantees they have granted.
- (b) For delays and/or stoppages not attributable to the contractor.

158.2. The contractor requests the extension within seven (7) business days following notification of the approval of the additional or the end of the cause of the delay or stoppage.

In the case of works contracts:

Article 197. Causes for extension of time

The contractor may request the extension of the agreed term for any of the following reasons beyond their control, only if they modify the critical path of the work execution program in force at time of the request for extension:

- (a) Delays and/or stoppages for reasons beyond the contractor's efforts
- (b) When an additional period is necessary for the execution of additional work. In this case, the contractor extends the period of the guarantees that they have granted.

For contracts resulting from bidding processes called before April 3, 2017, the legal grounds are the following:

Supreme Decree 350-2015-EF, amended by Supreme Decree 056-2017-EF. For contracts of Goods and services (Article 140 of the Regulation) and for work contracts (Article 169).

What happen with contracts that are being executed with the State, and that their purpose is the delivery of food, pharmaceuticals, and assistance to health centers, which are described in article 4 of S.D. 044-2020-PCM, which was specified by means of S.D. 046-2020-PCM?

Whereas, in accordance with Article 2.1. of S.D. 044-2020-PCM, specified through S.D. 046-2020-PCM, it is necessary to ensure the supply of food and medicine and the continuity of public services described in Article 4 of the aforementioned law, which in its section 4.1., subparagraphs a) and b), refers to the production and supply of food and contractors who have been executing contracts with the State, whose activities are related to the supply of food and medicine, they should continue these benefits.

For this purpose, the employer must apply for the relevant road traffic permits.

What about administrative proceedings before the OSCE, such as sanctioning administrative proceedings, appeals, rulings, opinions?

All administrative proceedings before the OSCE are suspended and the hearings, rulings and decisions are postponed. Similarly, the processing of an appeal to the OSCE Tribunal is suspended, and negative silence does not apply.

What happens with the signing of contracts during the emergency period?

- In the case of contracts that are not related to guaranteeing the provisions of the D.S. 044-2020-PCM, specified through S.D. 046-2020-PCM, for the prevention of coronavirus, its subscription is suspended.

- In the case of contracts that are related to guarantee the provisions of the D.S. 044-2020-PCM for the prevention of the coronavirus, its subscription must continue.

What happens with the processing of the contracting processes with the State?

- The processes of contracting with the State called prior to the declaration of emergency that are not related to guarantee the provisions of the D.S. 044-2020-PCM, specified through S.D. 046-2020-PCM, for the prevention of the coronavirus are suspended. Therefore, the submission of proposals, consultations and observations, the presentation of appeals, etc., do not correspond.
- The processes of contracting with the State called prior to the declaration of emergency that are related to ensuring the provisions of the D.S. 044-2020-PCM, specified through S.D. 046-2020-PCM, for the prevention of coronavirus should continue.
- During the period from March 16 to March 31 of 2020, no selection procedures may be called within the framework of Law 30225 and its regulations and the other regimes included in the National Supply System.
- During the period from March 16 to March 31 of 2020, selection procedures may be called within the framework of Law 30225 and its regulation and the other regimes included in the National Supply System, which guarantee the provisions of D.S. 044-2020-PCM for the prevention of coronavirus. In these cases, it is appropriate to submit proposals and give full continuity to the contracting procedures.

Is it possible for a State entity to determine that the provision of a service that is not expressly provided for in Article 4 of S.D. 044-2020-PCM must continue to be carried out despite the emergency?

It is possible, because according to Article 4 of DS 044-2020-PCM, State entities can establish which are the activities analogous to the essential ones that must continue.

It should also be noted that according to numeral 2.2. of article 2 of DS 044-2020-PCM, the entities can determine the complementary and/or related services for the adequate provision of the essential services. The only requirement is that such services must be complementary or related to essential services.

Is it possible for an entity to acquire products through direct purchase (less than 8 Tax Units), and is there an obligation to perform the internment of such products?

It is possible that purchases under 8UIT may be made, as such purchases are not within the suspension dictated by R.D. 001-2020-EF. The obligation to carry out the internment of the products is According to paragraph 9.3 of article 9 of the D.S. 044-2020-PCM, it is established that the transport of cargo is not covered by the transit restriction. However, if evidence is provided that the physical impossibility to comply due to the immovability dictated by the D.S. 044-2020-PCM, is possible to ask for an extension of the deadline.

Have the deadlines for filing requests for conciliation or arbitration been suspended?

There is no legal rule that suspends such deadlines. It should be noted that there are conciliation and arbitration centers that have enabled the electronic channel for the virtual submission of requests during the period of social isolation (e.g. PUCP). It will be convenient for a new standard that expressly dictates the terms for conciliations or arbitrations to be suspended during the emergency situation.

What happens if I have to incur in additional expenses to continue with the execution of the contract that began before the declaration of the emergency, can I ask the entity for compensation for the extra cost generated by the declaration of the emergency?

Invoking the principle of equity enshrined in the State Contracting Law, as well as the figure of excessive onerousness of the benefit, it shall be possible to request the reduction of the benefit payable by the

contractor or the increase of the consideration in charge of the entity. For these purposes, the following may also be cited: Communication 005-2020-OSCE. In case the entity does not accept it, this controversy may be resolved in the arbitration venue.

In the case of direct contracting, is the supplier exempted from complying with the requirements imposed by the contracting regulations on any supplier in the State?

The direct contracting procedure allows the State entity to exempt itself from conducting a selection procedure to contract a particular supplier, allowing it instead to select a particular supplier directly without having to conduct a competitive process. However, the supplier must comply with the requirements of the procurement regulations, i.e. be registered in the OSCE National Register of Suppliers (RNP) and not be prevented from contracting with the State.

In the event that a State entity approves direct contracting on the grounds of emergency, is it possible that the contract be signed after the start of the execution of the agreed benefits? Similarly, is it possible for the contractor to send the letter of guarantee of faithful performance after the start of the execution of the services?

In the case of direct contracting on the grounds of emergency, in accordance with Article 100 of the regulations of the State Contracting Law, it is possible that, within 10 working days following the delivery of the goods or the first delivery in the case of supplies, or the start of the service or the start of the execution of the work, the goods or the first delivery in the case supplies are delivered, the entity regularizes all the documentation referring to the preparatory actions, such as the report or reports containing the legal technical support of the contracting, the resolution approving it, as well as the contract and its requirements, which at the date of contracting have not been prepared, approved or signed, as appropriate. The reports and the resolution or agreements mentioned above must be registered and published in the SEACE within the same period. For the regularization of the guarantee, the term may be extended for ten (10) additional days.

TAX LAW

How will the destruction of stockpiles during the period of national emergency be evidenced?

According to Supreme Decree 086-2020-EF:

1. Destruction carried out between April 22, and July 31, 2020 will be accredited with a taxpayer's report, provided that the act of destruction is communicated in advance to the Sunat at the following e-mail address: comunicaciones_desmedros@sunat.gob.pe, with no less than two (2) working days before the date on which such destruction is to take place.
2. Those who have carried out the destruction of damages up to April 21, 2020, shall support them with a taxpayer's report. In both cases, the taxpayer's report must be submitted to Sunat within 5 business days from August 1, 2020 and must contain the following requirements:
 - a. Identification, quantity and cost of the stock to be destroyed.
 - b. Place, date and time of commencement and completion of destruction.
 - c. Method of destruction used.
 - d. If applicable, identification data of the destruction service provider: name or business name and RUC.
 - e. Reason for destruction and technical support to prove the unusable nature of the stock involved, specifying the facts and characteristics that have led to the goods being destroyed.
 - f. Signature of the taxpayer or his legal representative and of those responsible for such destruction, as well as the names and type and number of identity document of the latter.

Will Sunat continue to act as a registration or verification entity in the issuance of digital certificates?

For subjects generating net annual revenues of up to 300 ITUs and needing to obtain digital certificates, Sunat will continue to act as a registration or verification entity for the issuance of such certificates until December 31, 2021.

It should be noted that obtaining these certificates makes it possible to generate the digital signature, the incorporation of which in the payment vouchers or other electronic documents issued through the SEE - Taxpayer, SEE - SFS and SEE - OSE, is mandatory for the above-mentioned subjects.

Will the Special Early Recovery Regime of the IGV remain in force to promote the acquisition of capital goods by MYPE's?

The special regime of early recovery of the IGV foreseen for the MYPE in Law 30296 has been extended until December 31, 2023 for entities that are under the MYPE Tax Regime or the General Income Tax Regime, whose annual net income does not exceed 300 UIT.

Also, until December 31, 2021, taxpayers of the IGV whose annual net income exceeds 300 UIT and up to 2,300 UIT and are under the MYPE Income Tax Regime or the General Income Tax Regime may exceptionally benefit from this regime. The tax credit that may be subject to refund is that generated by imports or local acquisitions of new capital goods made from January 1, 2020 to December 31, 2021.

What is the default interest rate to be applied to tax debts?

Until March 31, 2020, the monthly rate of 1.2% will be applied. From April 1st, the monthly rate of 1% will be applied.

Is the subsidy that the government will provide to businesses taxed?

No, because this tax is only levied on income from operations with third parties. However, according to repeated pronouncements by SUNAT and the Tax Court for the case of another subsidy, if you are a government employee (the drawback), the value of this benefit should be taken into account in calculating the portion of common expenses deductible under the pro rata rule.

Does the computation of the time periods of the tax proceedings initiated before the declaration of a national emergency continue?

The calculation of the deadlines for tax proceedings was suspended until June 10, 2020. As of June 11, 2020, therefore, the deadlines for all tax proceedings have recomputed.

What will happen to the deferral or fractioning or refinancing of the tax debt which are due between March 31 and June 30, 2020?

These payments may be made until July 31, 2020, updating them with the respective moratorium interest, so that - if applicable - the loss of the respective deferral/fractioning/refinancing will not be assumed if the payment is regularized under the conditions described.

The payments that may be made under the provisions of the previous paragraph are those programmed under the protection of Superintendence Resolution 161-2015/SUNAT, Superintendence Resolution 199-2004/SUNAT, the Superintendence Resolution 190-2015/SUNAT or the Superintendence Resolution 1762007/SUNAT and, specifically, are the following:

- The fractioning fee that expires between March 31 and June 30, 2020.
- The last fee due between March 31 and June 30, 2020.

- The deferred tax debt and its corresponding interest, due between March 31 and June 30, 2020.
- The deferral with instalments whose deferral interest is due between March 31 and June 30, 2020.
- Deferral with instalments for which interest is due between March 31, and June 30, 2020.
- Deferral with instalments for which the instalment payment is due between March 31 and June 30, 2020.
- Deferral with instalments for which the last instalment is due between March 31 and June 30, 2020.

Has a special regime been established for the deferment and/or fractioning of tax debts?

Yes. By means of Legislative Decree 1487, a special regime of postponement and fractioning has been established, called "RAF", which may be used for tax debts administered by SUNAT that are due up to the date of presentation of the application for acceptance, including outstanding balances of deferrals and/or installments, whatever their status, and including payments on account for income in the third income tax category for the periods January, February and March 2020, provided that the term of the deferral and/or installment ends on December 31, 2020. It may not include debts for taxes withheld or collected, advance payments due as from April 2020 and customs surcharges.

The application for acceptance may be submitted until August 31, 2020, depending on the form, conditions and other requirements that will be approved in the coming days.

They will be eligible for the RAF:

- Third category income generators, provided that they have submitted the monthly returns for March and April 2020 corresponding to the IGV and the payment on account of income tax (or monthly instalment of the RER), and that the amount of their net income for the months of March and April 2020 has decreased compared to similar months in 2019. If you had a net income in the month of March or April 2019, the income of that month and the highest amount of net monthly income obtained in 2019; if there was no net monthly income in March and April 2019, the two highest net monthly income amounts in 2019 will be taken into account or, if there was income in one month, that month's income multiplied by two; if there was no income in 2019 but there was income in January and/or February 2020, both months' income will be taken into account or, if there was income in one month, that month's income multiplied by two.
- Generators of income other than those in the third category, without the income reduction requirement being applicable to them.

They are not eligible:

- Those who, on the working day prior to the date of submission of the application for acceptance, have a balance greater than S/ 215 in the accounts for drawdowns, or collection income pending imputation.
- Those who have an enforceable sentence for tax or customs offences in force at the date of presentation of the application for reception or, in the case of legal persons, when their representatives, because they have acted in that capacity, have a judgment which is enforceable by tax or customs offence in force on the date of submission of the application for acceptance.
- The persons and entities included in the scope of Law No. 30737, Law that ensures the immediate payment of civil reparation in favor of the Peruvian State in case of corruption and crimes the relations published periodically by the Ministry of Justice and Human Rights.
- The entities that make up the National Public Sector

It should be noted that the monthly default interest rate applicable from the date of submission of the application to cover the debts included in the RAF will be 0.4%.

Will sanctions be imposed for violations during the period of the state of national emergency?

The Sunat will not sanction tax violations committed during the national state of emergency, for non-compliance with formal tax obligations. No refund or compensation will be made for payments made by the taxpayers until March 17, 2020, as a result of the infringements described above.

Have the deadlines for compliance with monthly and annual income tax obligations been suspended?

SUNAT has extended the monthly tax compliance deadlines of February 2020 for micro, small and medium-sized enterprises, whose income in 2019 did not exceed 9,660,000 and for companies whose income did not exceed 21,000,000, as well as the extension of obligations relating to electronic books and records and information returns due in March.

A new deadline calendar has also been established for individuals and legal persons whose income does not exceed the above.

The same has not been established for large companies.

What are the facilities given to micro, medium and small enterprises during the state of emergency?

With the extension of the state of emergency until June 30, SUNAT has established

1. A new extension of the deadlines for the declaration and payment of tax obligations for the period February 2020, to be paid by micro, small and medium-sized enterprises that, by 2019, have obtained income of up to nine million six hundred and sixty thousand soles (S/ 9,660,000). These obligations must be fulfilled in July.
2. The extension of the maximum delay dates of the Registry of Sales and Income and the Registry of Electronic Purchases corresponding to February 2020. The new deadlines expire in July.
3. The following extensions:
 - Until July 20, the deadlines for overdue books and records related to tax matters kept in physical or electronic format.
 - Until 10 July, the deadlines for submitting to Sunat -directly or through the electronic services operator, as the case may be- the information returns and communications of the Electronic Issuance System.

What facilities have been provided for the fulfillment of tax obligations for companies with revenues not exceeding S/ 21,000,000?

The following facilities are available to companies that in 2019 have obtained or received income of no more than 21 million soles (S/ 21,000,000), as well as to those subject to income tax other than the National Public Sector:

1. Deadlines for the declaration and payment of tax obligations are extended for the periods between March and August 2020, which will operate between the months of July and October.
2. For companies required to keep their books electronically before 2020 or those that voluntarily do so from this year onwards, the maximum delay dates for the electronic Sales and Income Register and the Electronic Purchase Register are extended for the periods between March and August 2020, with these due dates running from July 9.
3. For companies required to keep their books electronically from 2020 onwards, the maximum delay dates for the electronic Sales and Income Register and the Electronic Purchase Register are extended, corresponding to the months between January and May 2020, with these due dates operating from July 9.

4. The extensions indicated in points 2 and 3 of the answer to the previous question have also been granted

How do I register with the RUC or react to it during a national emergency?

While the period of compulsory social isolation lasts, people hired by public entities to attend to the health emergency may register with the RUC through these public entities. To do so, it is necessary for individuals to provide the public entity with their ID number, date of birth, tax domicile (if this information does not correspond to that declared to the Reniec), e-mail address and mobile phone number.

Individuals who obtain their RUC through the procedure described above can generate their SOL key from the Sunat website.

Likewise, SUNAT has established a special and temporary procedure for registration and reactivation of the RUC until the completion of the Health Emergency, through the Virtual Table of Parties.

What will happen to the deadlines of the ongoing audits and the attention in Service Centers to the Taxpayer?

While the state of national emergency remains in effect, the audits and citations the scheduled services will remain suspended, and there will also be no care in the service centers at the contributor.

Notwithstanding the above, by means of Superintendence Resolution 077-2020/SUNAT, the Bureau has created SUNAT's Virtual Party System, which can be used for the submission of documents, with the exception of the following:

- a. Those that initiate automatic approval procedures, such as those related to the RUC, unless the rule of the matter expressly indicates that the MPV-SUNAT will be used.
- b. Those that can be submitted through the SUNAT Online Operations (SOL) system or other electronic means.
- c. Those that must be presented in person because: (i) that form has been established in (ii) it is required to use a computer application for the validation of the information, and (iii) only on a face-to-face basis can the requirements established in the rules of the matter or to the provisions of the respective contract signed with the SUNAT, and when required by the nature and characteristics of the documentation to be submitted. Such would be the case, inter alia, of the obligation to provide the original on letterhead deposit, as well as in payment receipts printed or imported by authorized printers, letters or others granted on a paper support issued by SUNAT suppliers.

It should be noted that documents submitted between 00:00 hours and 16:30 hours on a working day are deemed to be submitted on the same working day, and that documents submitted after 4.30 p.m. until 11:59 p.m. are considered to be submitted on the following working day. For their part, documents presented on Saturdays, Sundays and holidays or any other non-working day.

The Tax Court, on the other hand, has set up a virtual table of parties that is governed by the same rules of presentation applicable to that of SUNAT. Writings to this entity must be addressed to the following address: TFmesadepartes@mef.gob.pe

Can I suspend the application of the down payment or modify the coefficient?

Yes, for the April, May, June and July payments on account, according to the following rules:

- a. The income for each of these months must be compared with that of the similar month of 2019 and, (x) if the difference is greater than 30%, the down payment is suspended, (y) if the difference is equal or less than 30%, the deposit for the month is multiplied by 0.5846 and the result will be the payment to perform.

b. If there was no income in a similar month in 2019, the income is compared with the income in the month of higher income in 2019, or if there is no income in 2019, the higher of the January or February 2020.

c. If no income is received by March 2020, the down payment shall be multiplied by 0.5846.

Have special rules been established for the carry-over of the 2020 tax loss?

Yes, through Legislative Decree 1481, it has been established that, under system A, the loss generated in 2020 may be carried forward for five years, calculated from 2021.

Has any benefit been established for the depreciation of assets?

Yes, through Legislative Decree 1488, the following special rules have been established for the depreciation of assets:

a. Buildings and constructions whose construction has begun as of January 1, 2020 and are 80% complete as of December 31, 2022 may be depreciated at the rate of 20%.

b. The following assets, acquired in 2020 and 2021, will be depreciated at the following special rates:

- Data processing equipment 50.0%

- Machinery and equipment 20.0%

- Land transport vehicles (except railways), with EURO IV, Tier II and EPA 2007 technology, employed by authorized companies that provide the service of transporting people and/or goods, at the provincial, regional and national levels: 33.3%.

- Land transport vehicles (except railways) hybrid (with piston engine and motor electric) or electric (with electric motor). 50,0%

c. Buildings and constructions that are part of the fixed assets of lodging establishments, agencies travel and tourism, restaurants and related services, or used for public entertainment Non-sporting items will be depreciated, in the years 2021 and 2022, at the rate of 20%. In addition, the vehicles land transport vehicles that are part of the fixed assets of these persons, and vehicles that are provide tourist transport services will depreciate, in these exercises, with the rate of 33.3%.

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COLOMBIA

Updated Jun 16, 2020

In Colombia, we must highlight the promptness of the National Government taking preventive measures, which is reflected in the moderate levels of Covid-19. The mandatory quarantine ordered by the president a few weeks after having the first case in the country, allowed the health system to customize a larger number of intensive care units and to be prepared in case of an exponential growth in the spread of the virus.

In order to be prepared to face this pandemic, the sanitary regulations have had to adapt, which translates into an expedited supply of tests throughout the country, also allowing the expedited import of vaccines and medicines for the treatment of COVID-19, when these become available.

Economically, the National Government aims to find a balance between health care and the national economy. It is worth highlighting the hard work in issuing guidelines and protocols that progressively will allow to open industrial branches and, at the same time, mitigate the risk of Covid-19 infection.

The challenges that we have for the future as Colombians are: (i) achieving better coordination between the different local levels with national guidelines; (ii) that the population undertake in all its extension a culture of self-care, social distancing and biosecurity; and (iii) face, both from private activity and institutionality, the economic challenges derived from the pandemic, with proposals aimed towards the production and employment recovery.



Enrique Álvarez, partner

AERONAUTICAL LAW

Given to the total closure of borders, do Colombians outside the country and foreigners have any option for their repatriation within the state of emergency?

By means of Decrees 439 and 569 of 2020, the National government ordered the suspension of passengers disembark with purposes of entering Colombian territory, during the term of the health emergency declared by the Ministry of Health and Social Welfare due to COVID-19 outbreak. Further to Resolution No. 844 of 2020 issued by such Ministry, the health emergency will be in force until August 31st, 2020.

Nevertheless, Decrees 439 and 569 of 2020 allow passengers disembark in cases of humanitarian emergency, such as the repatriation of foreigner citizens, and Colombians from abroad. In such circumstances, both the Special Administrative Unit of Civil Aeronautics and the Special Administrative Unit of Colombian Migration shall previously authorize the flight operation.

The individuals exceptionally admitted for entering Colombian territory shall comply with the preventive sanitary measures for isolation and quarantine established by the Ministry of Health and Social Welfare.

Is domestic air transportation restricted?

Under Decree 749 of 2020, domestic air transportation is suspended until 00:00 hours of July 1st, 2020.

Domestic air transportation will be allowed in the following cases:

- (i) Humanitarian emergency.
- (ii) Cargo and merchandise transportation.
- (iii) Force majeure.

Is international cargo transportation restricted?

No, Colombian Government has not restricted international cargo transportation.

ADMINISTRATIVE LAW

Is there a way to obtain a movement permit for people during the period of mandatory preventive isolation?

No. Only people who are going to provide essential services to mitigate the spread of COVID-19 or to carry out any of the activities established in Decree 457 of 2020 may move around the city.

Are public entities serving the public?

They are not attending the public, except for entities related to the COVID-19 Emergency, for example, the Ministry of Health, hospitals, firefighters, the National Police and other related entities.

- The Superintendence of Companies is closed until June 31, 2020 (or at least while the obligatory quarantine continues), however, all of their terms continue running. Most of their areas are operating, with a high percentage of normality, through electronic means.
- The Chambers of Commerce are closed until June 31, 2020 (or at least while the obligatory quarantine continues). Nonetheless, the Chambers have enabled online channels to submit documents before such authority, therefore, it is operating normally.

- In the specific case of the Chamber of Commerce of Bogota, as of June 2, 2020, it started attending public physically again, in 50% of their premises, from 10am to 4pm. Their other premises continue only attending online, as they are in areas considered by Bogotá's Mayor in "Orange Alert" due to the number COVID-19 cases.
- The Public Notaries are opening daily between 10:00am to 3:00pm, as established by the Superintendence of Notary and Registry.

Are the terms of the administrative proceedings initiated before the different public entities suspended?

Most of the public entities suspended the terms of the administrative proceedings. Some entities are carrying out some virtual procedures, such as Migration Colombia and the Superintendence of Industry and Commerce. The Superintendence of Companies is closed until June 31, 2020 (or at least while the obligatory quarantine continues), however, all of their terms continue running. Most of their areas are operating, with a high percentage of normality, through electronic means.

Have been corporate obligations suspended?

Decree No. 560 of 2020 has suspended for a period of 24 months as of April 15, 2020, the dissolution event due to losses established in article 457 of the Colombian Code of Commerce and in article 35 of Law 1258 of 2008.

The dissolution event due to losses occurs when the equity of a company is reduced below 50% of its subscribed capital.

On the other hand, the Superintendence of Companies has extended, in several occasions, the term for the companies under surveillance or control by such authority or those companies that received a particular request of the authority, to submit the financial information (financial statements and other reports with 2019 cut-off date) to such Superintendence.

COMPETITION, CONSUMERS, DATA PROTECTION AND TELECOMMUNICATIONS

If I have not paid my telecommunications receipt (fixed or mobile telephony, cable and internet), will my service be suspended?

By Decree 464 of 2020, Issued by the Ministry of Information Technologies and the Communications, was established an exceptional rule for some users of mobile telecommunications services (voice and data) when they do not pay the service. For mobile phone service plans (voice and data) whose monthly bill does not exceed 71,214 Colombian pesos, in case of non-payment, the service provider must grant 30 additional days to make the payment. During this period, data plans with a capacity equal to or higher than 1GB will maintain a capacity of at least 0.5GB per month.

If the user does not make the payment during the 30 additional days granted, the service will be suspended, but the service provider will allow the recharge of the cell phone in prepaid mode, the sending of 200 SMS, and the unlimited reception of SMS, in addition to free browsing in 20 internet addresses that will be defined by the Ministry of Information Technologies and the Communications.

What will happen to SIC's administrative investigations and procedures?

According to Resolution 16978 of 2020, SIC ordered the "suspension of terms of the administrative investigations and procedures carried out before the Superintendence as of March 17 and up to the date

when the mandatory quarantine ordered by the President in Decree 531 of 2020 or any modification thereof, during which dates no term will run.”

However, consumer protection and weights and measurements investigations and procedures, which guarantee constitutional rights, and antitrust investigations related to goods or services affected by the emergency are not suspended (for example, investigations involving speculation, hoarding or dangerous products, are not suspended).

Please note that (i) judicial proceedings carried out by SIC will not run until June 30, 2020, and (ii) the terms applicable to merger control reviews are running since May 12, 2020.

What happens if, because of the emergency measures, it is not possible to comply with the delivery of a good or service contracted by consumers?

If delivery of goods or services is rendered impossible due to the measures adopted by the national or local governments, the supplier may argue the existence of force majeure as a defense, in accordance with the provisions of the Consumer Protection Statute.

Is it possible to share with third parties, employees' information when they have been diagnosed with COVID-19?

Even though health personal data is considered by Law 1581 of 2012 as personal sensitive data, and therefore initially this data may not be handled (which includes the sharing of information) without previous and express consent from data subject; since at this point we are referring to information that requires to be handled due to a medical or sanitary emergency, in this case information may be handled only for that purpose without specific consent from data subject, also as per section b of article 13 of the said law, information may be shared with the public entities that require the said information if related to their functions.

If the information is going to be shared with other third parties, or is going to be used for internal reports, carrying out internal and preventive activities, internal control, among others, it is recommended to obtain the authorization/consent from the data subject, in which the data is clearly identified and all the purposes for the data handling are established.

Notwithstanding, it is important to note that the Ministry of Health, by means of Resolution 666 of 2020, ordered employers to implement a general biosecurity protocol for all activities, according to which, employees must report to their respective employer all infection cases in their workplace or family (numeral 3.2.2). Likewise, employers must report to Health Service Providers (EPS) and Labor Risk Administrators (ARL) all suspected or confirmed cases of COVID-19.

Furthermore, the alluded Resolution requires employees to perform a daily health-status report on the basis of a self-diagnosis (numeral 4.1), which, without a doubt, comprises that the employee will disclose to its employer sensitive personal data, as this information pertains to health. This personal data may be processed by the employer without employees' explicit consent as it is a case of sanitary emergency (section c., article 10 of Law 1581 of 2012), exclusively, for this purpose. Nonetheless, data handling must always be performed in accordance with the principles of data protection, that is, lawfulness, purpose limitation, freedom, integrity, transparency, limited access and circulation, security and confidentiality. All data handling that is not comprised within the sanitary emergency related purpose, requires previous and explicit consent from the data subject.

If the information is used or shared without authorization, as mentioned above, monetary sanctions of up to 2000 monthly legal minimum wages (for 2020 COP\$1.755.606.00, approx. USD\$438.902) may apply.

Who can report on those who have been diagnosed with COVID-19?

The institution authorized to report confirmed cases is the Ministry of Health. In general, the said institution has not reported in a public manner information that allows to identify people that have been diagnosed with the virus, as only particular details have been revealed, so that intimacy of infected persons is respected. In any event, health service providers must implement security measures to guarantee the confidentiality of the information.

In accordance with External Resolution 001 of March 23rd, 2020, issued by the Superintendence of Industry and Commerce, telephone operators and private entities may provide the National Planning Department and other public entities with necessary personal service, prevent, treat and control COVID-19's spread.

Additionally, Resolution 666 of 2020, issued by the Ministry of Health and Social Protection, states that employers must report to Health Service Providers (EPS) and Labor Risk Administrators (ARL) all suspected or confirmed cases of COVID-19.

Considering the current situation, is it possible to contact your companies contact database via email, WhatsApp, SMS, telephone, amongst others, to share commercial or information that may be of interest to the recipient?

It is important to verify the manner and scope under which previous consent was given by the data subject. Accordingly, provided that the data subject authorized the possibility to be contacted through the means by which the company intends to make contact, as well as the type of information that will be shared, it will be admissible, otherwise we would advise that the company obtains an specific consent for the new approach/contact. For example, if the data subject authorized the company to make contact for invoice mailing, or payment performance, it will not be possible to contact the data subject to send commercial or product-related information, therefore, an explicit consent should be request for any such purposes. Likewise, it is important to note that directly sending information to a specific subject on social medial cannot be done without an specific and previous authorization form the data subject for said purpose.

Will public telecommunications services (telephone, cable, and internet) be suspended due to the state of emergency?

The provision of public services of telecommunications will not be suspended during the emergency. Decree 464 of 2020 established that telecommunications services, including sound broadcasting, television, and postal services, are Essential Public Services, therefore their provision will not be suspended. Telecommunications service providers will not suspend the network installation, maintenance and adaptation work, and their technicians will be exempt from the confinement measures decreed by the Government.

CORPORATE LAW

What happens with a call to a general meeting of shareholders whose dates coincide with the period of social isolation?

If the call notice has already been delivered, the company must send an additional communication using the same means as the ones of the initial call and with one day in advance to the date of the meeting, informing the digital platforms through which the virtual meeting will be hold. In addition, the National Government extended the March 31st deadline to hold the ordinary annual meetings until September 30 (in principle).

Is it possible to publish new calls for applications in the Colombian Official Newspaper?

The calls must be sent through the communication channels established in the bylaws and the communication clarifying the call must be sent using the same means.

In the case of companies with widespread shareholdings (or with minority shareholders), is possible to force shareholders to hold a non-attendance meeting having already prior notice of a general meeting of shareholders in the form of a face-to-face?

If the company sends a communication clarifying the call informing that the meeting will be held virtually and in such meeting participate enough shareholders to constitute the quorum to deliberate and decide, then it is possible to validly hold the meeting.

What happens to notary services? Do these continue to be provided?

The Public Notaries are opening daily between 10:00am to 3:00pm, as established by the Superintendence of Notary and Records.

What happened to the registration procedures in progress in Public Registries?

The Chambers of Commerce are closed until June 31, 2020 (or at least while the obligatory quarantine continues). Nonetheless, the Chambers have enabled online channels to file for the procedures they usually carry out. None of the procedures have been stopped or put on hold.

In the specific case of the Chamber of Commerce of Bogota, as of June 2, 2020, it started attending public physically again, in 50% of their premises, from 10am to 4pm. Their other premises continue with online services only, as they are in areas considered by Bogotá's Mayor in "Orange Alert" due to the number COVID-19 cases.

Can the performance of contractual obligations be suspended?

Yes, provided that the COVID-19 pandemic entails an specific unforeseeable, irresistible and temporary impossibility to perform contractual obligations (e.g impossibility to deliver goods on the basis of a mandatory curfew), the non-performing party, depending on the circumstances, may use one of the following remedies:

- (i) Firstly, the parties should consider the regulation set in their specific agreement concerning force majeure or frustration events, as they may have agreed particular rules to suspend or terminate the agreement. If no specific provisions were included, the affected party may request its counterpart to mutually agree upon a suspension of the agreement (or particular obligations thereof), as it is impossible to perform the obligations under the current set of unforeseeable and irresistible circumstances (as established in article 64 of the Colombian Civil Code). Note that it is important that the obligation is impossible to fulfil, if the obligation is feasible with additional charges for the parties, it will not be possible to constitute a force majeure event.
- (ii) "Unforeseen events" theory (as provided in article 868 of the Colombian Commercial Code), according to which, if after an agreement has been executed, extraordinary and unforeseeable circumstances that gravely alter the performance of an obligation have occurred, so that its performance becomes excessively burdensome or costly (e.g. abrupt shortage of raw materials), yet still possible, the parties shall have the duty to renegotiate the terms of the agreement in good faith (this may imply a suspension of the agreement; the renegotiation of prices, among others); if not, the affected party can request a Court for the agreement to be adjusted to reestablish the balance between the parties and, if such an adjustment is not possible, to order the termination of the agreement.

Notwithstanding, it is important to review the aspect on a case by case basis in order to determine whether the above-mentioned remedies are applicable or not, as the current pandemic by itself does not constitute an indisputable force majeure or an event worthy of the unforeseen events theory; thus, specific circumstances must be reviewed in order to meet the requirements of the chosen remedy.

What happens to a call to a general shareholders' meeting whose dates are within the period of social isolation?

If the call notice has already been delivered, the company must send an additional communication using the same means as the ones of the initial call and with one day in advance to the date of the meeting, informing the digital platforms through which the virtual meeting will be held. In addition, the National Government extended the March 31st deadline to hold the ordinary annual meetings until September 30 (in principle).

Can a general shareholders' meeting be held in a non-face-to-face meeting?

It is possible to hold virtual meetings through digital platforms that allow successive or simultaneous communication. The legal representative of the company must confirm the identity of the individuals participating in the meeting and must validate that in all moments the quorum to deliberate and decide is maintained. In addition, there must be proof of everything that occurred during the meeting. Such minutes of the virtual meeting must be signed by the legal representative and secretary and must be formalized in the corresponding corporate book within the next 30 business days, counted as of the date of the meeting.

Can a force majeure be applied to a case of breach of contract?

From a general point of view, a proven event of force majeure will exclude liability of the non-performing party, provided that: (i) the specific unforeseeable and irresistible circumstance is not attributable (or worsened by) to the non-performing party; and, (ii) the non-performing party did not contractually agree to endure the consequences of a future force majeure (if it did, the non-performing party will have to endure the force majeure and, therefore, will not be able to exclude its liability on these grounds). To that effect, local regulations that could potentially pose an impossibility to perform contractual obligations should be considered, such as mandatory isolation or curfews for all the inhabitants of Colombia (which has been in effect since March 25th, 2020 and has been recently extended until July 1st, 2020), as well as other restrictions on non-essential commercial activities arising from the sanitary emergency declared by the Ministry of Health by means of Resolution 385 of 2020, particularly, concerning biosecurity and suspension of events that gather multiple people, which have been extended to August 31st, 2020 (Resolution 844 of 2020). Note that if the circumstances are not irresistible and therefore performance of the agreement is feasible but with additional charges, it is not likely that a force majeure event may be considered as a cause to exclude liability.

Consequently, it is important to not only consider national regulations, but city-specific regulations as well, as the latter also imposes relevant restrictions to commercial activities (for example, in the case of Bogotá, specific restrictions have been imposed depending on the area of the city, as per Decrees 131, 132, 133, and 134 issued by the local Mayor's Office).

What happens if, as a consequence of a shortage of logistics services or absence of employees, I cannot fulfil a delivery date of a product as it was contractually agreed?

As previously stated, if no specific provisions were set in the agreement to deal with these circumstances; and, depending on whether performance of the obligations is temporarily impossible or possible yet excessively burdensome, the non-performing party may argue the existence of a force majeure or an unforeseen event under the unforeseen events theory, to mutually agree with its counterpart to suspend or amend the agreement to set a new delivery date and/or exclude the liability of the non-performing party.

What happens to contractual formalities that require the delivery of a legalized or notarized communication?

It must be complied with the specific formality required for the corresponding communication. The Public Notaries are opening daily between 10:00am to 3:00pm, as established by the Superintendence of Notary and Registry.

What happens if I am a tenant of a property destined to an activity that has been affected by social distancing regulations? (for example, restaurants or retail establishments). Can I obtain a fee reduction on my rent?

Yes, although not automatically. The tenant could, on the basis of a force majeure or the unforeseen events theory (caused by restrictions imposed to the normal development of commercial activities, such as those arising out of mandatory curfews/isolations or the sanitary emergency declared by the Ministry of Health), request its landlord to agree to an amendment of the lease agreement in order to temporarily reduce the rent or suspend the agreement. Currently, it is worth noting that delivery services are allowed, and therefore some restaurants are still working.

Additionally, if the tenant is an individual, small or medium size company (PYME), the tenant may request landlord to make an agreement regarding the payments of rent between April 15th, 2020 and June 30th, 2020. In any event, as per Decree 579 of 2020, no moratorium interest, penalties, compensations, or fines can be charged during the previously mentioned period of time. If no agreement is made with the landlord, the tenant may not perform payment of the rent during the above-mentioned period of time, having to perform payment of any such rent after June 30th, 2020, plus interest at a rate of 50% the average bank interest rate.

Moreover, the National Government by means of Decree 797 of 2020, has established the possibility for tenants of commercial property and spaces to terminate their lease agreements, provided that, on the basis of the mandatory measures issued by the Government, the tenant's commercial activities in the leased space cannot take place as of June 1st, 2020. In this case, the tenant that complies with the above-mentioned criteria, will be able to terminate the lease agreement until August 31st, 2020, having to pay the lessor one third of the penalty clause established in the agreement and, if there is no penalty clause, the tenant shall pay the lessor an amount equal to one (1) month's rent. Additionally, it is important to note that this Decree and, therefore, the possibility to terminate commercial lease agreements, is only applicable to tenants for whom it is impossible to perform one of the following activities, provided that any such tenant is up-to-date on payment regarding rent, public services and any other monetary obligation:

- (i) Bars, nightclubs, pool establishments, casinos and videogame terminals.
- (ii) Gyms, pools, spas, sauna, Turkish baths, sports courts or playfields, mechanical amusement parks and children playgrounds.
- (iii) Movie theatres and theatres.
- (iv) Religious services that comprise agglomeration.
- (v) Lodging and food services.
- (vi) Public or private events that comprise agglomeration of people.

Lastly, it is worth noting that the above-mentioned Decree is not applicable to leasing agreements.

What happens with construction agreements?

The parties should concur to activate the clauses concerning force majeure events or unforeseen events theory to either suspend or amend the agreement to deal with current limitations in its performance (e.g. modify the date of delivery of the final construction). Usually construction agreements include clauses that allow the suspension of the agreement. However, if no provisions were included in the agreement in this

regard, the affected party (most likely the constructor of the project) could request its buyers and/or investors to enter into an amendment in order to modify the date of delivery, on the basis of a force majeure that makes it impossible to continue construction work.

Notwithstanding, it is important to note that the National Government, by means of Decree 749 of 2020, excluded construction work and its related activities from the mandatory curfew/isolation, therefore, performance of construction agreements may continue its due course, provided that the parties have previously obtained a permit from the local Mayor's Office to resume activities (which, for example, in the case of Bogotá requires a registration of the activities on the Mayor's Office website in accordance with Decree 121 of 2020, particularly, regarding secure mobilization plans, biosafety protocols and trainings, as well as providing information of the personnel that will be performing construction work). Accordingly, it will be important that the parties of a construction agreement verify the requirements set by the National Government and local Governments to resume construction work.

ENVIRONMENTAL

At the moment, my company has an open procedure for the granting of an environmental license or permit before an environmental authority. Is this procedure suspended or does it continue?

The answer depends on the current stage of the proceeding and the specific measures adopted by the environmental authority in charge of it.

On April 12, 2020, the Ministry of Environment and Sustainable Development (MADS) issued Memorandum No. 9, whereby MADS provided recommendations regarding the measures to be adopted by the environmental authorities in order to adjust their administrative proceedings to the national guidelines on Covid-19.

With respect to the requests for environmental licenses, permits and authorizations, MADS recommended to continue the proceeding by virtual means, provided that the technical visit has already been carried out, or that such visit is not required. Otherwise, the environmental authorities are advised to suspend the proceeding.

Accordingly, the environmental authorities have adopted specific measures for implementing MADS's recommendations in their jurisdictions. For example, the National Authority for Environmental Licensing (ANLA) ordered the continuation of administrative proceedings by virtual means, except for technical visits and public hearings. Nonetheless, if the interested party demonstrates that a virtual public hearing guarantees effective participation, such hearing could be performed.

In turn, other environmental authorities such as the Regional Environmental Authority of Cundinamarca and Bogotá' Environmental Office have already resumed the terms for licensing procedures.

This week I was supposed to submit my arguments within an administrative sanctioning procedure before an environmental authority. Do I still have to comply with deadlines?

As mentioned before, the answer depends on the current stage of the proceeding and the specific measures adopted by the environmental authority in charge of it. Memorandum No. 9 of April 12, 2020 issued by MADS recommended the continuation of sanctioning proceedings by virtual means, provided that the evidence stage had already been conducted. Otherwise, MADS suggested the suspension of the procedure.

As of this date, some environmental authorities have ordered the suspension of sanctioning proceedings, while others have moved forward with the proceedings by virtual means. Accordingly, it is necessary to verify case by case whether you are obliged to file your arguments within the regular term, or not; if so, the document should be filed by virtual means.

ELECTRICITY

Are the companies that provide the electricity service still operating normally?

Yes, they operate normally. Under Decree 749 of 2020, the activities necessary to guarantee the operation, maintenance, storage and provision of public utilities, such as electricity, are exempt from the mandatory isolation.

Are the deadlines for filing complaints or challenges for claims derived from the public electricity service suspended?

No, the deadlines for filing complaints before the electricity provider company have not been suspended.

Do electrical projects under construction have to be suspended during the emergency rule?

No. Further to the Ministry of Mines and Energy's guidelines contained in Memorandum 4009 of April 12, 2020, the following activities are exempt from mandatory isolation: i) activities required for ensuring the provision of electricity, in particular those related to power generation, transmission and distribution; and ii) transportation of the staff required for ensuring the continuous operation of infrastructure and the projects related to the electric sector that cannot be interrupted due to their importance or nature.

FINANCIAL LAW, CAPITAL MARKETS AND BANKING REGULATION

What will happen to the deadline to protest securities?

The deadline to protest securities had not been suspended. In general terms, the protest involves a notarial procedure. The Superintendence of Public and Registries (*Superintendencia de Notariado y Registro*) established that up to May 25th, 2020, for those Notarial Circles with just one Notary, the notarial public service will be provided on Mondays, Wednesdays, and Fridays from 8:00 A.M. to 1:00 P.M. if the Notary is located in a warm/moderate-climate zone. For those Notaries located on a cold climate, the service will be provided from 10:00 A.M. to 3:00 P.M.

Additionally, the supply of service on Saturdays was allowed under Shifts Resolution number 617 of January 27th, 2020.

On the other hand, please see the answer given below for the protest of checks that must occur on a credit establishment.

However, it will depend on each situation (the type of security) to determine whether the term to protest is suspended or not.

Can the entities of the financial system modify the opening hours to the public?

Yes. The Colombian Superintendence of Finance through Externa Circular 017 of 2020 issued on May 17, 2020, established that to increase availability on providing financial services and reduce the time spent by the consumers and users on offices and branches of the financial entities, these must:

1. Entities must increase the number of open offices to provide services to financial consumers keeping an opening percentage office of up to 85%. Notwithstanding that on certain dates with a high number of transactions as the date of payment of wages, among others, entities must increase the number of offices opened and increase the customer service hours to provide financial services according to the expected demand.

2. Entities must provide services in all municipalities where they have customer service offices.
3. Entities must establish customer service hours of at least 6 hours a day, and in those events that the entity provides its services on weekends and holidays, it may establish customer service hours of at least 4 hours a day.

However, each entity must adjust its customer service hours according to its daily analysis carried out to avoid crowds.

Will it be possible to reschedule the payment of debts with financial entities?

Yes. The CFS through External Circular 007 of 2020 provided that financial entities under surveillance may modify the initial loan conditions in a segmented way and granting priority to the most vulnerable sectors (for example, granting grace periods), only if those credits are not into arrears of 30 days as of February 29th, 2020.

However, according to External Circular 014 of 2020, the CFS established that when entities set forth policies to modify loan conditions, including grace periods or extensions, they must be structured under the following characteristics:

- i) The loan interest rate may not be increased.
- ii) They should not contemplate the collection of interest on interest or any system that contemplates the capitalization of interests.
- iii) They should not contemplate interest in other concepts as a handling fee, commissions, or insurances that were deferral object.
- iv) Among others established on the External Circular.

The loans that may be object of these measures will not be considered as amendments or restructurings of the debt.

Likewise, the External Circular established that the instructions given in External Circular 007 of 2020 may also be applied to loans that as of February 29, 2020, were more or equal to 30 days past due and less than or equal to 60 days.

Have the deadlines for delivery of information to the CFS been suspended?

The CFS suspended administrative acts terms since March 17th up to April 8th, 2020, according to Resolution 305 issued on March 17th, 2020, except for the terms applicable to governmental contracting.

However, through Resolution 0368 of 2020 terms of administrative acts were resumed since April 2, 2020 and were established special rules to process jurisdictional processes that are being handled by the CFS.

Likewise, the CFS postponed the deadlines for the presentation of resolutions plans through External Circular 10 of 2020. Additionally, during the period of 120 calendar days following March 17th, 2020, it got suspended the requirement to carry out technical appraisals of suitable securities under the terms of the Basic Accounting and Financial Circular (*Circular Básica Contable y Financiera*)

To whom does this rule apply?

This rule applies to the entities with systemic importance in accordance with Circular Letter 088 of 2019 by the CFS:

ENTITY

Bancolombia
Banco de Bogotá
Banco Davivienda
BBVA Colombia

What are the new deadlines?

The deadline for the submission of the document that contains the guidelines and instructions to ensure the preparation and presentation of the resolution plan was extended to April 30, 2021. The partial delivery of the performance of the schedule with the corresponding supports should be submitted on November 3, 2021 and the submission of the resolution plan should occur before April 29, 2022.

Are important matters still being sent?

Yes, except for the abovementioned documents, financial entities under the surveillance of the CFS maintain the virtual locker and institutional emails among other no physical communication mechanisms for remission and reception of communications and documentation between the CFS and the surveilled and controlled entities.

What about administrative procedures?

The CFS suspended administrative acts terms since March 17th up to April 8th, 2020, according to Resolution 305 issued on March 17th, 2020, except for the terms applicable to governmental contracting.

However, through Resolution 0368 of 2020 terms of administrative acts were resumed since April 2, 2020 and were established special rules to process jurisdictional processes that are being handled by the CFS. The foregoing does not apply for the administrative sanctioning actions of the delegations and the disciplinary processes carried out by the Office of Disciplinary Control, which is why the terms in said actions and processes will continue to be suspended up to April 30, 2020.

Has trading in securities been suspended?

The Colombian stock exchange will operate normally and the stockbroker companies, trust companies, and investment management companies will have their virtual channels available so that their clients may make their queries and transactions without having to go to the offices. So will the infrastructure providers of the stock market.

FOREIGN TRADE

Is transportation of international cargo permitted in Colombia during the mandatory self-isolation period ordered by the National Government?

Article 7 of Decree 748 of 2020 states that the transportation, storage and logistics activities are allowed for import and export cargo.

Furthermore, Article 78 of this Decree allows the domestic air transportation of cargo and packages.

Following the issuance of the Decree 462 of 2020; has the export operations of goods been restricted?

Due to the significant increase in the demand for goods required to prevent and stop the spread of Coronavirus COVID-19, and the shortage of goods required to serve the health in the country, by means of

Decree 462 of 2020 the National Government introduced a ban on the export of goods classified under the certain subheadings of the Customs Tariff. Also, Resolution 457 of 2020 included in Annex 1 the list of products banned from exportation.

Those interested in exporting the products included in such Annex 1 shall fill out the form included in Annex 2 to Resolution 457 of 2020 and provide backup documents required to support the request. The request must be sent via e-mail to exportaciones@mincit.gov.co.

Considering the technical input of the Roundtable for Coordination and Discussion, the Foreign Trade Directorate of the Colombian Ministry of Commerce, Industry and Tourism may grant (in whole or in part) or deny authorization to export the products included in said Annex 1.

The petition will be granted if: (i) the domestic market is filled; (ii) there is a market surplus; and (iii) the required amount of product to be exported does not jeopardize domestic market supply.

Is the import activity in the country during the emergency period limited to any goods (basic needs) or is it open to any type of good?

Import operations are not restricted or limited to a certain type of goods.

To mitigate the economic impact in the health and aviation sectors, Decrees 410 and 463 of 2020 state a 0% duty on the import price of goods required to deal with the health emergency caused by the Coronavirus COVID-19, classified under the following subheadings:

2804400000	4015199000
3005903900	5603129000
3401110000	6210100000

3401200000	6307903000
3401300000	9018390000
3402909900	9018909000
3926907000	9019200000
4015110000	9021900000
4015191000	9402909000

3208200000	4819200000	8418999090
3208900000	5806329000	8419509000
3209900090	7007110000	8419810000
3210009000	7007190000	8421230000
3214101000	7009910000	8421310000
3214102000	7312109000	8421399000
3214900000	7312900000	8421999000
3403190000	7318159000	8428330000
3506100000	7318160000	8479899000
3506910000	7318210000	8481100000
3506990000	7318220000	8481809900
3824999900	7318240000	8483609000
3907309000	7318290000	8487902000
3917399000	7324900000	8507909000
3918901000	7326190000	8511909000
3919909000	7326909000	8518400000
3920209000	7413000000	8531800000
3920490010	7616100000	8535300000
3920490090	7616991000	8535909000
3920990000	7616999000	8536109000
3921909000	8204110000	8536202000
3922200000	8205409000	8536309000
3925300000	8205599900	8536610000
3926903000	8302109000	8537109000
3926904000	8302200000	8538900000
3926909090	8302490000	8544300000

4009110000	8310000090	8544491090
4205009000	8414590000	8544609000
4818200000	8414909000	8708920000
4819100000	8415900000	8714930000
		8716809000
		9032810000

2106907900	3003200000	3402119000	3802100000	4803009000
2501001000	3003901000	3402121000	3906100000	4818100000
2501002000	3004101000	3402129000	3906902900	4818200000
2801100000	3004201900	3402131000	3906909000	4819200000
2806100000	3004321900	3402139000	3923309900	8413919000
2815120000	3004491000	3402199000	3923509000	8528590000
2827394000	3004902400	3402200000	3926200000	8539210000
2827491000	3401191000	3402901000	3926909090	9018312000
2828901100	3401199000	3402909100	4015901000	9018901000
2839190000	3402111000	3502901000	4015909000	9019200010
				9019200090
				9619001010
				9619009010

Manufacturers and importers must conduct wholesale and retail of the mentioned products with the following order of priority:

- Institutions that provide health services which have accredited Intensive Care Unit, Step Down Unit or Hospitalization Unit (for neonatal, pediatric or adult care), by presenting a copy of the ICONTEC certificate at the time of the sale, as institutional health service providers authorized by the Ministry of Health and Social Protection.
- Urban mass transportation companies.

- c. Airports and transportation terminals.
- d. Airlines and departmental ground transportation companies.
- e. Government entities at the national, departmental, and municipal levels.
- f. Home delivery companies. These companies will limit the retail sale of these products to two (2) units per family group, per week.
- g. Drugstores, Large Stores and Retail Marketers, as long as the sale is limited to two (2) units per family group, per week.
- h. Legal entities and companies authorized by the National Government, provided that the sale is limited to the units needed to take care for one week for the number of employees required for their operation.

Has any discretionary provision been established in the application of penalties by the Customs Authority for foreign trade operations during the emergency period declared by the Colombian Government?

Currently, there are no special provisions in force allowing penalties by the Customs Authority on a discretionary basis, during the emergency period declared by the Colombian Government.

IMMIGRATION

What will be the status of the administrative proceedings that have been initiated by the immigration authorities?

Before the Ministry of Foreign Affairs, you can continue with the online visa applications.

However, none of the entities is attending public.

Additionally, the Ministry of Foreign Affairs issued the Resolution 1296 of April 21, 2020, by means of which it suspended terms in the visas, passports, and nationality proceedings, as follows:

- a. During the enforceability of this Resolution, foreigners holding a visitor visa in Colombia will not be allowed to make visa applications that signify class changes, being able to only request the same class of visa of which they are the holder, always in accordance with the requirements of Resolution 6015 of 2017 and the principle of discretion in the granting of visas.
- b. The suspension will be provisional until the State of Sanitary Emergency declared by the Ministry of Health and Social Protection remains in force.

What should I do if I am in Colombia and my Entry and Permanence Permit expires during the state of emergency?

Once the borders are opened, you should not leave the country if the Entry and Permanence Permit has expired. You must approach Migración Colombia to solve your immigration situation.

What should I do if I am in Colombia and my visa expires during the state of emergency?

Before the validity of the visa expires, you shall initiate a new visa application before the Ministry of Foreign Affairs.

What should I do if I am outside Colombia and my visa expires during the state of emergency?

The visa will not expire since the Ministry of Foreign Affairs suspended the term of the visa in which the foreigner is abroad.

Once the state of emergency is lifted and the visa application proceedings for foreigners abroad are reactivated, the visa application could be initiated through the Consulate or, once entering the country, it could be processed directly through the Ministry of Foreign Affairs.

What are the administrative penalties for excess permanence in Colombia?

The immigration authorities have not communicated about the suspension of the administrative sanctions for excess of permanence. Once the borders are opened, you must approach Migración Colombia to solve your immigration situation.

INFRASTRUCTURE

What happens with the performance of public contracts during the emergency?

Public contract's performance may be affected by the Emergency. Such contracts usually include a force majeure clause that enables the parties to agree upon its suspension or adjustment. In addition, the national government has decided that the performance of infrastructure activities required to face the emergency, shall not be stopped and agreements related to goods and services required to address the emergency, can be modified without being subject to the 50% of the initial value limitation set forth in the Law.

Had restrictions for cargo and goods transport during the emergency been established?

Cargo and goods transport is suspended, except for those vehicles and persons directly related with allowed activities, including the performance of construction works, state contractors' activities, when they are required to address the emergency, and those related with the performance of public transport infrastructure.

Which special and temporary measures had been established for public infrastructure development's agreements?

In addition to the measures already described, the following measures were also adopted:

For the acquisition of legally vacant lands related with the infrastructure project, the contractor may acquire the land by paying the occupant of the land, the commercial value of the improvements performed by such occupant. If the commercial value is not accepted as payment by the occupant, the entity in charge of the project will order the eviction of the properties' occupants and transfer the payment to those who performed the land improvements. It will be deemed as an antitrust behavior when an infrastructure contractor avoid its duty to pay its suppliers, provided such suppliers are micro, small and/or medium sized enterprises, and the invoice was previously accepted by the contractor.

Additionally, ongoing infrastructure agreements should be deemed as modified by operation of law regarding special health and environmental duties to take care of the personnel dedicated to the performance of authorized activities.

LABOR LAW

What are the alternatives that an employer has if their personnel cannot carry out their work in home office mode?

If it is not possible for the employees to provide services remotely, you may unilaterally grant vacations to those employees who currently have vacation days accrued as well as to those who does not.

Additionally, paid or unpaid leaves may be granted, upon previous agreement with the employee.

What alternatives can an employer take in case earnings are affected?

Unpaid licenses decrease or temporary elimination of extralegal benefits or decrease in salaries, previous agreement with the employees.

Is the employer empowered to sanction employees who are obliged to go to work or perform home office?

Yes, it is empowered. The mandatory preventive isolation period is not an exemption for the employee not to be sanctioned in case he fails to comply with his labor obligations.

Is the employer obliged to provide to the employees, who carry out face-to-face work, personal protection elements to prevent the spread of COVID-19?

Yes, it is the employer's obligation to provide employees with personal protection elements to prevent the spread of COVID-19.

Which employers can carry out its activities during the period of mandatory preventive isolation?

Companies can continue to provide services remotely.

However, companies that must mobilize their personnel will not be able to continue providing services unless their activities are excepted by the national government.

The Decree 593 of 2020 provides certain exceptions to this mandatory preventive isolation, including the following:

- Health related services, including veterinary emergencies.
- The chain of production, supply, storage, transportation, marketing, and distribution of:
 - (i) Medicines, pharmaceuticals, supplies, cleaning, disinfection and personal hygiene products for homes and hospitals.
 - (ii) Supplies to produce necessities' goods.
 - (iii) Foods and beverages.
 - (iv) Pet's food and medicine.
- The operation of critical infrastructure (computers, communication networks, data and information) which destruction or interference can weaken or impact the security of the economy, public health or a combination of them.
- Activities necessary to guarantee the operation, maintenance, storage and supply of public services for aqueducts, sewerage, electric power, public lighting, cleaning, internet and telephone service.
- Banking and financial, credit bureaus, cash management and notarial related activities.
- Activities carried out by operators paying wages, fees, pensions, and Social Security contributions.

Which employers cannot carry out work activities during the quarantine period?

Employers can continue to provide services remotely. However, companies that must mobilize their personnel will not be able to continue providing services unless their activities are excepted by the national government.

If the employer carries out non-essential activities, what are the alternatives to continue working during the mandatory preventive isolation?

Activities can only be performed remotely.

If the employer carries out essential activities, what are the obligations that must be fulfilled if face-to-face work is needed?

The employer must guarantee the health and safety of its employees.

In this sense, it should:

- Organize different working days to avoid crowding of staff.
- Minimum distance of 2 meters between each worker.
- Reinforce hygiene and cleanliness measures at work sites.
- Establish information channels for the prevention of COVID-19, making clear to whom suspicious cases should be reported.
- Provide prevention training to health, cleaning personnel.
- Establish physical prevention measures: installation of antibacterial gel dispensers, disinfection of workstations and provide face masks.
- Guarantee the filing and custody of all the actions carried out due to this contingency.

What are the procedural labor effects generated by quarantine?

The Superior Council of the Judiciary declared suspension of all procedural deadlines until April 27th with the exception of Amparo Proceedings and habeas corpus. These proceedings continue to be conducted by virtual mechanisms.

Additionally, the Ministry of Labor suspended the terms of the administrative actions.

What are the measures taken by the government regarding social security and payroll fees contributions?

By means of Decree 558 of 2020, the Colombian Labor Ministry adopted measures to temporarily decrease contributions to the general pension system.

The main measures are summarized below:

- (i) The benefit applies to individuals affiliated to the general pension system and to public and private employers.
- (ii) For April and May, which contributions must be made in May and June of 2020, respectively, employers who choose this relief will pay 3% of the salary base of contribution to the general pension system.
- (iii) The 3% pension contribution will be paid as follows:
 - Employer: 75%
 - Employee: 25%
- (iv) The Health Ministry will make the modifications to the platform through which the contributions are made (PILA) to comply with the provisions of Decree 558.
- (v) The pension funds must consider the weeks corresponding to the 2 months of decreased contributions (April and May) in order to complete the 1150 weeks of the minimum pension guarantee or the

1300 weeks to obtain the retirement pension with a minimum wage, as well as to comply with the number of weeks required to access to the disability and survival pensions and pension insurance.

(vi) The monthly salary base (IBC) is not modified.

(vii) The contribution to the general social security system in health and labor risks are not modified.

What economic reliefs has the government implemented to protect formal employment?

The President of Colombia created the Formal Employment Support Program – PAEF, through which a financial contribution is made to protect formal employment due Covid-19's impact. This contribution is granted 3 times (May, June and July) and it is equivalent to 40% of a minimum wage (COP \$350,000 - USD \$90) for each employee. It does not apply for employees whose contracts have been suspended.

Who can apply to the PAEF?

Companies and individuals (with at least 3 employees) consortiums and temporary unions that:

- Incorporated before January 1, 2020.
- Commercial register in force. Non-profit entities are not obliged to fulfill this requirement. They must provide a copy of the Tax Registry
- Income decrease certificate (at least 20%).

LITIGATION AND ARBITRATION

Have the procedural deadlines in judicial proceedings at the national level been suspended?

Yes. The Superior Council of the Judiciary suspended all procedural deadlines since March 16, 2020, which was prolonged on several occasions. To date, terms will continue suspended until June 30, 2020. It is expected that courts will reopen on July 1, 2020.

Constitutional fundamental rights actions ("tutela") and habeas corpus are excepted from suspension. The filing, serving, and processing of tutela actions will be conducted by e-mail.

The Constitutional Court, the Council of State, and Administrative Tribunals, controlling emergency legislation are not suspended.

Contentious-administrative proceedings: proceedings that include governmental entities, which are pending for a judgment in the first, second, or single instance, shall not be suspended, and decisions will be served by email. However, terms for filing appeals remain suspended. Furthermore, the proceedings to approve extrajudicial settlements are not suspended either.

Civil proceedings: civil matters pending the resolution of appeals, writs, summary judgments, and written judgments are not suspended. However, hearings will not be carried out.

The Superior Council of the Judiciary also defined some exceptions regarding labor, criminal, family, and disciplinary proceedings. The Council authorized the exceptional access to the courthouses and docket handling as long as the judicial officers, staff, contractors, and users follow the protocols stated in Circular DEAJC20 and Circular 015 of 2020.

Judicial proceedings conducted before the Superintendence of Trade and Commerce were suspended since March 16, 2020 and will remain suspended until June 30, 2020. However, proceedings regarding consumer rights are excepted from the suspension since April 30, 2020.

Judicial proceedings before the Superintendence of Companies are not suspended, except from proceedings where service of the complaint is pending.

Have time limits been suspended in arbitration proceedings?

No. Decree-Law 491 of 2020 adopted measures to avoid suspension of arbitral proceedings. For instance, the Arbitration and Mediation Center of the Chamber of Commerce (CAC) of Bogotá informed that all mediation, and arbitration proceedings can be conducted by virtual means and the access to virtual dossiers is guaranteed.

The suspension of all procedural deadlines will depend on each arbitral tribunal and varies on a case-by-case basis.

Have time limits been suspended in administrative proceedings?

It depends on each administrative institution. Currently administrative proceedings have been suspended at the Attorney's General Office, the Comptroller's General Office, the Superintendence of Trade and Commerce, the Superintendence of Banks, and the Superintendence of Companies.

MINING AND HYDROCARBONS

What happens to the development of mining activities during a state of national emergency?

Pursuant to Decrees 427 of 2020, 531 of 2020, 593 of 2020, 636 of 2020 and 749 of 2020, the following activities are exempt from the mandatory preventive isolation measures:

The ones required to guarantee the operation, maintenance, storage and supply of the logistic chain regarding production, import, export and supply of minerals and the ones strictly necessary to operate and carry out the essential maintenance of companies, industrial plants or mines, from both public and private sector, that due to the nature of their production process require to maintain their operation uninterruptedly.

What about the administrative procedures in charge of the Energy and Mines Sector?

In Colombia there are three entities in charge of regulating matters related to compliance with obligations under the mining and the hydrocarbon legislation. These entities are the National Hydrocarbons Agency ("**ANH**" per its acronym in Spanish); the National Mining Agency ("**ANM**" per its acronym in Spanish); and Antioquia's Secretary of Mines (the "**Secretary**"), which has the delegation of control of mining titles in the Department of Antioquia.

The three entities ordered a term suspension, as explained below:

ANH:

Through Writ No. 186 of April 13, 2020, the ANH ordered an extension of the term suspension of all administrative proceedings until the end of the Health Emergency.

ANM:

Through Writ No. 197 of June 1st, 2020, the ANM ordered an extension to the term suspension within many of the administrative proceedings under its control until July 1st, 2020.

However, the payment of economic considerations, obtaining mining-environmental insurance policies and the development of activities related to health & safety, administrative actions against illegal miners, surveillance visits to mining titles which could entail a risk to mining security, assignment of rights and assignment of areas, areas' devolution, period extension requests, change of regime of mining titles,

subrogation, partial waivers, and selection of the ANM's contractors are not included within the suspended activities.

The Secretary:

Through Writ No. 2020060024558 of June 1st, 2020, the Secretary ordered a term suspension within many of the administrative proceedings under its control until July 1st, 2020.

However, the payment of economic considerations, obtaining mining-environmental insurance policies and the development of activities related to health & safety, administrative actions against illegal miners, surveillance visits to mining titles which could entail a risk to mining security, assignment of rights and assignment of areas, areas' devolution, period extension requests, change of regime of mining titles, subrogation, partial waivers, and selection of the Secretary's contractors are not included within the suspended activities.

What happens to the hydrocarbon sector during a state of national emergency?

Pursuant to Decree, 749 of 2020 the following activities are exempt from the mandatory preventive isolation measures imposed by such Decree:

The ones required to guarantee the operation, maintenance and storage of the logistics chain regarding production, import, export and supply of hydrocarbons, liquid fuels, biofuels, natural gas, and Liquefied Petroleum Gas.

SELECTION PROCEDURES

What happens with ongoing public contracts, that are not related to goods and services required to address the emergency?

Ongoing contracts, if possible, shall continue their performance.

Governmental contracts usually include a force majeure clause that enables the parties to agree upon its suspension or adjustment.

Provided there are no special measures in this regard, this should be decided on a case-by-case basis, in accordance with the public contract provisions and the Law.

What happen with ongoing public contracts related with the provision of food, pharmaceuticals, and assistance to health centers?

These services' providers, and its personnel, are enabled to perform their activities and normally transit, as exception to the general prohibition established by the national government.

What will occur with ongoing public procurement selection processes and procedures which purpose is imposing penalties or sanctions to contractors?

Governmental entities are enabled to provisionally suspend ongoing procurement selection processes or even decide its termination, if the term for submitting the bids has not been concluded. Any such decision cannot be appealed by the interested parties.

Governmental entities are also authorized to suspend the procedures which purpose is imposing penalties or sanctions to contractors.

What will happen with the submission of proposals and the contracts' execution?

Both tasks can be completed using the electronic platform SECOP II, the app for public procurement with transactional features that allow the creation of a virtual agreement with the awarded bidder.

How will not-suspended selection processes be performed?

During the emergency, public procurement selection processes, including the hearings shall be conducted by virtual means. The procuring entity must inform the means to be used two days in advanced, without the need to amend the terms (*pliego de condiciones*) and conditions of the bid, for such purposes.

How will acquisitions on the international market will be performed regarding goods and services required to address the emergency?

The acquisition in the international market of certain medical devices (listed on the first article of Decree 438 of March 10th, 2020) and protection supplies required for COVID-19's treatment, will be ruled by private Colombian law. Governmental procuring entities are authorized to directly contract the supply of these types of goods with a foreign contractor, in which case such entity must inform its auditor within the following three (3) days as of the execution of the corresponding agreement.

TAX LAW

Will sanctions be imposed for violations during the period of national emergency?

Due to the state of emergency, the Colombian Government issued a series of Tax Decrees in order to mitigate the impact of Covid-19 and simplify the compliance with formal and substantial tax obligations. Thus, if the taxpayer does not comply with the obligations derived from this new measures and deferrals for filing and paying the tax returns, the taxpayer will be responsible for the corresponding penalties arising thereof.

Have the deadlines for complying with monthly and annual income tax obligations been suspended?

The deadlines have not been suspended, instead some of them have been extended. The Colombian Government issued Decree 435, 520 and 655 of 2020, modifying the dates for (i) filing the income tax return and paying the first installment of this tax, for companies in general, and (ii) filing the income tax return and paying the second installment of this tax, for large tax payers. Thus, new deadlines to file and pay the income tax return are the following and will depend on the last digit of the tax identification number:

Large Taxpayers:

- Payment of the second installment: from April 21 to May 5, 2020 -
- Declaration and payment of the third installment: from June 09 to June 24, 2020.

Legal entities that are not deemed large taxpayers: -

- Payment of the first installment: from April 21 to May 19, 2020 -
- Presentation of the Declaration from June 1 to July 1, 2020.
- Payment of the second installment, in general, from November 9 to December 7, 2020.

On the other hand, in accordance with Decree 401 of 2020, companies engaged in commercial air transportation of passenger, hotels and entertainment business activities identified as (CIIU code) 9006 "theatrical activities" , 9007 "live musical entertainment activities" and 9008 "other live entertainment activities", will have until July 31 and August 31 of this year, to pay the last two outstanding installments.

Anticipated payment of income tax for 2020, to be included in the income tax return of 2019, was reduced to 0%.

The deadlines for filing the annual declaration of assets located abroad were also extended, and will be between June 9 and June 24, 2020 for large taxpayers, and between June 1 and July 1, 2020 for other legal entities.

Likewise, the deadlines for presenting exogenous information to DIAN will be between June 16 and July 1, 2020 for large taxpayers, and from June 16 to July 1, 2020 for other legal entities.

As of today, the deadlines for the presentation and payment of the monthly declarations of withholding tax at the source have not been modified.

What will happen to the deadlines of the ongoing audits and the attention in Taxpayer Services?

Until now, through Resolution 22 from 2020, DIAN suspended the terms regarding active audit administrative procedures and any other tax administrative procedure from March 19 to April 3 of 2020. In addition, this Resolution suspended the in-person Taxpayer support from March 19 to April 3 of 2020, which will be provided via telephone and online. Subsequently, said entity issued Resolution 30 of 2020, by which it extended the suspension of the terms of administrative actions, as long as the Health Emergency, declared by the Ministry of Health and Social Protection, remains in force.

On the other hand, Resolution 32 of April 2020, suspended the taxpayer's in person services, as long as the Colombian Government does not lift the mandatory lockdown. These services will be provided by telephone and online.

- **Temporary VAT exemptions**

The Government issued Decree 438 from 2020, in order to establish a sales tax exemption subject to the fulfillment of certain conditions, on importation and sales in the national territory, for the term of the emergency established in Decree 417 of 2020, for the following goods: Nebulizer, 2) Baby scale, 3) Vital signs monitor, 4) Electrocardiograph, 5) Glucometer, 6) Tensiometer, 7) Pulse oximeter, 8) Secretion Vacuum cleaner, 9) Defibrillator, 10) Incubator, 11) Lamp Radiant heat, 12) Phototherapy lamp, 13) Infusion pump, 14) Sense organs kit, 15) Oxygen bottle, 16) Stethoscope, 17) Ventilator, 18) Portable X-ray kit, 19) Oxygen concentrator, 20) Transport monitor, 21) Flowmeter, 22) Cephalic chamber, 23) Hospital bed; and, 24) Pediatric hospital bed.

Subsequently, the Colombian Government issued Decree 551 of April 15, 2020, through which new VAT exemptions were established, on the import and sale of health-related goods in the national territory, listed in the aforementioned decree, during the validity of the Health Emergency declared by Covid - 19.

The Colombian Government also stated that the leasing of commercial premises will be tax exempted.

Finally, during June 19, July 3 and July 19, 2020, the following products will be VAT exempted:

- (i) Clothing complements.
- (ii) Home appliances, computers and communications equipment.
- (iii) Sports elements, including bicycles and electric bicycles.
- (iv) Toys and games.
- (v) Clothing.
- (vi) School supplies.
- (vii) Goods and supplies for the agricultural sector.

- **New abbreviated procedure of return and / or compensation of tax balances in favor**

Through Decree 535 of April 2020, a new abbreviated procedure for the return and / or compensation of balances in favor of income tax and VAT was created, which allows the return and / or compensation of said balances within the fifteen days following the filing date of the request, as long as it is done in a timely manner, in due form, and while the Health Emergency declared as a consequence of Covid -19 remains in force.

- **Modifications of the due dates for other formal and substantial tax obligations.**

Decree 401 from 2020 extended the sales tax -VAT- payment dates for the two-month period of March – April 2020 and the four-month period of January - April 2020, for companies dedicated to commercial air transportation of passengers, hotels and entertainment activities classified under the following CIIU codes: 9006 "theatrical activities", 9007 "live musical entertainment activities" and 9008 "other live entertainment activities", which have been affected by the decrease in passengers, tourists, patrons and spectators.

Additionally, by Decree 435 of 2020, VAT payment dates were extended until June 30, 2020, corresponding to the periods indicated above, for taxpayers whose economic activity corresponds to the following CIIU codes: 5611 "Expense to the prepared food table ", 5613" Expenditure on prepared meals in cafeterias ", 5619" Other types of prepared food vendors", 5630" Expenditure on alcoholic beverages for consumption within the establishment ", 7911" agency activities travel "and 7912" Tour operator activities ".

In the case of the national consumption tax, the term to pay the declaration corresponding to the two-month period (March - April 2020), was also extended until June 30, 2020, for those companies that develop as activity, the first four CIIU codes indicated in the previous paragraph, that is: 5611, 5613, 5619 and 5630.



MÉXICO

Updated June 30, 2020

The 2020 will be remembered by all as the year in which a virus (COVID-19) changed the way we used to interact, to work, but above all, the way we used to live. In Mexico, as in many other countries in the world, the virus has permeated all sectors of the population, it has paralyzed entire industries and is leaving us with a significant economic vacuum.

Salary reductions to high public officials, suspension of non-essential activities until May 30, 2020, continuity in "strategic" projects for the Federal Government ("Mayan" Train, "Dos Bocas" Oil Refinery and Mexico City "Santa Lucía" Airport), obligation for businessmen to maintain full payments of salaries to their employees and taxes to the Public Treasury without an extension of time and without tax incentives, are some of the policies adopted by the current government that aim to "reduce" the consequences of the pandemic in Mexico.

The business sector has requested several times economic and tax measures to facilitate the transition through this ordeal. However, the government is obsessed with only supporting the population with fewer resources. It has been necessary for international organizations, such as the Inter-American Development Bank (IDB), in coordination with the private sector, through the Mexican Business Council, to formulate a support plan for the granting of loans through the financial arm of IDB Invest.

Mexico faces, as the rest of the world, a legal and economic uncertainty scenario and the message of the authorities is clear, we must face the global crisis in a prepared and objective way, but without government support.



Gil Zenteno García

ADMINISTRATIVE LAW

Is there a way to obtain a permit to move during social immobility?

There is no permit to circulate during the health emergency, because people must remain in their homes voluntarily from March 30 in accordance with the Agreement published in the Official Gazette of the Federation on April 21 of the same year, which amends the Agreement establishing extraordinary actions to address the health emergency generated by the SARS-CoV2 virus. The safeguard is voluntary and to date there will be no sanctions for those who do not comply.

It should be taken into account that the Ministry of Health, based on Articles 181 and 184 of the General Health Law, which provide for extraordinary action in matters of general health, has within its powers, to dictate health measures related to the entry and exit of persons in the populations and to regulate land, sea and air traffic. To this end, the Federal Executive will issue a decree specifying the region or regions that must be subject to extraordinary action for the necessary time. Having said that, in these cases there may be permits to circulate.

Likewise, the Federal Government has a traffic light risk measurement system, with green being the most permissive scenario for economic activities and red the least. The traffic light is a regionalized system updated weekly to inform the population about the activities that can be resumed and those that cannot.

Finally, it is important to mention that the federal government is currently implementing the Technical Guidelines for the Reopening of Economical Activities, which will have to be met in order to carry out activities when the traffic light is red, orange and yellow (when in green, all the activities would be open without specific requirement since all the operations would be free), this with the aim of resuming activities without leaving aside the health measures indicated by the authorities.

Are public entities serving?

Through a decree published on March 27, 2020 in the Federal Official Gazette, the Head of the Federal Executive Power established that only those directly necessary to attend to the health emergency, such as the health sector, those involved in public safety and citizen protection, among others, may continue to operate.

Likewise, it was established that the Federal Public Administration agencies and entities must coordinate to provide the support required by the Ministry of Health to implement the mitigation and control measures for the aforementioned disease in our country.

It is important to point out the coordination of the public entities together with the National Committee for Health Safety in charge of coordinating, analyzing and defining actions and strategies in the field of Health Safety, which is integrated by the heads of the different designated secretaries.

Currently, the Federal Government has a system of traffic lights and guidelines aimed at the new normality, which serve as a guide concerning the risk and the spread during the pandemic. This mechanism is used by the entities as a measurement and analysis tool to guide the resumption of activities.

Are the terms of the administrative procedures followed before the different public entities suspended?

Yes, the public sectors must immediately suspend non-essential activities from March 30, in order to mitigate the dispersion and transmission of the SARS-CoV2 virus in the community, to reduce the burden of disease, its complications and death from COVID-19 in the population residing in the national territory.

The administrative procedures will be resumed together with the traffic light measurement system, which will establish the epidemiological risk by color by resuming the deadlines subject to the regional measurement system.

Is there a regime of laissez-passer for circulation?

At the moment, no laissez-passer regime has been implemented. As mentioned above, the Ministry of Health has taken extraordinary action in the area of general health and has within its powers, to issue health measures related to the entry and exit of persons in populations and to regulate land, sea and air traffic.

AGRARIAN LAW

What are the personnel, related to activities of the agricultural sector, whose circulation is allowed?

The Ministry of Rural Development together with the National Farmers Union and the National Service of Health, Innocuousness and Agrifood Quality determined that according to the behavior of the Covid-19, food is not considered a risk sector since the transmission of the virus is not associated with food. However, according to the national emergency that was decreed and the increase in the demand of the food sector, prevention and containment measures of a sanitary nature were reinforced as well as the reinforcement of good agricultural practices guaranteeing food safety in the following sectors:

- Sensitive production chains: grains, vegetables, poultry, meat and fish products.
- National and international trade in agricultural products is maintained.
- Control board products: sugar, white corn, yellow corn, sorghum, beans, crystalline wheat, rice, eggs and milk.
- Adequate measures in the refrigeration and freezing of meat and poultry products, together with reinforced sanitary measures for all those involved in the production and commercialization process.
- TIE seal for meat and poultry products that guarantees the health and safety of the product.
- Constant communication with the health authorities to prevent and monitor any type of contagion.
- Finally, all farmers or agricultural industry personnel must respect the measures issued by the Ministry of Health by maintaining a healthy distance of two to three arms between each person.

CRIMINAL LAW

What do I do if I am victim of a crime and the Local Courts, as well as the Federal Courts, suspended work?

Pursuant to article one, section II, subsection b) of the Federal Decrees issued on March 31, 2020, the pursuit of justice is determined as an essential activity and for this reason, the Public Prosecution Offices require being functional so the corresponding complaint can be filed, with or without arrested person, complying with the appropriate health measures.

In the event that an arrested person is involved in the case, the terms that take effect to the Public Prosecutor, as well as to the federal and/or local Pretrial Judges, are non-extendable and are count from moment to moment.

What activities did the Federal and Local Judicial Branches in criminal matter not suspend?

Although it is true that the Federal Judicial Branch, as well as the Judicial Branches of the States issued decrees suspending procedural terms; there are events that by their very nature are non-extendable. Among them, we can find solving the legal situation of an arrested person (legality of the detention and deciding whether is subject to a criminal proceeding or not); deciding search warrants and private communications intervention requests, among others. Therefore, it will not be interrupted the resolution of those urgent and/or constitutionally cases regarding criminal matters.

On the other hand, due to the eventual resumption of activities, the Federal and some of the States' Judicial Branches have decided to extend the list of requests and proceedings that will be resumed, privileging those cases in which the defendants are subject to preventive detention or the Judge considers as urgent. Likewise, some State's Judicial Branches have resumed jurisdictional activities on criminal matters, so the terms are not longed suspended.

In this regard, it is stated that, to the extent possible, the hearings are carried out remotely by videoconference and if it is not possible, will be carried out in camera and ensuring the sanitary measures.

Regarding the amparo lawsuits on criminal matters, the District Courts of the Federal Judicial Branch will continue the attention of those cases already submitted even though are not considered as urgent, in which are claimed arrest warrants, bank accounts seizures, acts within a proceeding that affect, direct or indirectly, the personal freedom, among other cases.

Likewise, the judgment will be issued in those cases, whether handled online or physically, in which it is only pending said issuance.

Lastly, the Federal Judicial Branch encourages the users to file online the amparo lawsuits on criminal matters.

What are the criminal consequences if the sanitary security measures for workplaces are not complied?

Since the "New Normality" is in full force as of June 1, 2020, the companies that continue activities and the ones that resume according to the kind of activity carried out, must comply with the sanitary security measures for workplaces provided in the "Decree by which are established the Specific Technical Guidelines for the Reopening of Economical Activities", issued by the Health, Labor and Social Security and Economy Ministries and by the Managing Director of the Mexican Social Security Institute, published on the Federal Official Gazette on May 29, 2020.

In this regard, in those workplaces that do not comply with said measures and are suspended, as well as those workplaces that resume activities perhaps they are not allowed to and, in both cases, refuse to suspend activities, such conduct may constitute an offense of disobedience and resistance of individuals, among other offenses, depending on what is warned and stated by the authority during the inspection.

What criminal consequences may result if I tested positive to the COVID-19 and I do not self-isolate?

In the assumption that an individual has been diagnosed with COVID-19 by performing a specific medical procedure established for said purpose and, being aware of said circumstance, do not self-isolate and continues getting along with third parties, causing an effective risk of infection, such conduct may constitute a danger of contagion offense.

Concerning this offense, it is committed, basically, when anyone who is aware of suffering a disease which is in a risk period of being contagious, endangers the health of a third party by any transmissible means, as long as the third party is not aware that the individual has such disease, The punishment established for this offense is imprisonment period, which varies from 3 days to 3 years, depending on the relevant Criminal Code.

We deem that depending on the circumstances, other crimes, such as injuries or homicide, could be committed and it depends on whether the infected person intentionally decides to infect a third party, so the latter suffers a health affectation or dies and said circumstance can be attributed to the former's behavior.

Can a company be criminally liable if an employee diagnosed positive of COVID-19 appears to work at the work center?

In the federal jurisdiction, the answer is no because the offenses of danger of contagion, injury and homicide are not included in the crimes that can be attributed to a legal entity (article 11 Bis of the Federal Criminal Code).

On the other hand, concerning the local jurisdiction, specifically in Mexico City, the legal entities can be liable for all the crimes contained in the Criminal Code of Mexico City (CCMC) and consequently, a legal entity may be indicted for the danger of contagion crime if its legal representatives and/or de facto or de jure administrators are aware that an employee under its authority, tested positive to the COVID-19 and do not proceed in accordance with the health measures issued by the relevant authority and/or allow said individual to appear at the workplace or to perform activities that may result in the spreading of the infectious disease to other persons.

Now, as of the date in which this note is written, the Federal Government issued three decrees dated March 31, April 6 and May 15, 2020, in which are identified the activities considered as "essential" and those which suspension may have irreversible effects and in consequence, said activities may continue to be performed in the workplaces, provided that the health measures must be complied. In this regard, it is important to consider that even though a legal entity performs "essential" activities, all the preventive health measures established by the authority must be complied, since it cannot be exempted of being liable of the aforementioned crime if any person gets infected in the workplace as a consequence of not complying with the health measures ordered by the authority.

The possibility for a legal entity of incurring in criminal liability, can occur in those other States in which their Criminal Codes contain similar provisions in comparison with those considered in the CCMC.

An employer, as an individual, may be criminally liable if compels to work an employee diagnosed as positive of COVID-19?

Yes. The danger of contagion is a crime of willfully commission. Hence, an employer can be criminally liable of such crime, as well as for other crimes, if is aware of an employee diagnosed as positive of COVID-19, that is a serious disease in transmissible period, and compels such employee to work in any place where other people can be infected.

Does it need to be reviewed my criminal compliance program due to the health contingency?

Yes, because the health contingency may produce new risks that necessarily impact or may have an impact in the activities developed and services provided by the companies.

The foregoing, in accordance with the criminal laws, which provides that having internal measures to prevent or deter the commission of crimes, may mitigate or exclude companies' criminal liability, so the measures must be in accordance with the company's activities. In this respect, as a standard for compliance management system, the ISO 19600 provides the obligation to reassess the risks whenever there are new activities, products or services; change to the structure or strategy of the organization; significant external changes, such as financial-economic circumstances, market conditions, liabilities and clients relationships; changes to compliance obligations, among others.

DATA PROTECTION

Can I collect and process personal data of my employees and/or visitors to my facilities, related to symptoms or relevant contact points to detect COVID-19?

Yes, provided a privacy notice has been provided, in compliance with applicable Mexican law.

Do I require the consent of my employees and/or visitors to practice questionnaires or carry out medical examinations to detect symptoms of COVID 19?

Individuals' health data is sensitive data that require greater protection under Mexican regulations. As a general rule, it is necessary to obtain the explicit written consent of the data subject before collecting his/her data. However, in emergency situations that could harm an individual in his/her person or on his/her property or where personal data is necessary for the prevention, diagnosis and provision of medical care as in the specific context (COVID 19), the collection of such consent may be exempted.

What obligations do I have arising from this collection of personal data during the COVID-19 pandemic?

To process personal data relating to health status arising from the detection of symptoms and / or obtained to take preventive and response or control measures only to the extent minimum necessary and in a manner proportional to the purpose.

Safeguard personal data only for the time necessary to fulfill its purpose.

Have the procedure to eliminate the data safely, taking into account sectoral regulations in this area.

Personal who are engaged in collecting personal data derived from the identification of symptoms are trained to do so, qualified health professional.

Adopt the technical, administrative and physical security measures that are necessary for your safeguard, considering the level of sensitivity of the information, against theft, unauthorized access and / or misuse. Whereas data breaches of this nature may lead to discrimination against or highly likely to be discriminated against persons infected.

How can I inform the competent and/or health authorities about a positive case?

Personal data obtained from employees, customers, etc., should not be used for any purpose other than those reported in the privacy notice, including transfers or communication of personal data. To the extent possible, with the exception of the specific case to health authorities or health centres (the latter governed by professional secrecy), avoid their transfer or disclosure.

The identity of the persons concerned of COVID-19 should not be disclosed, if a transfer of personal data to the health authorities is required, it must be clearly documented, substantiated and carried out taking into account security measures that ensure the protection of personal data, and under the expectation of privacy of the person concerned.

Verify the identity of the person representing the authorities or receiving the information.

Report as minimum data as possible, exclusively those necessary, and may be only name and contact details.

What should be considered, from the point of view of data protection, for home office?

The same measures that are taken for office work should be implemented, to protect personal data and, in general, company information from damage, loss, access or unauthorized use.

Can I inform my employees that one of their colleagues is a probable or confirmed case of COVID-19 for them to take their preventive measures?

Yes. However, efforts should be made to provide only the essential information; the name of the employee who was diagnosed with COVID-19 shall not be shared in order to respect his right to the protection of personal data.

The information should be provided in compliance with the principles of purpose – protection of the health of staff – and proportionality taking into account the measures issued by the competent authorities.

Has INAI issued recommendations in the matter against COVID-19?

Yes and are available on this site: <https://micrositios.inai.org.mx/covid-19/>

ENVIRONMENTAL

I have an environmental assessment proceeding before the Ministry of the Environment and Natural Resources (SEMARNAT).

As per the accords published by SEMARNAT in the Federal Official Gazette on March 24, April 17, April 30 and May 29, all of 2020 ("Accords"), the proceeding is to be suspended, unless it is related with the construction, mining or manufacturing of transport equipment industries, or with the following priority projects or the construction works related to such:

- Felipe Angeles General Airport.
- Ecological Park Texcoco Lake.
- Mayan Train.
- Guadalajara Train.
- Development of the Isthmus of Tehuantepec.
- Projects related with the maintenance and conservation of highways and those in process of construction.
- Projects for the completion of dams and channels and potabilization plants and plants for wastewater treatment.
- Urban Improvement Program.
- Electric power generation with the modernization of plants and hydroelectric plants.

Based on the above, a time schedule, between 10:00 am and 14:00 pm, for the General Directorate of Environmental Impact and Risk as well as the corresponding Citizen Contact Space office, is enabled **Tuesdays and Thursdays from June 2 of the present year** and until the sanitary authority determines that there is no longer an epidemiological risk, solely and exclusively for the activities and projects indicated above.

For its part, a time schedule, between 10:00 am and 15:00 pm and between 16:00 pm and 18:00, of the Regulatory Assistance Area of the Industrial Management Unit of the National Agency for Industrial Safety and Environmental Protection of the Hydrocarbon Sector, **to provide attention, every Wednesday, from June 3 of the present year** and until the sanitary authority determines that there is no longer an epidemiological risk, **for all proceedings** related with activities in matters of exploration and extraction of

hydrocarbons; distribution and public sale of natural gas; distribution and public sale of liquefied petroleum gas; and distribution and public sale of petroleum products.

As per the Accords, all days from March 23 and until the sanitary authority determines that there is no longer an epidemiological risk related with the gradual, cautious and orderly opening of activities related to the Federal Public Administration. This opening will be determined on the basis of an epidemiological traffic light system, same that will be updated by the Federal Government every week.

In view of the foregoing, during these days, no deadlines and terms in the administrative procedures substantiated before said authority will not be counted which means that during the aforementioned days the terms of law for the purposes of the proceedings, measures and actions in procedures that are processed or should be processed before SEMARNAT, will not be counted.

Any action, request, application or promotion conducted before the representative offices (previously Federal Delegations), Administrative Units of SEMARNAT and its decentralized administrative bodies, in any of the dates considered as non-business days by the Accords, in any case, will take effect on the next immediate business day following the conclusion of the abovementioned term.

Additionally, and as per *Accord the by which it is made known to the general public, the days that will be considered as non-working days for the purposes of the administrative acts and procedures substantiated by the Ministry of Environment and Natural Resources and its decentralized administrative bodies, with the exception of the procedures and indicated procedures published in the Federal Official Gazette on April 30, 2020 as well as its update published on May 29, 2020, the proceedings specifically indicated in said accords may be conducted before SEMARNAT.*⁸

For its part, some local authorities (Mexico City, State of Mexico, etc.) have issued accords under similar terms. It is important to mention that the environmental topic is a subject of concurrent jurisdiction, this is, the Federation as well as the States and Municipalities have powers to govern over such topic (i.e. in matters of wastes the Federation governs over hazardous wastes while the States govern over special handling wastes).

No further accords have been published thus far indicating something different or additional.

This week a deadline for fulfilling an obligation before SEMARNAT or the local environmental authority expired or there was a report scheduled to be submitted. Does this obligation continue?

No, as per the Accords, the terms and deadlines are suspended until the sanitary authority determines that there is no longer an epidemiological risk related with the gradual, cautious and orderly opening of activities related to the Federal Public Administration.

In addition, as per the *Accord establishing extraordinary actions to address the health emergency caused by the SARS-CoV2 virus*, published by the Ministry of Health on March 31, 2020 and the *Accord amending the similar one establishing actions to meet the health emergency generated by the SARS-CoV2 virus, published on March 31, 2020*, published by the Ministry of Health on April 21, 2020; the authorities that are not conducting activities related with the National Health System or with essential sectors of the economy (water services, energy, sanitary services), must suspend their activities until it is determined, as per the epidemiological risk, that these can be reactivated.

⁸ The last accord can be reviewed in the following link: <https://sidofqa.segob.gob.mx/notas/5594131>

The exceptions to the indicated in the abovementioned accords, are specified in the accords published by SEMARNAT last April 30, 2020 and May 29, 2020, respectively, amongst which the filing of the Annual Operating Certificate (COA for its acronym in Spanish) is included; as well as the obtaining and renewal of the compliance certificates with Mexican Official Standards and the environmental certificates, to be obtained from the Federal Attorney for Environmental Protection.

No further accords have been published thus far indicating something different or additional.

ECONOMIC COMPETITION

Have the Mexican competition authorities taken measures to address the health crisis resulting from the Covid-19 virus?

Yes, in the context of the health emergency decreed by the Ministry of Health due to the spread of the SARS-CoV2 virus ("Covid-19"), the two economic competition authorities in Mexico; the Federal Telecommunications Institute ("FTI") and the Federal Economic Competition Commission ("FECC") have decreed certain temporary measures to ensure the correct functioning of the markets and to reduce the risk of contagion.⁹

What kind of measures have been adopted by the economic competition authorities in Mexico to address the health crisis resulting from the Covid-19 virus?

Both authorities have issued notices suspending the terms of certain proceedings, each in their respective areas of competence.

What is the period and scope of the suspension of terms of proceedings decreed by the FECC?

In order to reduce the risks of spreading the Covid-19 virus, on March 19, 2020, the FECC decided to suspend the terms of some proceedings. As of today, the deadlines are suspended from March 23 to June 30, 2020, expected to resume on July 1, 2020.¹⁰

The suspension does not apply to proceedings involving pre-merger notification proceedings and opinions or resolutions in the granting of licenses, concessions, permits and other similar proceedings that during the relevant period will continue their ordinary course of processing, but applies to the rest of the proceedings conducted under the Federal Competition Law ("FECL") including investigations, trial-like proceedings, special proceedings and incidents.

⁹ In Mexico, the FIT is the economic competition authority for the telecommunications and broadcasting sectors, and the COFECE is authority for the rest of the industry sectors. Unlike the FECC, the FTI is not only the economic competition authority, but also the regulatory authority in the telecommunications and broadcasting sectors. For the purposes of this analysis, in the specific case of the FTI, only the temporary measures adopted by that body in relation to economic competition are analysed, and not the measures taken in its capacity as a regulatory body.

¹⁰ Through a first suspension decree, the FECC decided that the legal deadlines would not run from March 23, to April 17, 2020 and through three subsequent decrees, the FECC extended the suspension deadline, first until April 30, 2020; then until May 30, 2020; later until June 12, 2020; and subsequently until June 30, 2020, resuming the deadlines on July 1st, 2020.

What is the period and scope of the suspension of the terms of proceedings decreed by the IFT?

Likewise, in order to reduce the risks of spread of the Covid-19 virus, the FTI determined to suspend the terms of some proceedings. As of today, the deadlines are suspended from March 23 to June 30, 2020, and will resume on July 1, 2020.¹¹

The suspension does not apply to pre-merger notification proceedings but applies to the rest of the proceedings under the FECL, including investigations, trial-like proceedings, special proceedings and incidents.

In addition, certain essential functions identified by the FTI are exempt from the suspension of deadlines.

Does the suspension of deadlines decreed by the FECC and the FTI imply labor suspension or closure of offices?

No. The suspension of deadlines does not imply labor suspension of the FECC and the FTI staff, who continue working remotely. The FECC's and FTI's filing offices remain open in their regular schedules.

Does the suspension of deadlines imply the suspension of the FECC's and the FTI's Board sessions?

No. During the period of suspension of deadlines, the FECC and the FTI Board of Commissioners continue to meet remotely.

Have the competition authorities issued any other measures in addition to the suspension of deadlines to deal with the health emergency?

Yes, the FECC has allowed the execution and implementation of temporary collaboration agreements among competitors, provided that they comply with certain conditions, and do not harm the competition process. It has also decided to implement a fast-track analysis of pre-merger notification proceedings in matters related to the Covid-19 health crisis. Additionally, it has sent warning notices to industry representatives after noting certain price increases or apparent manipulation that could be the result of anticompetitive coordination among competitors.

Also, both the FECC and the FTI decided to make personal notifications during the emergency to economic agents via e-mail.

Finally, the FECC has most recently issued measures to handle certain proceedings electronically.

What are the characteristics of the temporary collaboration agreements that the FECC allows to be carried out between competitors during the Covid-19 pandemic?

On March 27, 2020, the FECC communicated that, during the health emergency, it would not prosecute collaboration agreements between economic agents needed to maintain or increase supply, meet demand, protect supply chains, avoid shortages or hoarding of goods, as long as these agreements are not aimed to displace competitors.

Such collaboration agreements should not have the object or effect of fixing prices. The Investigating Authority ("IA") of the FECC shall expedite the analysis of the corresponding requests, taking into account that the implementation of such agreements is temporary.

¹¹ Through a first suspension decree, the FTI resolved that the legal deadlines would not run from March 23 to April 17, 2020 and through three subsequent decrees, the FTI extended the suspension period, first until April 30, 2020; then until May 30, 2020; and later until June 30, 2020 resuming the deadlines on July 1st, 2020.

What is the procedure to be followed by operators wishing to conclude temporary collaboration agreements?

The procedure to be followed by operators wishing to conclude such agreements is the following: (i) communicate the IA of the intention of the agreement, that it will be temporary and that it will be made to resolve issues related to the Covid-19 contingency; (ii) the IA will make the corresponding analysis and, if necessary, inform the applicant that the conduct will not be subject to investigation; (iii) once that the notice of the end of the contingency is given, the economic agents must notify the FECC of the conclusion of the collaboration agreement.

What type of pre-merger notification proceedings will the FECC expedite?

The FECC communicated that it would expedite the analysis of pre-merger notification proceedings involving synergies and adding production capacities to meet the needs arising from the crisis. It also said that it would review that the purpose of such proceedings is not price fixing.

What was the reason behind the FECC's warning letters in the context of the Covid-19 pandemic?

The FECC stated that it would review markets in which it notes indiscriminate price increases in order to assess whether they were caused by possible arrangements between competitors. In this case, it would begin an investigation. In this context, the FECC has issued two warning notices after noting certain price increases or apparent manipulation that could be the result of anticompetitive coordination between competitors.

In which sectors did the FECC issue warning notices and what is the scope of these notices?

The IA notified a warning notice to the National Chamber of the Sugar and Alcohol Industry after noting a possible increase in the price of pure alcohol, its inputs (molasses) and its derivatives due to the possible existence of agreements between competitors. It also notified another warning letter to the National Association of Real Estate Developers after becoming aware of a grant of discounts and benefits granted to tenants that could be the result of an agreement between competitors with the purpose or effect of setting a maximum quota or discounts to tenants.

The FECC reminded that any increase in prices should be the result of individual decisions in accordance with business strategies of the economic agents and pointed out that the referred notices are only preventions and do not necessarily imply the initiation of an investigation. However, in case that it considers that it finds an objective cause in such cases, it could initiate investigations.

Are competition authorities entitled to make notifications during the period of suspension of activities?

Yes, the FECC published, on April 23, 2020, the FECC's Emergency Regulations for Personal Notifications by E-mail ("Regulations on Notifications"). According to the Regulations on Notifications, the FECC may carry out personal notifications during the emergency via e-mail, either through the mail of the person subject to the proceeding, his or her representatives or authorized persons.

After June 25, 2020, the Regulations on Notifications will not apply to the proceedings covered by the Emergency Regulatory Provisions of the Federal Economic Competition Law on the Use of Electronic Means in Certain Proceedings of the Federal Economic Competition Commission, which is explained below.

Also, the FTI's Board of Commissioners issued a decree in which it stated that notifications of the acts carried out by the authority in pre-merger notification proceedings, will be carried out through the FTI e-mail, under the domain "@ift.org.mx", to the addresses designated for this purpose by the economic agents.

Have the Mexican competition authorities implemented measures to continue the handling of proceedings electronically?

Yes, on June 25th, 2020, the Emergency Regulatory Provisions of the Federal Economic Competition Law on the Use of Electronic Means in Certain Proceedings of the Federal Economic Competition Commission ("Provisions on Electronic Means") were published in the Official Gazette.

The Provisions on Electronic Means apply to the implementation, use and handling of electronic means in certain proceedings handled by the FECC and will be applicable during the Covid-19 virus health emergency and until the FECC's Board deems it appropriate.

The FTI has not published any provisions on this matter yet.

Which are the proceedings covered by the Provisions on Electronic Means?

The Provisions on Electronic Means apply to the following proceedings handled by the FECC: (i) complaints filed by economic agents, (ii) investigations for monopolistic practices, (iii) trial-like proceedings, (iv) unlawful concentrations, (v) essential inputs, barriers to competition and conditions of competition, (vi) the reduction of fines in the context of commitments related to investigations concerning relative monopolistic practices or unlawful concentrations, and the leniency related to absolute monopolistic practices, and (vii) verifications and incidents related to the enforcement of the FECC's final decisions.

Shall the proceedings necessarily be handled electronically according to the Provisions on Electronic Means or may they continue to be handled in the traditional way?

According to the Provisions on Electronic Means, the economic agents that are part of proceedings within the scope of the Provisions on Electronic Means, may choose to use electronic means for the notifications and the handling of the proceedings, or to continue handling the proceedings through traditional means. In case of choosing the use of electronic means, the incumbent persons shall expressly state their willingness to do so with regard to a specific file.

Does the Provisions on Electronic Means establish rules applicable to depositions and hearings?

Yes, one central aspect covered by the Provisions on Electronic Means is the possibility to handle investigated or accused economic agent depositions, witness depositions, expert opinions and hearings through electronic means.

Does the Provisions on Electronic Means foresee a procedure to file documents electronically?

Yes, the Provisions on Electronic Means establish the creation of an Electronic Filing Office, which will receive by e-mail the relevant documentation regarding proceedings within the scope of the Provisions on Electronic Means, provided that the parties to the proceedings have expressly consented to doing so.

ENERGY

Companies rendering services related to the distribution and sale of energy, including electricity, gasolines and diesel continue with their normal activities?

Yes, as per the terms of article first, section II.C of the Resolution by means of which extraordinary actions are implemented to attend the sanitary emergency derived from SARS-CoV2 (COVID-19) virus, published in the Federal Official Gazette of March 27, 2020.

As per the referred Resolution, among other activities that may continue rendering services, are those related to fundamental industries for the economy, including, distribution and sale of energy, gasolines and gas. Additionally, those needed for the conservation, maintenance and reparation of critical infrastructure to

secure the supply of distribution and production of essential services, meaning electric energy, gas, oil and jet-fuel.

The above-referred independently from the fact that such activities must comply with protocols and guidelines which have been issued by the Mexican sanitary authorities.

Is the crude oil production as well as the supply of gasolines guaranteed during the contingency derived from COVID-19?

Yes, as mentioned in the above-referred query, since production and distribution of oil and energy (among them fuels), are considered essential activities, same continue and have continued operating during this contingency.

Additionally, as stated by the State-Owned Productive Oil Company known as PEMEX, such company continues with its main operations attending its Business Continuity Plan with purposes of guaranteeing the supply of fuels and avoid affecting the development and economy of the country.

As per public information made available by PEMEX, its storage and supply terminals have enough stock to satisfy populations demand.

I am permit holder for oil products activities, meaning that I have a permit issued by the Energy Regulatory Commission; Will the terms related to the compliance of my obligations as permit holder continue applying?

No. On March 24, 2020 the Energy Regulatory Commission published in the Federal Official Gazette Resolution Number A/010/2020 by means of which all legal terms before such authority are suspended as a preventive measure to avoid propagation of COVID-19, from March 24 until April 17, 2020.

Likewise, on April 07, 2020, the referred Commission published in the Federal Official Gazette Resolution A/014/2020 by means of which suspension of activities was extended until April 30, 2020, resuming activities on May 04, 2020.

Likewise, on April 07, 2020, the referred Commission published in the Federal Official Gazette Resolution A/014/2020 by means of which the above-referred extension was extended to April 30, 2020 reopening activities on May 04, 2020.

Subsequently, the same Commission published on April 30, 2020 a third Resolution extending the suspension of terms and proceedings until May 30, 2020.

Finally, on May 29, 2020, the referred Commission published the Resolution identified as A/018/2020 by means of which an update was made to the referred Resolutions extending the suspension term from June 01, 2020 until the sanitary authorities determine that there are no epidemiologic risks related to the gradual, cautious and careful opening of the activities related with the federal public administration.

In terms of the latest published Resolution, promotions, requirements, petitions made before such Commission will be suspended until the sanitary authorities determine that there are no epidemiologic risks related to the gradual, cautious and careful opening of the activities related with the federal public administration.

Notwithstanding the above: (i) the physical office for the reception of documents of such Commission will be opened to receive promotions Tuesdays and Fridays from 09:00 to 13:00, and (ii) the electronic office for the reception of documents known as "OPE" will continue functioning so send promotions by such means (*clarifying as mentioned before, that any promotion submitted by any of these means, should be understood as received on the date that the sanitary authorities determine that there are no epidemiologic risks related to the opening of activities related with the federal public administration*).

It is relevant to consider that the Resolution referred in this point and the suspension of terms shall apply for all activities regulated by the Commission, which include: (i) transport; (ii) storage; (iii) distribution; (iv) compression; (v) liquefaction; (vi) regasification; and (vii) public sale of oil, natural gas, liquified gas, oil products, petrochemicals, as well as (i) generation; (ii) commercialization; (iii) transmission; and (iv) distribution of electricity.

In terms of the latest Resolution published by the Commission, exemption of the suspension included in the referred Resolution will apply to acquisition, leasing and services procedures of extreme urgency or necessary to continue with the operations to comply with the essential roles of the Commission.

I have a Contract for the Exploration and Extraction of Hydrocarbons granted by the National Hydrocarbons Commission and I have to make an administrative procedure before such Commission as to comply with my contractual obligations ¿is there any suspension of terms derived from the COVID-19 contingency?

Yes. On April 19, 2020 the National Hydrocarbons Commission published in the Federal Official Gazette a Resolution by means of which suspension of terms and proceedings before such Commission is declared from Monday March 23 to Sunday April 19, 2020.

Subsequently, on April 06, 2020, the referred Commission published an additional Resolution by means of which the extension of the suspension for terms and proceedings was agreed until May 31, 2020, therefore terms and proceedings for the assumptions referred in the following lines will run as of June 01, 2020.

On June 04, 2020 the referred Commission published an additional administrative agreement by means of which it determined to extend the suspension period of terms in all acts and proceeding carried out before such Commission until the sanitary authority determines that there is no epidemiologic risk related to the gradual, cautious and organized reopening of activities related with the federal public administration activities.

As per the referred Resolution all days included within the referred timeframe will be considered as a non-working day for all legal effects, therefore during this timeframe terms for procedures before such Commission will not run as per the following:

- If during the referred timeframe a term for the compliance of an obligation included in a law, regulation, disposition, administrative act or in an Exploration and/or Extraction of Hydrocarbons elapses, the term will be extended until the date in which the sanitary authority determines that there is no epidemiologic risk related to the gradual, cautious and organized reopening of activities related with the federal public administration activities.
- If during the suspension timeframe referred in the Resolution a term elapses for the Commission to pronounce or solve regarding an act or procedure included in a law, regulation, disposition or administrative act, same shall be extended until the date in which the sanitary authority determines that there is no epidemiologic risk related to the gradual, cautious and organized reopening of activities related with the federal public administration activities.

For such procedures in which the Commission needs to solve in an specific date, such terms should be understood as extended for the suspension period referred in the Resolution, counted as of the date in which the Commission had to solve.

Notwithstanding the above: (i) physical office for the reception of documents of such Commission will be opened to receive promotions from Monday to Friday from 09:00 to 13:00 hours; and (ii) those already registered before the electronic office for the reception of documents known as "OPA", may send promotions by such means (*clarifying, as mentioned previously, that any promotion submitted through any of these means, should be understood as received on the date in which the sanitary authority determines that there is no epidemiologic risk related to the gradual, cautious and organized reopening of activities related with the federal public administration activities*).

The company which I represent is currently developing an electric generation project that requires interconnection to the national transmission and distribution network. For these purposes I must begin the administrative procedures and interconnection studies required by the National Center of Energy Control ¿will the applicable terms continue applying?

No. As per the Resolution were suspension of terms and proceedings for acts and procedures before the National Center of Energy Control ("CENACE"), published in the Federal Official Gazette on April 01, 2020, all procedures before CENACE are suspended from Thursday March 26 to Sunday April 19, 2020, therefore any procedure before such authority will restart as of April 20, 2020.

Subsequently, CENACE published on April 30, 2020 in the Federal Official Gazette a Resolution by means of which the suspension of proceedings was extended until May 30, 2020 reopening activities on June 01, 2020.

Additionally, on June 15, 2020 a fourth resolution was issued declaring the suspension of terms related to the administrative procedures carried out before such authority until June 30, 2020.

Notwithstanding the above, physical office for the reception of documents of such Center will remain open to receive promotions from Monday to Friday from 09:00 to 13:00 hours (*clarifying, as mentioned previously, that any promotion filed by this means, should be understood as received on June 30, 2020*).

Additionally, it is worth mentioning that on April 29, 2020 CENACE released a Resolution by means of which it established some measures to guarantee the efficiency, quality, reliability, continuity and safety of the Electric National System derived from the sanitary emergency COVID-19.

Among the measures included in such Resolution it was agreed that as of May 03, 2020 pre-operative tests of photovoltaic and wind intermittent electric power plants in commercial operation process will be suspended and such tests will not be authorized for those that have not begun.

Provisions included in this Resolution may additionally provoke a delay in the petitions for interconnection studies made to CENACE.

FINANCIAL LAW, CAPITAL MARKETS AND BANKING REGULATION

Can the entities of the financial system modify their opening hours?

Yes, financial institutions such as Santander, BBVA and Citibanamex, etc, closed branches due to the contingency caused by the COVID-19 pandemic. However, apart from those branches that are located in shopping centers, the Association of Banks of Mexico (*Asociación de Bancos de México*) ("**ABM**") reported that banks will maintain the full range of services available to customers and users and that these measures will be in accordance with the indications given by the Ministry of Health (*Secretaría de Salud*), so that branches that are currently operating will implement their due security measures, such as antibacterial gel, the spread of customers to maintain a proper distance, limitation of workers within them, in order to maintain a constant asepsis and prevent the spread of the virus.

However, the community was asked that only those people whose transactions require physical presence, may only attend the branches, as they will work with few staff, at specific times and only very limited groups will be allowed to enter, therefore, customers are recommended to make use of the diverse online banking sites, as well as the use of the applications for the operations that can be performed with the same.

The "*General Provisions that indicate the days of the year 2020, in which the Financial Institutions subject to the supervision of the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores)*" ("**CNBV**") must close their doors and suspend operations" provide in its Article 6 the following:

"Article 6.- Notwithstanding the provisions of articles 3 and 4 above, the financial institutions subject to these provisions shall keep a record of any temporary closing or change of schedule of their branches for public attention or, if applicable, of the suspension of operations due to a fortuitous event or force majeure, in which the date and the cause that originated it are stated, keeping said record at the disposal of the National Banking and Securities Commission.

Likewise, in the case of temporary closure, change of hours or suspension of operations of branches due to the cases indicated in the previous paragraph, which imply that in one or more branches of the Mexican Republic there is no possibility to open doors and carry out operations with the public, thus affecting the country's payment system, the National Banking and Securities Commission must be immediately notified, informing of the measures adopted to ensure the continuity of the service to its customers".

In accordance with the provisions of Article 6 above, financial institutions may modify their business hours, provided that they immediately notify the CNBV, through which they must inform of the measures adopted to allow the continuity of service to their customers.

Will it be possible to reschedule the payment of debts with financial entities?

Yes, as a result of the pandemic caused by COVID-19, some credit institutions have supported those clients who have difficulties in adequately meeting their credit commitments, through the implementation of different programs.

In this sense, in general, credit institutions have opted for the total or partial deferral of interest and/or capital payments for up to 4 (four) months, with the possibility of extending it for up to 2 (two) more months, so that banks may defer for up to 6 (six) months, depending on what is more appropriate for each client and/or product. In addition, balances may be frozen without interest charges.

As a result of the above, the ABM requested the CNBV to issue special accounting criteria that would allow:

- I. The modifications to the original conditions of the credit described above are not considered as a restructure or renewal, in terms of what is established in Criterion-B-6 "Credit Portfolio" in force, of the Banking Circular (*Circular Única de Bancos*); and
- II. That the loan portfolio that is the object of support is considered as current accounting for up to the corresponding period to the benefit received.

Have the deadlines for submitting information to the CNBV been suspended?

Yes, on March 26th of this year, the "*Resolution establishing the temporary and extraordinary measures and suspending some deadlines for the attention of the Financial Entities and Persons subject to the supervision of the National Banking and Securities Commission, due to the Coronavirus called COVID-19*" ("**Resolution**") was published in the Federal Official Gazette (*Diario Oficial de la Federación*) ("**DOF**"), as well as a notice from the CNBV to the Financial Entities and persons subject to the supervision of the CNBV, which establishes, among others, the following:

- I. In the period from March 23rd to April 19th, 2020, the deadlines with respect to the hearings, proceedings and procedures that are in progress, are being carried out or must be carried out before the CNBV, are suspended, considering also the obligations that must be communicated or discharged before the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) ("**SHCP**"), through the CNBV, in the matter of prevention of operations with resources of illicit origin and financing of terrorism;
Consequently, on the business day immediately following the end of the period indicated above, the calculation of the deadlines provided for in the applicable regulations will continue. In this sense, the suspension of the deadlines contemplated in the Resolution will also be applicable to the deadlines established for the CNBV to take cognizance of or to resolve the relevant matters with respect to the procedures or steps referred to herein; and

- II. With regards to the obligations of Financial Entities and persons subject to the supervision of the CNBV, consisting of sending information or reports that must be physically submitted to the CNBV in the period indicated above, these must be executed by duly authorized personnel and sent by the electronic means that the CNBV publishes through its web page on the world wide web called Internet, on the understanding that the documentation that should have been physically sent during that period, may be delivered to the CNBV within the following 15 (fifteen) business days counted from the business day following the period indicated above. The foregoing, unless the CNBV expressly indicates otherwise by means of a different notification issued for such purpose.

Consequently, on April 28th of this year, the *"Resolution that extends the term in which the deadlines are suspended with respect to the hearings, proceedings and procedures that are in progress, are being carried out or must be carried out before the National Banking and Securities Commission, as well as the effects of the other provisions contained in the Resolution establishing the temporary and extraordinary measures and suspending some deadlines for the attention of the Financial Entities and Persons subject to the supervision of the National Banking and Securities Commission, due to the Coronavirus called COVID-19."* ("**Extension Resolution**") was published in the DOF, which provides as follows:

- I. The period by which the deadlines are suspended with respect to the hearings, proceedings and procedures that are in progress, are carried out or must be carried out before the CNBV, is extended until May 30th, 2020, also considering the obligations that must be communicated or discharged before the SHCP, through the CNBV, in the matter of prevention of operations with resources of illicit origin and financing of terrorism, as well as the other provisions contained in the above mentioned Resolution, and extended by virtue of the Extension Resolution.

In addition to the above, on May 29th of this year, the Extension Resolution was once again published in the DOF, establishing that the term for the suspension of the deadlines provided for in section I.) above, will be extended until June 30th of this year.

To whom does this rule apply?

The deadlines for the delivery of information referred to in question number 4 above, apply to Financial Entities and Persons subject to the supervision of the CNBV.

In this sense, Article 2, section VI of the Securities Market Law (*Ley del Mercado de Valores*) establishes the following:

"Article 2.- For the purposes of this Law, it shall be understood that:

...

VI. Financial entities, holding companies of financial groups (*sociedades controladoras de grupos financieros*), general deposit warehouses (*almacenes generales de depósito*), financial leasing companies (*arrendadoras financieras*), financial factoring companies (*empresas de factoraje financiero*), foreign exchange houses (*casas de cambio*), bonding institutions (*instituciones de fianzas*), insurance companies (*instituciones de seguros*), limited purpose financial institutions (*sociedades financieras de objeto limitado*), brokerage houses (*casas de bolsa*), credit institutions (commercial banks) (*instituciones de crédito*), mutual funds (*sociedades de inversion*), operating companies of mutual funds (*sociedades operadoras de sociedades de inversion*), companies managing retirement saving funds (*administradoras de fondos para el retiro*) and other financial entities that are considered as financial institutions by the laws governing the Mexican financial system.

What are the new deadlines?

The period by which the deadlines are suspended with respect to the hearings, proceedings and procedures that are in progress, are carried out or must be carried out before the CNBV is extended until June 30th, 2020, also considering the obligations that must be communicated or discharged before the SHCP, through

the CNBV, in the matter of prevention of operations with resources of illicit origin and financing of terrorism, as well as the other provisions contained in the abovementioned Resolution, and extended by virtue of the Extension Resolution.

Consequently, on the business day immediately following the end of the period indicated above, the calculation of the deadlines provided for in the applicable regulations will continue.

In this sense, the suspension of the deadlines contemplated in the Extension Resolution will also be applicable to the deadlines established for the CNBV to take cognizance of or to resolve the relevant matters with respect to the procedures or steps referred to herein.

With respect to the obligations of Financial Entities and persons subject to the supervision of the CNBV, consisting of sending information or reports that must be physically submitted to the CNBV in the period indicated above, these must be executed by duly authorized personnel and sent by the electronic means that the CNBV publishes through its website on the world wide web called Internet, on the understanding that the documentation that should have been physically sent during that period, may be delivered to the CNBV within the following 15 (fifteen) business days counted from the business day following the period indicated above. The foregoing, unless the CNBV expressly indicates otherwise by means of a different notification issued for such purpose.

In view of the contingency in Mexico, Financial Entities and other persons subject to their supervision may send the information and reports they submit to the CNBV through the e-mails indicated in the notice from the CNBV to the Financial Entities and persons subject to the supervision of the CNBV, in the understanding that the CNBV, like other agencies and in compliance with the orders of the Federal Government, has suspended essential activities

Are relevant events still being sent?

Yes, issuers registered in the National Securities Registry (*Registro Nacional de Valores*) should consider including in their annual report possible risk factors related to the effects that are already being generated or that could be generated due to the COVID-19 pandemic.

In order to provide greater confidence to investors, securities issuers should publish any existing or developing price or financial condition concerns, so that investors may have greater certainty about these concerns.

Additionally, relevant events should continue to be published that respond to and address the current situation of the Mexican Financial System (*Sistema Financiero Mexicano*) as a result of the COVID-19 pandemic.

What about administrative procedures?

The Institute for the Protection of Bank Savings (*Instituto para la Protección al Ahorro Bancario*) ("**IPAB**") suspended terms until May 30th, 2020, with respect to administrative appeals for review and administrative sanctioning procedures underway before the IPAB. Consequently, the calculation of the deadlines foreseen in the applicable regulations will continue on the business day immediately following the end of the indicated period.

In this regard, this suspension of deadlines is also applicable to the deadlines established for the IPAB to take cognizance of, or to resolve any requests made by individuals.

What happens if I have securities registered in the Alternative Securities Market (*Mercado Alternativo de Valores*) and I have to pay taxes?

Tax obligations (payment of contributions, filing of returns, etc.) must be fulfilled in accordance with the deadlines and by the means established by the Laws (Income Tax Law, Value Added Tax Law, Federal

Fiscal Code, etc.) (*Ley del Impuesto sobre la Renta, Ley del Impuesto al Valor Agregado, Código Fiscal de la Federación* etc). So far, Mexico has not suspended or extended compliance with federal tax obligations, and according to the latest government communication, this will not happen.

Has trading in securities been suspended?

The Mexican Stock Exchange (*Bolsa Mexicana de Valores*) is currently operating normally in its usual model, applying various contingency measures as a result of the COVID-19 pandemic.

FISCAL / TAX LAW

Has your country issued any tax amnesty or aid program due to COVID-19?

Not so far. Mexico is the only country that has not granted support, benefits or tax incentives to taxpayers in this stage of total suspension of non-essential activities, despite requests from the business and productive sectors to maintain the economic viability and survival of individuals and small and medium enterprises.

Have the deadlines for compliance with monthly and/or annual tax payment obligations been suspended?

In federal taxes, such as income tax, value added tax and production and services tax, no extensions or deferrals of deadlines for payment have been published, so that compliance to date is mandatory despite the difficult national and international economic and health environment with the suspension of non-essential activities in the country.

On the other hand, some States and Municipalities have extended the payment of local taxes and duties or granted some type of benefit for the compliance of state or municipal tax obligations in charge of taxpayer's resident in their territorial jurisdiction.

What will happen with the deadlines for the ongoing audit procedures and the attention given by the Tax Administration Service?

Unfortunately, the Tax Administration Service has not implemented any scheme to suspend deadlines or operations, derived from the health emergency, therefore, taxpayers have been forced to have personnel in the facilities for any requirement, summons or information that the tax authorities intend to notify or request.

Are refunds to taxpayers of tax balances and other claims being made in a timely manner?

No. The Federal Executive Power stated that a measure to alleviate the adverse economic effects on cash flow from the suspension of non-essential activities and the obligation to continue paying salaries and benefits to its employees in full due to the COVID-19 pandemic, is to promptly return to taxpayers the requested tax balances; However, this has not happened; on the contrary, taxpayers continue to be subject to audit or verification processes of the origin and source of the amounts requested, which can take up to 180 working days and, in most cases, the response is negative.

Will there be penalties for violations during the health emergency period due to force majeure at the national level?

No. Until the federal tax authorities publish an extension or suspension for compliance with tax obligations, taxpayers must abide by all the obligations that the regulations provide for in order not to incur a penalty for any non-compliance.

Is there a Plan for the Reactivation of Mexico's Economy?

On April 5, the President, in a message "to the people of Mexico" announced what he called "Economic Reactivation Plan to face the impact that the country is suffering due to the emergency caused by the COVID-19", consisting of

- Not to increase taxes, nor to create new ones.
- Return the Value Added Tax promptly to the taxpayers.
- Generate, in 9 months, 2 million new jobs.
- Lower the salaries of senior officials and not pay them bonuses.
- Grant 2,100,000 personal, housing and small family business loans from the formal and informal sector.
- Provide Pemex with additional resources for 65 billion pesos (approximately \$2,653´061,224.48 million) because it will be reduced the tax burden.
- Reduce advertising, travel and operating expenses of the Government.
- Continue with the Mayan train, the Santa Lucia airport, the rehabilitation of refineries and construction of Dos Bocas.
- An additional 25 billion pesos will be invested in the introduction of drinking water construction and paving of marginalized areas in the country.
- To give direct support to 190 thousand fishermen.
- State employees will be granted personal loans between 20 and 56 thousand pesos.
- Public, private and social investment will be allocated to the energy sector for 339 billion pesos.

HEALTH REGULATION

In addition to the production, storage and distribution of essential goods and services (such as food and pharmaceuticals), are there other economic activities allowed during this quarantine period?

The Decree, besides allowing the supply, services and provision of the pharmaceutical sector, both in its production and distribution, allows the manufacture of inputs, medical equipment and technologies for health care, the distribution and sale of energy, gas and petrol stations, distribution of drinking water, food and non-alcoholic beverages industry, passenger and cargo transport services, agricultural, fishing and livestock production, agribusiness, chemical industry, cleaning products, hardware stores, courier services, telecommunications and media, funeral and burial services, storage services, airport, port and railway logistics.

The Decree also establishes that activities involving public safety, citizen protection, and activities that contribute to the operation of social programs are considered necessary to address the health emergency.

Finally, the places where the essential activities are carried out must apply the mitigation and control measures established by the Ministry of Health, the present decree and what is imposed by the General Health Council constituted with the purpose of attending the sanitary emergency generated by SARS-CoV2.

So far the food supply has not represented any challenge during the contingency.

The State indicates that it will guarantee the food supply, but are there any limitations regarding what type of food?

There is no limitation to any type of food. The Secretary of Agriculture and Rural Development held a working meeting with the National Agricultural Council (CNA), the National Association of Self-Service and Department Stores (ANTAD), the National Chamber of Cargo Transportation (CANACAR) and

representatives of supply centers, in order to carry out coordinated actions in the production, logistics and transportation processes to guarantee a sufficient supply of food during the health contingency.

The Secretary of Economy, said that Mexico has a reserve of basic food for 100 days, thus ensuring the supply of commodities during the contingency by the COVID-19.

INFRASTRUCTURE

What has happened with the logistic infrastructure of the country? Is same continue functioning or has it been suspended due to the COVID-19 contingency?

Yes, same continues functioning since it is considered as an essential activity in terms of article first, section II.C) of the Resolution by means of which extraordinary actions are implemented to attend the sanitary emergency derived from SARS-Co-V2 (COVID-19) virus, published in the Federal Official Gazette on March 27, 2020.

In this regard, airports, ports and railroads continue in full operation, complying, throughout their activities with all precautions and preventive measures included in such Resolution provided by Mexican sanitary authorities.

It is worth mentioning that on April 08, 2020 the Communications and Transportation Ministry released a Resolution in the Federal Official Gazette by means of which precisions were made regarding the essential activities competence of such Ministry in matters related to air transportation, railroads, federal and maritime transportation, as well as in matters related to port and communications operations from which it is evidenced that infrastructure and logistic services of the country continue operating.

What will happen with the infrastructure projects announced by federal government which were under execution? will the companies supplying raw materials for the development of these projects continue with the supply activities?

In terms of the Resolution published on May 14, 2020 by means of which an strategy for the reopening of social, economic and educative activities was issued, as well as a light system per region to weekly assess the epidemiologic risk related to the reopening of activities in each Mexican State, including extraordinary measures, it was provided that **activities related to the construction industry**, mining and manufacturing of transportation equipment are considered as essential activities as of June 01, 2020.

It is worth mentioning that the above-referred activities must be carried out following the guidelines published in the Federal Official Gazette on May 29, 2020 in the Resolution by means of which specific technical guidelines were issued for the reopening of economic activities.

In this regard, infrastructure projects projected to be developed will continue their construction, which includes the Mayan Train; the Dos Bocas oil refinery in the Mexican State of Tabasco and the new international airport in Santa Lucia.

For this specific projects the supply of raw material and materials required for the construction works will continue as stated in the Resolution by means of which the technical guidelines were issued in connection with paragraphs c) and e), section II, article First of the Resolution by means of which extraordinary actions were provided to attend the sanitary emergency derived from the virus SARS-CoV2, published on March 31, 2020.

What will happen with the execution of contracts awarded for the development of infrastructure projects?

Derived from the current pandemic emergency we could encounter in all contracts effects and circumstances which could be considered as breach of contractual obligations within certain timeframes.

Before this situation, it is advisable to identify all existing contracts related to infrastructure works as to determine, among other circumstances: (i) purpose of the contract and therefore if activities included therein could be considered as essential activities, as to determine if same could continue their execution and, in any case the risk level (as per the light system) that would correspond to such activity for its execution; (ii) analyze clauses related to force majeure events that could excuse Parties from complying with their obligations; (iii) provisions applicable to the possible suspension regarding compliance of obligations.

INTELLECTUAL PROPERTY

What is the effect of the regulations that have declared a state of sanitary emergency in the processes related to elements of industrial property (trademarks, patents or copyrights) processed before the Mexican Institute of Industrial Property and the National Institute of Copyright?

In accordance with the Agreements published in the Official Gazette of the Federation on March 24 and 26, April 14 and 28 and May 27 and 29, 2020, the Mexican Institute of Industrial Property suspended the terms from March 24 and until the circumstances allow this authority to restart its activities, while the National Institute of the Copyright Law suspended the terms between March 26 until the circumstances allow this authority to restart its activities. The above means that there will be no deadlines within those dates, extending for the first following business day.

What is the effect of the regulations that have declared a state of sanitary emergency in the judicial processes related to elements of industrial property (trademarks, patents or copyrights) processed before the Federal Court of Administrative Justice, District Courts, Collegiate Courts of Circuit and before the Supreme Court of Justice of the Nation?

By means of Agreements published on March 18, April 14 and 28 and June 2nd and 25, 2020, the suspension of activities of the Federal Court of Administrative Justice, District Courts, Collegiate Circuit Courts and the Supreme Court of Justice of the Nation was ordered, which is why the terms included between March 18 and July 15, 2020 will not run, and these will be extended for the first following business day (July 16, 2020).

Can I initiate any procedure for the defense of my intellectual and industrial property rights (infringement procedures) during the suspension of activities?

The Mexican Institute of Industrial Property is the body in charge, in the first instance, of the infringement procedures to issue precautionary measures and sanction conduct that violates intellectual and industrial property rights. During the suspension period, the Agreement published on March 24, 2020 empowers it to exempt the suspension of deadlines with respect to any type of diligence necessary to mitigate the effects of the pandemic or, where appropriate, lift provisional measures imposed within an administrative declaration of infringement procedure.

Is it possible that the suspension of activities of the authorities can be extended?

On March 31, 2020, the Federal Government published an Agreement decreeing the health emergency and establishing a period of suspension of activities until July 15, 2020, so there is the possibility that the Mexican Institute of Industrial Property and the National Institute of Copyright, the Federal Court of Administrative Justice, District Courts, Collegiate Circuit Courts and the Supreme Court of Justice of the Nation, extend the suspension of activities until that date.

Is there a possibility that the authority will grant the suspension of patents that could be related to measures to mitigate the pandemic?

The General Health Council has not determined the application of these measures, however, the right to the exclusive use of a patent has an exception (article 77 of the Industrial Property Law) through the granting of

public utility licenses, and the which will be granted for causes of emergency or national security, including serious illnesses declared of priority attention by the General Health Council.

Are there any relevant regulations published during this period?

On March 27, 2020 it was published in the Official Gazette of the Federation, the amendments to the Official Mexican Standard NOM-051-SCFI / SSA1-2010, GENERAL SPECIFICATIONS OF PRE-PACKAGED FOOD AND NON-ALCOHOLIC BEVERAGES-COMMERCIAL AND SANITARY INFORMATION (NOM-051), by which it is established that as of April 1, 2021: "4.5.1. Prepackaged products that bear one or more warning labels or the sweetener legend, must not: a) include on the label children's characters, animations, cartoons, celebrities, athletes or pets, interactive elements such as visual-space games or digital downloads, which, being aimed at children, incite, promote or encourage the consumption, purchase or choice of products with excess critical nutrients or sweeteners, and b) make reference on the label to elements outside the same for the same purposes of previous paragraph."

Although NOM-051 does not have a direct relationship with the emergency of the pandemic, it is a situation that must be considered by the holders of intellectual and industrial property rights for possible challenge once the Federal Courts have restarted activities.

LABOR

Has Mexico decreed any special measures on labor matters concerning COVID-19?

On 30 March 2020, the General Health Council issued an agreement declaring Health Emergency due to force majeure, to the epidemic of disease generated by SARSCoV2 (COVID-19).

The Ministry of Health determined the following health security measures in order to reduce the transmission of COVID-19:

- a) Immediate suspension of all non-essential activities to address the health emergency in the public sectors, private and social starting 30 March to 30 April 2020. This was extended to May 30.
The Essential activities for this measure are considered to be those directly required for attending the health emergency, among those of the medical, paramedical branch, and support in the entire public and private health sector; the pharmaceutical industry in terms of both, production as well as distribution (pharmacies); manufacture of medical supplies, equipment, and technologies for healthcare; public safety; legislative activity; essential sectors of the economy, which include financial services, distribution, and energy supply, gas stations and gas, distribution of drinkable water, food and beverage industry of non-alcoholic products, supermarkets, convenience stores, grocery stores, and sale of prepared foods, passenger and cargo transport services, agricultural production, chemicals, cleaning products, hardware stores, delivery services, private security services, telecommunications, and media, among others.
- b) Social distancing is extended until April 30th of this year in all sectors and activities defined as essential, which implies that they should not be carried out meetings of more than 50 people and must follow basic preventive actions such as frequent hand washing, sneeze into elbows, distant greeting and other measures issued by the Ministry of Health.
- c) The population is advised to observe voluntary isolation at home, which means to voluntarily limit their mobility by staying inside at home of the time.
- d) Home insulation is mandatory to adults over 60 years of age and to people who are vulnerable to the disease, such as pregnant women or breastfeeding mothers, people with disabilities, people with chronic diseases (hypertension, diabetes, etc.) or people who are under treatment that may lower their immune system, regardless of whether their work activities are essential or not, on the understanding that their salary and benefits will not be affected.

- e) Once the suspension of non-essential activities and the voluntary isolation is concluded, the Ministry of Health, in coordination with the Ministry of Economy and the Ministry of Social Welfare, will issue the guidelines for a phased and regionalized return to the labor, economic and social activities.
- f) Electoral processes, censuses and national surveys that involve physical interaction are suspended.
- g) All measures will be taken in full respect of human rights.

Although the declaration of emergency orders an immediate suspension of non-essential activities, its scope does not imply the legal suspension of employment relationships, so it must be inferred that the payment of salary and wages would not be affected.

It is possible and recommended the possibility of negotiating with the union and/or the workers in order to modify the terms and conditions of employment to preserve the source of employment and labor relations.

On May 14, 2020, the Ministry of Health issued a resolution to establish the strategy for the reopening of social, educational and economic activities due to the Covid-19 pandemic, as well as a regional process to assess the epidemiological risk in each state based on a colored "traffic light" system, which will be in effect until the day the sanitary emergency is declared terminated.

This based on a strategy consisting of the following three stages.

The first one started on May 18, 2020 and consisted of the unrestricted reopening of economic activities in municipalities without confirmed cases of Covid-19 and that is not next to municipalities with cases of contagion.

The second stage was from May 18 to May 31, 2020 and consisted in newly designated essential sectors to prepare and apply for online authorization of sanitary protocols through the web page www.gob.mx/nuevanormalidad. These protocols must be drafted in line with guidelines issued jointly by the Ministry of Health, Economy, Labor and by the Mexican Institute of Social Security.

- The Social Security Institute had to issue a response within the following 72 hours.
- Employees whose protocols were rejected had to chance to reapply for authorization.

The last stage started on June 1, 2020 and considers the restart of social, educational and economic activities in the rest of the country based on the below "traffic light" system by regions that will be assessed on a weekly basis:

Region	Activity	Activities' description
Red	Schools	Suspended
	Public space	Suspended
	Economic activities SOLELY ESSENTIAL	Only work activities classified as essential
Orange	Schools	Suspended
	Public space	Reduced capacity in activities taking place in public open space spaces. Suspended in closed spaces
	General Economic activities	Work activities classified as essential and non-essential activities on a limited matter
Yellow	Schools	Suspended
	Public space	Activities taking place in open spaces and restricted in closed spaces.
	General economic activities	All work related activities.
Green	Schools	No restrictions

As of June 29, 2020 the states of Aguascalientes, Baja California Sur, Campeche, Chiapas, Chihuahua, Mexico City, Coahuila, Durango, Guanajuato, Jalisco, Michoacán, Queretaro, Quintana Roo, San Luis Potosi, Tamaulipas, Yucatán and Zacatecas were set to orange, with the next review set to take place on July 5, 2020. Companies classed as 'essential' may continue to operate regardless of the traffic light color for their region, if they have implemented appropriate sanitary measures in the workplace.

Under the orange color, the following activities may reopen at a 50% of their capacity: open public spaces in general (i.e. parks); restaurants; barber shops and beauty salons; professional sports leagues will also be able to restart without any public present in the stadiums. Activities in private sport clubs in open spaces only at a 30% of their capacity. Non-essential businesses able to re-open under the orange color do not need prior authorization to do so, provided that any guidelines issued by local and federal governments are complied with.

Can employers grant employees leaves of absences during this COVID-19 health crisis?

Yes. However, consider that the leave must be paid, since the sanitary emergency must not affect salary and benefits.

Are the Federal or Local governments providing any financial assistance or support to employers and/or employees during this health crisis?

No. So far there are no financial or other support schemes for employers or employees.

Can employers deny employee access to the workplace in case some symptoms of COVID-19 are detected?

If an employee has symptoms of COVID-19, they should be directed to a clinic at the Institute Mexican Social Security ("IMSS") for a health evaluation.

If the employee is diagnosed with an infection, the same rules for a general illness certified by the IMSS must be followed. However, if the Institute does not issue a certificate of incapacity due to illness, then the employee must return to work.

If the employee has a positive COVID-19 result issued by a doctor or private institution, regardless of not having an IMSS-issued disability, the recommendation is to send the employee home with paid leave. and tell him to obtain the disability by the electronic means that the IMSS itself has established to avoid contagions in the clinics. Once the disability is obtained, then a general illness will be treated and the IMSS subsidy will be paid.

Can employers use symptom screening for COVID-19?

Employers in Mexico can legally require their employees to be medically examined at any time during the employment relationship, so yes, it is legally possible to implementation of a symptom detection program.

Employees can also be asked if they have traveled recently to a high-risk area or if they have been in contact with an infected or suspected person.

Besides, employees have a legal obligation to undertake medical examinations and the refusal can be considered a cause for termination of the employment relationship if there is concrete evidence of such refusal.

For these purposes, it is important to verify that each employee has been given a privacy notice that describes the handling of confidential information, such as the results of medical tests. It is important to remember that the delivery of the privacy notice is a legal obligation of all employers in Mexico.

Are employees required to disclose to their employer if they have tested positive for COVID-19?

Yes. Part of the screening controls, programs, or policy may include reporting a positive test.

Can employers have a policy that requires employees to report whether they or their employees have symptoms of COVID-19?

Yes. The employer may implement a policy that informs employees that it is their obligation to report if any of them have symptoms.

Can employers force employees to take vacation time during the crisis health care system of COVID-19?

No. An employer may suggest taking time off on account of vacation but cannot force employees to do so. However, it may be agreed to preserve the source of work and the individual relationships of employees.

Are employers relieved of compensation responsibilities in the event that a reduction in workforce is required due to the COVID-19 health crisis?

No. In the event that a reduction in workforce is required and one or more employees are separated from employment, they would be entitled to receive 100% compensation under the Federal Labor Law.

Does the declared health emergency disrupt the accumulation of seniority and other employment benefits during this period?

No. The declaration of emergency was due to force majeure and it was expressly stated that wages and benefits should not be affected, meaning that, activities are suspended, but not labor relations.

Can employers negotiate or initiate a temporary closure of the workplace or a reduction in hours along with a temporary reduction in salary and benefits?

Yes. Given the force majeure that caused the health emergency, it is possible to agree on the temporary closure or reduction of hours and wages to preserve the source of work and individual relationships of the collaborators and avoid the definitive termination of such employment relationships. On the understanding that this cannot be done unilaterally by the employer.

If employees refuse to come to work, can they be fired for the abandonment of work?

If an employee refuses to work, it must be considered as an unjustified absence. In this sense, the Federal Labor Law establishes that if an employee accumulates more than three absences in a period of 30 calendar days, it could justify termination without any obligation of legal compensation.

Do employers have an obligation to inform health authorities or other employees about positive COVID-19 tests?

In the event that any of your employees test positive for COVID-19, you should be referred immediately to the Mexican Institute of Social Security and report it through the normal controls of general illness reporting.

Have the labor authorities yet issued or expressed any support to employers to maintain sources of employment during the period of suspension of activities because of the health emergency caused by COVID-19?

No. Labor authorities have not yet notified any support to the employers. Nevertheless, the authorities have announced to do inspection visits to verify that there are no violations of the labor standards and obligations or, in case of being informed that the employer has not paid salaries and benefits, or if reduced.

This is included in the so- called “*Applicable Criteria for the Development of Inspections during the Wage or Minimum Wage Payment Operation from March 30, 2020, to April 30, 2020*” signed by the Head of the Decent Work Unit and by the General Director of the Federal Labor Inspections, both under the Labor Ministry. In addition to the labor or administrative sanctions, the Federal Public Prosecutor’s Agency may be informed without the prior opportunity for the employer’s defense.

LITIGATION AND ARBITRATION

Have the procedural deadlines in judicial proceedings at the national level been suspended?

Yes, by means of General Agreement 8/2020, the Federal Judiciary Council, through the Communication, established the suspension of jurisdictional functions in the organs of the Federal Judiciary (PJF), as of May 30, 2020.

This suspension means that no procedural deadlines will apply.

As a result of the agreement published on May 14, 2020 by the Ministry of Health, which establishes a system of traffic lights by region in order to assess the weekly epidemiological risk before the reopening of activities as well as extraordinary actions to reduce the contagion, in this context the Federal Judiciary Council extends the period of validity in order to avoid concentration of people and spread of the virus, this period will be subject from March 18 to June 15, 2020.

There is a system of guards for the continuity and processing of matters considered urgent.

For the first time in its history, the Plenary of the Federal Judiciary Council has approved the processing and online integration of all cases, regardless of their instance or subject matter, by the jurisdictional bodies of the Federal Judiciary Council:

- Discharge of proceedings;
- Hearings;
- Sessions by videoconference; and
- Agreements and interconnection with the authorities that are part of the cases.

Additionally, pursuant to the amendment issued by the official decision number 15/2020 of the Federal Judiciary Council the scheme of reduced activities will be until July 15, 2020. Therefore, as of July 16, 2020, all types of initial briefs, requests for lawsuits, incidents, promotions and resources may be submitted from the Online Services portal.

Have the procedural deadlines in the processes of the Supreme Court of Justice of the Nation been suspended?

Yes, the National Supreme Court Plenary, by means of General Agreement number 7/2020, suspended jurisdictional activities as of May 31, 2020.

Based on the last agreement published by the Supreme Court of Justice of the Nation, the period from June 1st to June 30th, 2020 is declared unusable. Therefore, the suspension of terms in the cases processed before the Supreme Court of Justice of the Nation during this period is extended, and it is indicated that no terms will run during this period.

Have the computation of time periods in the processes of the Federal Court of Administrative Justice been suspended?

Yes, the Federal Court of Administrative Justice agreed to suspend all its jurisdictional and administrative activities until May 29th, 2020 in accordance with agreement SS/12/2020, which amends agreement SS/11/2020 to determine the extension of the suspension of jurisdictional activities.

As a result of the conflict and the risks posed by the traffic light measurement system, the Federal Administrative Justice Court has extended the suspension until June 30th, 2020, in terms of article 65,

paragraph 2 of the Organic Law of the Federal Administrative Justice Court, establishing the days of the suspension and procedural deadlines in accordance with the safety measures imposed by the health authorities.

Have the time limits in the proceedings of the Agrarian Courts been suspended?

Yes, the Plenary of the Superior Agrarian Court by means of Agreement 05/2020, determined the suspension of jurisdictional and administrative work in the Superior Agrarian Court, the 56 Unitary Courts and the alternate seat, distributed throughout the national territory, as of May 5, 2020, for which time periods and terms are suspended.

The High Agrarian Court extended the suspension of jurisdictional and administrative work by declaring the days from May 6 to May 31, 2020 unfit for work. Therefore, as of June 1, 2020, activities will be carried out in compliance with the measures of healthy distance and giving priority to working at home through electronic means.

As a result of the above, as well as the development of the pandemic, the Superior Agrarian Court extended the suspension of jurisdictional and administrative work until June 30, 2020, and also determined the general guidelines for work and health and hygiene protocols in the courts.

MUNICIPAL REGULATION AND AUTHORIZATIONS

During the period of the state of emergency, are the municipalities attending? What will happen to the procedures initiated?

The governments of the states, in their area of competence, will summon the municipal authorities to enforce the agreement and the measures and actions of the Ministry of Health.

Some procedures are still in force, but it depends on each municipality.

SOCIAL SECURITY

Has the Mexican Federal Government issued any protocol to companies that will initiate activities in the health emergency stage must comply with?

Yes, on May 17, 2020, the Mexican Federal Government issued a document denominated "Technical Guidelines for Health Safety in the Work Environment" which contains health procedures to be accomplished by the companies that will start activities.

Which sectors of the companies will be able to start activities?

The sectors with activities are considered essential like: **a)** construction industry, **b)** mining and **c)** manufacturing of transport equipment. These actions and plans will be intended to be applied in the same way in other essential and non-essential activities in the following phases of the "new normality".

What is the protocol that companies with essential activities must comply with to start activities?

From May 18, 2020, companies with essential activities must request the questionnaire denominated "Self-evaluation of the Health Safety Protocol" on the Federal Government platform (www.gob.mx), which will be verified by the Mexican Social Security Institute (IMSS). Said Institute will issue an electronic receipt with the result of the self-evaluation within a period of 72 hours, the meaning of this result can be: **i)** approval, **ii)** request for further information or **iii)** denial of the health security protocol to start activities. In this last case, companies may request the questionnaire again, providing the omitted elements or correcting the mistakes contained in the first self-evaluation.

FABREGA MOLINO

PANAMÁ

Updated July 1, 2020

Since the first confirmed case of COVID-19 in Panama, the Central Government has acted quickly, decreeing a State of National Emergency and ordering a total quarantine throughout the entire territory of the Republic.

In addition to this, restricted measures of citizen mobility have been adopted with the aim of mitigating the spread of the virus. In this way, the pertinent actions have been taken to prepare and adequately equip the health system. To this end, public contracting regulations have been adjusted, among other measures, to speed up the acquisition of the equipment and materials necessary to face the health crisis.

As for the economy, the National Government issued a temporary closure order for business establishments and companies, either natural or legal persons, which has represented an almost total paralysis of the different sectors of the economy. At the same time, various regulations have been issued with the purpose of alleviating the economic impact, especially for the debtors' obligations with their respective creditors and those tax obligations typical of the different trade activities.

The National Government has declared a plan for the gradual reactivation of the economy, which is divided into several blocks. Each block includes certain sectors of the economy that are allowed to resume their activities. On June 1st, the second block of the aforementioned plan was launched.



José Agustín Preciado, senior partner

ADMINISTRATIVE LAW

What are the permits required to circulate in this time of emergency?

Through Executive Decree No. 490 of March 17, 2020, a "curfew" was imposed throughout the national territory, on the entire population of the Republic of Panama, which was expanded by Executive Decree No. 507 of 24 March 2020, 24 hours a day, starting on March 25, 2020, which will remain in force for the duration of the State of National Emergency declaration. In addition to the above, by means of Resolution No. 360 of March 30, 2020 of the Ministry of Health, citizen mobility measures were adopted in the national territory, aimed at controlling and mitigating the spread of the Covid-19 pandemic; using as a basis for this, the sex and the ID number for the nationals; and sex and passport number for foreigners. For this, they established Mondays, Wednesdays and Fridays for people of the female sex; while those of the male sex, during the days Tuesday, Thursday and Saturdays. Each citizen may circulate on the day and time that corresponds, according to the last digit of his identity card or passport.

Notwithstanding the foregoing, it should be noted that although Decree No. 500 of March 19, 2020, ordered the temporary closure of commercial establishments and companies of natural or legal person throughout the national territory, it also enabled exceptions to said ordinance for those commercial establishments or companies whose activities are included within the exceptions of the same Decree. In the case of these companies, they have been allowed to process safe-conducts for employees who are going to operate while the State of National Emergency lasts, which allows them to circulate throughout the national territory.

What vehicles are authorized to drive?

Any vehicle that is used by an excepted company to provide its service is allowed to circulate. For example, Mi Bus, a company that provides the collective public transport service for passengers in Panama City, is excepted, so its buses are authorized to circulate, with due hygiene measures. Taxis are also allowed, when they are providing their service or in medical cases, not for personal use. Likewise, transportation that is used to mobilize workers from companies authorized to operate is permitted, as well as that that mobilizes animals or agricultural and agri-food products.

In the case of individuals who are leaving during their permitted hours, using a private vehicle, only two family members per vehicle are allowed to circulate, except in the case of an emergency.

Do these vehicles require a permit or safe-pass to circulate?

In the case of vehicles that are exempt from the national curfew, they need a pass issued by the Ministry of Commerce and Industries to circulate. If it is a private vehicle that is being used to go to buy food, for example, it does not need a pass, as long as its occupants are circulating on their allowed schedule.

Are vehicle maintenance workshops authorized to operate?

Yes. The Ministry of Commerce and Industries (MICI) has presented a Job Reactivation and Economic Reopening Plan for the gradual normalization of the economy, which consists of several blocks. Block 1 was already enacted on May 13 and it included, among others, mechanical workshops and spare parts in general.

Can companies that produce hospital clothing and other medical protective textile materials and their suppliers of raw materials operate in the emergency?

Yes. Among the exceptions to the order of temporary closure of commercial establishments and companies of natural or legal person of Decree No. 500 of March 19, 2020, is included the entire chain of production, distribution, marketing and sale of medicines and hygiene products, companies for the maintenance, operation and distribution of medical equipment; including packaging or input manufacturers in the aforementioned sectors.

Is it necessary to have authorization, permission, license or other, from any entity of the Panamanian State to be able to operate within the emergency regime?

Yes, the person or company must have the Operation Notice issued by the Ministry of Commerce and Industries, which includes the activity or activities that allow its operation during the emergency regime.

In addition, it should be noted that Executive Decree No. 541 of 2020 allows the Ministry of Health, by resolution, to order "the reactivation, operation and mobilization of specific companies or activities not contemplated in the exceptions to the curfew.

CIVIL / COMMERCIAL

What is a fortuitous event and/or an event of force majeure?

Our civil legislation defines force majeure as "the situation produced by acts of man, to which it has not been possible to resist, such as acts of authority carried out public officials, capture by enemies, and other similar acts. It is a fortuitous event an event of nature which could not be expected, such as a shipwreck, an earthquake, a conflagration, and others of an equal or similar nature".

Is COVID-19 a fortuitous case or an event of force majeure?

In the case of COVID-19, both factors have been materialized; force majeure, because of the multiple "acts of authority", such as the Executive Decrees that ordered the total closure of most economic activities and the cessation of work; and a fortuitous case because the pandemic is an act of nature which could not be expected.

Have the rules that regulate the state of emergency established any provision that extends or suspends the payment of rents for the leasing of properties intended for commercial activities?

Yes, but these benefits are only granted to those tenants who have been affected in their income by the national emergency. The corresponding benefit indicates that "While the state of national emergency lasts and up to two (2) months after the lifting of this measure, leasing fees, the increase clauses and / or the penalty for unilateral termination of the contract and interest related to late payment, are suspended." All release and eviction procedures are also suspended, without distinction of the amount of rent. However, the lessee must pay the amounts not paid once the effects of the declaration of state of national emergency have ceased. Any agreement that the parties take on the payment of these amounts must be registered with the Ministry of Housing and Land Management, and its registration will last two years if the lessee does not breach the agreement.

Can the fulfillment of contractual obligations be suspended?

In Panama, in civil and commercial matters, the principle of autonomy of the will governs, so the parties can freely agree to suspend compliance with contractual obligations.

What happens to notarial services? Do these continue to be provided?

In Panama, notary services are provided by persons appointed as Notaries Public by the Executive Branch on a discretionary basis. Each Notary is free to set his schedule and how to provide his service, provided that, when exercising his office, he complies with the respective legal regulations. Notary services are not exempt from the national curfew. However, there are Notaries who are providing their services by sending documents to their homes, and in the case of public deeds, with the proper qualified electronic signature, they can sign them digitally.

What happens to the registration procedures in progress in the Panama Public Registry?

The Panama Public Registry continues to carry out the registration procedures in progress at the time of the national curfew as well as allowing the electronic filing of public deeds and the request for digital certificates.

However, personal attention and filing of documents in the offices of the Public Registry is suspended. In the case of procedures that are not common, such as the filing of a withdrawal, these are being processed by email.

CORPORATE LAW

What happens with a call to a general shareholders' meeting whose dates coincide with the period of social isolation?

Unless the articles of incorporation or the bylaws of the company indicate otherwise, the Board of Directors may cancel the announcement and make a new one, in which it indicates that the meeting will be held by telephone call or by a platform or means specific digital, with the information that is necessary to access the meeting.

INTELLECTUAL PROPERTY

What is the effect of the regulations that have declared a state of sanitary emergency in the procedures related to elements of industrial property (trademarks, patents, or copyrights) processed before the Industrial Property Registry General Office (DIGERPI)?

Currently, due to the state of sanitary emergency, deadlines are not being computed. It is not possible to file opposition, nullity, or cancellations of improper use since it is a procedure that is filed before the Courts, which are not receiving documents of any kind.

The Industrial Property Registry General Office allows applications for new trademarks, renewals, and administrative changes to be submitted only via email. This is optional as the deadlines will not resume until the offices are physically opened. You cannot file patent related procedures.

Can I initiate any procedure for the defense of my intellectual and industrial property rights (infringement procedures) during the suspension of activities?

Now it would only be possible to send cease and desist letters.

Are there any relevant regulations published during this period?

Related to intellectual property, no.

INSURANCE

Are insurance companies obliged to pay compensation or coverage in this period of health emergency?

Yes, depending on the terms and conditions of the policy that has been signed between the insurance company and the insured party. To date, no regulation has been issued that directly affects insurance contracts.

What happens before the impossibility of paying the premiums in this period of health emergency? Are insurance companies obliged not to suspend coverage due to impossibility of payment?

Faced with the inability to pay, the insurer can suspend coverage. No rule has been issued that requires insurance companies not to suspend coverage in this case.

LABOR LAW

Is the employer empowered to sanction workers who are obliged to go to work or carry out remote work or telecommuting?

Through Executive Decree No. 78 of March 16, 2020, labor measures were established to prevent the spread of COVID-19 in companies in the country. Among its provisions, it is included that employers inform their workers of the options to work in telework modalities, as defined by Law 126 of February 18, 2020, which establishes and regulates teleworking. Article 12 of the same Decree establishes the following:

"Article 12: The employer may make use of the sanctioning right granted by its internal work regulations against the worker who fails to comply with the obligations contained in this Executive Decree. If there are no internal work regulations, a suspension of one to three days may be applied without the right to wages, for violation or non-compliance with this Executive Decree."

Which employers can carry out work activities during the quarantine period?

Although Decree No. 500 of March 19, 2020, ordered the temporary closure of commercial establishments and companies of natural or legal person throughout the national territory, it also enabled exceptions to said order for those commercial establishments or companies whose activities are included within the exceptions of the same Decree. In the case of these companies, they have been allowed to carry out work activities while the State of National Emergency lasts.

Which employers are unable to carry out work activities for the quarantine period?

Those whose commercial activity or line of business is not included in the exceptions to the order of temporary closure of commercial establishments or companies, established by Executive Decree No. 500 of March 19, 2020. It should be noted that many companies have continued with their work activities, despite the closing order of business establishments or companies, adhering to the telework modality; however, there are many employers who, due to the nature of the activity/ies they carry out, are unable to adopt this type of work, therefore, they cannot carry out work activities for the period of quarantine.

What income will the workers affected by the suspension of work receive?

Through Executive Decree No. 400 of March 27, 2020, the Panama Solidarity Plan is created to meet urgent needs as a result of the COVID-19 pandemic that affect, to a greater or lesser extent, citizens within the national territory.

The "Panama Solidarity" Plan consists of providing solidarity support to the citizens affected by the pandemic to cover part of their basic needs for food, hygiene products and medicines, while the State of National Emergency decreed before the health crisis of the COVID-19.

The support of the "Panama Solidarity" Plan will be carried out through the delivery of Food Bags, Solidarity Bonus and Digital Coupon, based on the logistics required for the effective delivery and use of solidarity support. However, other types of solidarity support may be implemented, taking into account circumstances generated by the development of the pandemic.

Can the employer not renew fixed-term contracts during quarantine?

Yes. Among the regulations that have been issued as a result of the pandemic, there is nothing that prohibits the employer from ending the employment relationship. Said terminations must be carried out subject to the usual restrictions and in accordance with the usual formalities established in the Labor Code.

Can the employer terminate probationary personnel during quarantine?

Yes, it can.

LITIGATION AND ARBITRATION

Have procedural deadlines been suspended in judicial proceedings at the national level?

Yes. By Agreement No. 168 of May 14, 2020, the Plenary of the Supreme Court of Justice, agreed to extend the suspension of the judicial terms (decreed by Agreements No. 146, 147, 158, 159, 161 and 163 of 2020), from Monday, May 18, 2020 to Sunday, June 7, 2020.

Have the computation of deadlines been suspended in arbitration proceedings?

This measure depends on the arbitration center, as it is also at the discretion of the parties, in case the arbitration center does have the appropriate technological means to continue operating. The Panama Conciliation and Arbitration Center, attached to the Chamber of Commerce, Industries and Agriculture of Panama, is applying telework measures for the development of its work and has implemented mechanisms for the virtual development of arbitration proceedings.

MIGRATION

What is the status of the immigration files that have been started before the National Migration Service?

The National Migration Service has suspended until May 31, 2020 all the deadlines of procedures and actions that are carried out before the institution, as well as physical service. This suspension has been in effect since March 16, 2020. This implies that the status of the migration files is that which they had as of March 15, 2020.

What should I do if my residence expires during the state of emergency?

If your residence expired as of March 13, 2020, it has been automatically extended by the National Migration Service until May 31, 2020. Once Migration resumes attention, they have announced that an additional time will be considered for filing of your renewal application.

What will happen with new migration procedures?

Any new migration procedure may be filed once Migration resumes its regular attention. The suspension of their actions and deadlines remains in effect until May 31, 2020. In the event that attention is resumed from June 1, 2020, it is important to consider that flights to Panama are suspended until June 22, 2020, so if you are outside of Panama, you will not be able to take the photo for the migration permit, and to date Migration has not announced how it will handle this situation.

What are the administrative penalties for exceeding your stay?

In the event of exceeding your stay that has occurred as of March 13, 2020, Migration will not apply fines. At the same time, since all immigration proceedings and deadlines have been suspended, deportation proceedings will not begin.

TAX LAW

Does the calculation of the terms of the tax procedures initiated before the declaration of National Emergency continue?

No. By Resolution No. 201-2353 of March 20, 2020 of the General Revenue Directorate, the suspension of the terms was ordered in the administrative appeals under the jurisdiction of the General Revenue Directorate, from March 16 until the State of Emergency is lifted.

Will penalties be imposed for infractions during the period of the national state of emergency?

Through Executive Decree No. 251 of March 24, 2020, which adopts tax measures to alleviate the economic impact resulting from the State of National Emergency, it is granted a term of 120 calendar days from the date of enactment of Law 134 of March 20, 2020 (which approved the extension of the tax amnesty previously granted through Law 99 of 2019) for the payment of taxes that were caused or must be paid during said period and that are within the competence of the General Directorate of Income (DGI) of the Ministry of Economy and Finance, without implying the generation and payment of interest, surcharges and fines.

This Decree also establishes that if during the period of the State of National Emergency, the capacity of taxpayers to comply with their reporting obligations is affected, the General Directorate of Income (DGI), by means of a specific reasoned and sustained resolution, according to the affectation product of the State of National Emergency, can postpone the terms of presentation of the different tax compliance declarations and reports; without this implying the generation and payment of fines.

Except for the benefits and relief measures adopted through the DGI Resolution, any other infraction, such as non-compliance with the obligations arising from the withholding agents, will be sanctioned in the manner established by the Tax Code.

Have the deadlines for compliance with monthly and annual income tax obligations been suspended?

No. A term of 120 calendar days has been granted, from the date that Law 134 of 2020 was promulgated for the payment of taxes that are caused or must be paid during said period and that are the responsibility of the General Directorate of Revenue.

How do I enroll or reactivate the RUC during the national emergency?

Through Resolution No. 201-2402 of April 2, 2020, from the General Directorate of Revenue, the face-to-face service platform service described in Resolution No. 201-1838 of 28 was suspended, while the State of National Emergency lasts. May 2019, for all the procedures contained in the portfolio of services whose formalization has been enabled via the web through the E-Tax 2.0 system. The RUC registration service in the DGI is enabled via the web in said system.

TELECOMMUNICATIONS

If the telecommunications receipt (fixed or mobile telephony, cable and internet) has not been paid, will the user service be suspended?

No, but this benefit only applies to fixed or mobile telephony and Internet services, if the debt corresponds to the months of March to June 2020 and depending on the economic or labor circumstances of the consumer. Law 152 of 2020 suspends payment of the services for four months, starting on March 1, 2020, with the option of prorating the debt over a period of three years. These measures will not generate any type of interest nor will they affect the credit history of the client. In addition, the Law indicates that only those persons whose family income is less than US\$2,000 per month, those whose family income has been

reduced, those whose employment contract has been suspended, those who have been dismissed or are not working due to the pandemic, and those who are pensioners or retirees will benefit from this Law.