



# Government and institution measures in response to COVID-19

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# Latin America

**CONTACTS:**
**Tax:** Rodolfo P Canese Mendez – [rcanese@kpmg.com.ar](mailto:rcanese@kpmg.com.ar)
**Restructuring:** Andrea Oteiza – [aoteiza@kpmg.com.ar](mailto:aoteiza@kpmg.com.ar)
**Legal:** Juan M Jovanovich – [mjovanovich@kpmg.com.ar](mailto:mjovanovich@kpmg.com.ar)
**Current as of 02 April 2020**

| <b>General Information</b>   | <p>The administration announced a number of measures, to fight the slowdown, targeted at poorer consumers (estimated cost of 2% of GDP). This includes a special bonus for people who receive the lowest pensions, as well as for poor families with children. Also increased assistance to food banks including at schools, and more resources for social programs reaching over 9 million people. Price ceilings have been established for essential products including food and sanitary products. Layoffs are prohibited for 60 days effective March 31st. Monetary policy will remain expansionary, as the administration focuses on protecting the economic activity and this is the main relief measure available for large companies, in general. The Government announced it will implement a plan of ARS 350 billion (USD 5 billion) to provide relief to companies certified as “MiPyMEs” (small and medium companies) for which social security contributions will be reduced and the State will absorb the cost of part of the salaries.</p> |   |   |
|--|---|---|---|
| <b>Tax measures – Direct and Indirect</b><br>(e.g. payment deferrals, rate reductions...)  | <b>Employment-related measures</b><br>(e.g. state compensation schemes, training...)  | <b>Economic stimulus measures</b><br>(e.g. loans, moratorium on debt repayments...)   | <b>Other measures and sources</b>   |
| <p>Decreto 300/2020 sets forth the following tax relief measures for companies that are employers and that provide healthcare-related benefits:</p> <ul style="list-style-type: none"> <li>– 95% reduction of employer contributions to the social security system</li> <li>– 59% reduction of the bank credit tax</li> <li>– 17% reduction of the bank debt tax</li> </ul> <p>The measures in the decree are valid for 90 days from the date of publication in the official gazette, 20 March 2020.</p> | <ul style="list-style-type: none"> <li>– Labor license for vulnerable populations including people over 60.</li> <li>– Decreto 332 creates the Emergency Assistance Program for Jobs and Production with these benefits: a) Postponement of the payment of employer contributions to the Argentine Integrated Social Security System (SIPA); b) Reduction of up to 95% of the payment of employer contributions destined to SIPA; c) The National Social Security Administration (ANSeS) will cover part of the wages. Among the requirements to access this help we can mention: i) economic activities critically affected ii) significant percentage of employees who cannot provide services ii) there is a substantial reduction in sales after March 20th, 2020.</li> </ul>   | <ul style="list-style-type: none"> <li>– C A6946 of the Central Bank provides incentives so banks grant credits at preferential rates to small and medium companies for the payment of salaries.</li> <li>– Expansion of Ahora 12 program which provides incentives for consumption of national products through online platforms.</li> </ul> | <ul style="list-style-type: none"> <li>– Trade restrictions including required pre-authorizations to export medicine and medical equipment have been imposed.</li> <li>– Res 11 IGJ allows the collegiate bodies of the companies to meet virtually during the time that the quarantine lasts, even though the by-laws do not provide for it.</li> <li>– Public bodies (e.g. courts, tax authorities of different level) declared administrative/judicial non-working days for which deadlines for procedures before these bodies (e.g. tax litigation) have been extended. The recess ends sometime between March 31st and April 10th, depending on the jurisdiction and will be probably extended. This does not affect the obligation of taxpayers to declare and pay taxes normally.</li> </ul> <p><b>Main sources of information</b><br/>-Argentina: Tax relief for companies, responding to coronavirus (COVID-19): <a href="https://home.kpmg/us/en/home/insights/2020/03/tmf-argentina-tax-relief-companies-coronavirus.html">https://home.kpmg/us/en/home/insights/2020/03/tmf-argentina-tax-relief-companies-coronavirus.html</a></p> |

| <b>Tax measures – Direct and Indirect</b><br><i>(e.g. payment deferrals, rate reductions...)</i>   | <b>Other measures and sources</b>  |
|--|--|
| <p><b>Corporate income tax measures implemented</b></p> <ul style="list-style-type: none"> <li>– Deduction of donations in cash destined for the prevention, diagnosis, control, attention and treatment of the COVID-19 in favor of authorized public and private health centers, made until the December 31, 2020, up to 10% of the taxable net profit gathered from the January 1 to December 31, 2019.</li> <li>– Payments for corporate income tax deferred until May 29, 2020.</li> <li>– Monthly payments of up to 3 months with the 50% of the initial payment until before the 1st of June 2020, without the charge of Value Maintenance, Interests and/or Warranties</li> <li>– Time limit for the filing of CIT Tax Returns (Forms 500, 510 and 501) from companies with tax period closing of the 31st of December 2019, and the physical and digital presentation of Financial Statements, Annual Memory, Complementary Tax Information, Transfer Pricing information and submission of the Electronic Form F-110 v.3 (taxpayers who exercise liberal professions or jobs) as appropriate, that require to be presented to the Tax Administration, extended until the 29th of May 2020.</li> </ul> <p><b>Transactions tax measures implemented</b></p> <ul style="list-style-type: none"> <li>– Increase of the proportion of the payment on account of the IT for the payment in cash of the IUE until the 15th of May 2020, of the following taxpayers of the General Regime: <ul style="list-style-type: none"> <li>• GRACOS (Great Taxpayers) and PRICOS (Main Taxpayers) applying a factor of 1:1.1</li> <li>• Taxpayers categorized as Resto applying a factor of 1:1.2</li> </ul> </li> <li>– Reduction of the IT tax base, excluding the effectively paid VAT by the following taxpayers of the General Regime: <ul style="list-style-type: none"> <li>• GRACOS (Great taxpayers) and PRICOS (main taxpayer) for 3 months.</li> <li>• Taxpayers categorized as Resto for 6 months</li> </ul> </li> <li>– Filing and/or payment of tax returns for February and March extended until que expiration date of the tax period of April.</li> </ul> <p><b>Value Added Tax measures implemented for Independent professionals</b></p> <ul style="list-style-type: none"> <li>– Extension of the VAT tax credit until the 31st of December 2020 for the expenses in health, education and alimentation from their direct familiar nucleus</li> <li>– Filing and/or payment of tax returns for February and March extended until que expiration date of the tax period of April.</li> </ul> | <p><b>Measures implemented for special tax regimes</b></p> <ul style="list-style-type: none"> <li>– Obligations of the Simplified Tax Regime for the bimester of January and February 2020 extended until the 11th of May 2020.</li> <li>– Time limit for the filing of Tax Returns, payment of taxes and compliance of formal duties of the Integrated Tax System for the trimester from January to March 2020 extended until the 29th of May 2020.</li> </ul> <p><b>Other filing requirements extended</b></p> <ul style="list-style-type: none"> <li>– Expiration of the payments of quotes of payment facilities expired or to expire on the 28th of February of 2020 and the 31st of March of 2020, time limit for the presentation of CEDEIM requests with expiration date on March 2020, and Time limit for the presentation of CENOCREF requests with expiring date on March 2020, extended until the 30th of April 2020.</li> <li>– Time limit for the compliance of formal obligations such as submission of Sales and Purchase VAT Listings, Information Agents and others, with expiring date on March and April 2020, extended until the 11th of May 2020.</li> <li>– Time limit for the presentation of Tax Returns, payment of taxes and compliance of formal duties for the CR-VAT Direct taxpayers for the trimester from January to March 2020 extended until the 29th of May 2020.</li> </ul> <p>Emergency Declaration, moment in which they will be reinitiated automatically:</p> <ul style="list-style-type: none"> <li>– For the presentation and processing of Alzada and Jerarquico appeals on the Authority of Tax Objection.</li> <li>– For the beginning and processing of determinative and sanction processes in charge of the National Tax Service and National Customs, suspending expressly the terms of notification for Determinative, Sanction, administrative Resolutions, or other definite objectionable acts. This does not include the beginning of tax inspections and verifications programmed by the Tax Administrations.</li> </ul> <p><b>Main sources of information</b></p> <ul style="list-style-type: none"> <li>– Bolivia: Tax relief measures in response to coronavirus (COVID-19): <a href="https://home.kpmg/us/en/home/insights/2020/03/tnf-bolivia-tax-relief-measures-response-coronavirus.html">https://home.kpmg/us/en/home/insights/2020/03/tnf-bolivia-tax-relief-measures-response-coronavirus.html</a></li> </ul> |

Current as of 31 March 2020

**General Information**  
 The Government announced a fiscal stimulus package worth US\$11.8bn (4.7% of GDP) to tackle the economic impact of the novel coronavirus (Covid-19) outbreak. The stimulus package—the largest in the country’s history—consists of three main pillars: boosting the budget of the healthcare system, implementing measures to protect workers against a loss of income, and providing support for small and medium-sized enterprises (SMEs) through tax measures. The Central Bank of Chile has reduced the fiscal policy interest rate to 0.5% and announced an increase of its bond purchase program of US\$4bn. Also, the Central Bank in coordination with the financial industry regulation (the Financial Market Commission or CMF) have announced measures loosening regulatory credit requirements and increasing the flow of credit to companies and consumers

| Tax measures – Direct and Indirect<br>(e.g. payment deferrals, rate reductions...)   | Employment-related measures<br>(e.g. state compensation schemes, training...)   | Economic stimulus measures<br>(e.g. loans, moratorium on debt repayments...)  | Other measures and sources  |
|--|---|---|---|
| <ul style="list-style-type: none"> <li>Stamp tax rate reduced to 0% for all credit, financial and refinancing transactions between April 1 and October 30, 2020</li> <li>Elimination of obligation to make monthly advance income tax payments for the period April – June, 2020. Applicable to all taxpayers.</li> <li>All expenses incurred in measures related to the Covid-19 outbreak will be deductible for income tax purposes.</li> <li>Deferral of VAT payable for the April – June , 2020 period, for taxpayers with annual sales up to UF 350,000 (equivalent to US\$11.8m approx.). Deferred VAT payable in 6 or 12 equal installments with 0% interest starting in July 2020</li> <li>Deferral of annual income tax payment until July 31, 2020 for SMEs, i.e. taxpayers with annual sales up to UF 75,000 (equivalent to US\$2.5m approx.)</li> <li>Deferral of the payment of real estate tax for individual owners of real estate with aggregate fiscal value equivalent to US\$160k approx. and companies with annual sales up to UF 350,000.</li> <li>Early payment of income tax refunds during April 2020, for individuals and in the case of companies, for those with annual sales up to UF 75,000.</li> <li>Full waiver of interest and penalties for late filing of the annual income tax return due on April 30, 2020 and monthly VAT returns for filings done up to September 30, 2020.</li> </ul> | <p>Ready to be enacted is legislation that was approved on March 31 by Congress, which provides protections to workers and imposes obligations on employers when the suspension of the employment relationship is mandated by the authority in response to the Covid-19 outbreak.. Some of the central aspects include:</p> <ul style="list-style-type: none"> <li>Employees that meet minimum requirements can apply for unemployment insurance which will cover 70%, 55%, and 45% of the salary during the first, second and following months of suspension respectively</li> <li>Employer and employee can agree on a suspension of the labor relationship</li> <li>During the suspension, the employer is required to make social security and health insurance payments with certain ceilings</li> <li>Under certain conditions, employers and employees can agree a reduction of the work hours with a proportional reduction of the salary, in which case the employee can obtain unemployment insurance benefits of up to 25% of her salary</li> <li>The unemployment benefits are limited to the equivalent of US\$265 approx. per month.</li> </ul> | <ul style="list-style-type: none"> <li>Reduction by the Central Bank of the fiscal policy interest rate to 0.5%</li> <li>Measures announced by the Financial Market Regulator (CMF) with the purpose of loosening the flow of credit to individuals and companies. These measures include             <ul style="list-style-type: none"> <li>Regulatory exception for provisions to deferral of up to 3 installments for mortgage backed loans</li> <li>Flexibilization of loan maturities for SMEs up to 6 months without qualifying as a renegotiation</li> </ul> </li> <li>Possibility to use mortgage guarantees for loans by SMEs</li> <li>US\$ 500m capitalization of BancoEstado, a state owned commercial bank</li> <li>Supplemental bonuses for families eligible to governmental subsidies</li> </ul> | <ul style="list-style-type: none"> <li>The Central Bank in coordination with the CMF provided flexibility for the implementation of Basel III standards by the financial industry</li> <li>15 day extension for submitting to the CMF annual audited financials by listed companies.</li> <li>Deferral of hearings and other judicial procedures, except for specific matters (domestic violence, detention control).</li> <li>Assistance with payment of utilities and basic services (power, telecoms, water) for lower income households.</li> <li>Price caps for certain pharmaceutical products, medical devices and medical and sanitary supplies. The price for the Covid-19 detection exam is capped at the equivalent of US\$30 approx.</li> </ul> |

**CONTACTS:**Tax: Álvaro Castro – [aacastro@kpmg.com](mailto:aacastro@kpmg.com)Legal: Sergio García – [sgarcia1@kpmg.com](mailto:sgarcia1@kpmg.com)

Current as of 01 April 2020

**General Information**

Executive Decree N° 42227 – MP- S, the Executive Branch has enacted National Emergency Decree of March 16th of 2020. This decree allows all the actions, works and services necessary to solve the emergency, safeguard the health and life of the population, preserve public order and protect the environment.

So far this has included the closing of schools and universities, shuttering of bars and sporting and entertainment events, gyms and other non- essential business where people congregate. Churches and religious services are also suspended. A ban on traffic from 10pm to 5am until further notice is also in effect and public transportation has been reduced. A ban on incoming non- Costa Rican passengers and non-essential air travel has also been placed in effect. Any resident leaving the country will also have their migratory status revoked. All public institutions are ordered to operate with no more than 20% of their workforce. All other employees must telecommute

**Tax measures – Direct and Indirect***(e.g. payment deferrals, rate reductions...)***Fiscal Relief Project Due To Covid-19 Act N° 9839**

In effect from 20 March 2020

- Moratorium on value added tax, luxury excise tax: taxpayers, during the months of April, May and June 2020 may file the tax return without payment of tax but must pay the tax for the months covered by the moratorium no later than December 31, 2020 or reach a settlement with the Tax Authority.
- Moratorium on partial payments of income tax: ISR taxpayers may not pay quarterly estimated income tax payments to the months of April, May or June 2020. This moratorium does not apply to taxpayers who have a special authorized fiscal period and who must declare and pay the respective income tax in the months covered by the moratorium. All other taxes of the Income Tax Law will remain in force.
- Moratorium on tariffs: Importers registered as taxpayers in the Tax Administration Registry, during the months of April, May and June 2020, may nationalize goods without paying the corresponding tariffs, but must pay the tariffs no later than December 31, 2020 or reach a settlement with the Customs Authority.
- Exemption from VAT on commercial leases for the months of April, May and June, as long as the lessor and lessee are registered taxpayers.

**Customs measures for working from home for Free Trade Zone entities. (In effect).**

- The General Customs Administration, through internal communication issued Friday March 20th, established the applicable criteria for the transfer of fixed assets outside the authorized area for Free Trade Zone entities, with the aim of facilitating the work from home of their employees.
- The applicable rules are as follows:
  - It authorizes the transfer of computers and necessary equipment outside the authorized area, for the execution of work functions.
  - The beneficiary companies must carry out a control and registration that details the identification number of the asset, name and identification of the assigned person, as well as the address or place of working from home and communicate it immediately to the corresponding Customs Office.
  - The telecommuting must comply with the provisions contained in Law number 9738 "Law to Regulate Working From Home".
  - The beneficiary companies will be responsible for the damage, theft or loss of equipment that will be removed from the authorized Free Trade Zone area, being obliged to pay the corresponding taxes within 15 days, except in cases of force majeure or fortuitous events.
- The measures will be applied while the National Emergency Decree remains in force.

**Tax measures – Direct and Indirect (continued)**  
(e.g. payment deferrals, rate reductions...)

**March 29, it was published in the Official Gazette the Executive Decree No. 42271-H "Regulation to Law No. 9830 of March 19, 2020, on Tax Relief due to Covid-19", which came into force upon its publication.**

- This regulation ordains the application of benefits to taxpayers of the value added tax (VAT), selective consumption taxes (SCT), income tax, as well as those obliged to pay customs duties, who adopt any or all of the measures of the Tax Relief Act.
- Taxpayers of the VAT and SCT may apply the moratorium for the months of April, May and June without the need for any petition with the Tax Administration, but they must enter the corresponding declaration. Taxpayers of VAT and SCT must pay the entire declared tax in the months of April, May and June 2020 no later than December 31, 2020, without interest or penalties.
- Payment of the total debt of such taxes in a single act must be made through bank connectivity, unless the taxpayer chooses to make payments on account.
- Taxpayers who had an outstanding balance amount as of December 31, 2020, may request a payment facility under the conditions, without incurring interest or penalties.
- For the granting of these facilities, the General Tax Office will issue before April 30, 2020, a general scope resolution that will establish the requirements and procedures to be followed.
- Taxpayers interested in obtaining a payment facility must meet the following conditions:
  - Have filed the respective tax returns in the first fifteen calendar days of the months of April, May and June 2020.
  - Have paid, at the time of signing the payment facility, a minimum down payment corresponding to twenty percent (20%) of the amount owed.
  - Be up to date on all other formal and material duties before the Tax Administration when submitting your application.
- The interested party must submit the application for ease of payment to the competent Tax Administration, as appropriate to their fiscal domicile, no later than October 15, 2020.
- Taxpayers of income tax are exempt from the partial payment corresponding to the months of April, May and June without need of any petition with the Tax Administration, but may do so later if they wish, without penalties.
- In the case of commercial leases, they may also apply the exemption without any petition before the Tax Administration. However, both parties must report the operation in their VAT return and in electronic invoicing as an operation covered by a special law (No. 9830).
- In addition, the lessor must verify that the lessee is also registered as a VAT taxpayer, for which he must make the query about his tax situation on the Virtual Tax Administration (ATV) platform and keep the receipt corresponding to such query.
- In the case of the moratorium on customs duties, at the time of transmitting each self-determined Definitive Import Customs Declaration (the DUA in Spanish) in TICA, the declarant must expressly state if he avails himself of the benefit of the moratorium.
- In that case, TICA will not collect the customs tax obligation for each of the declarations in that condition, transmitted during the months of April, May and June of the year 2020, and such payment must be made in accordance with the special procedure developed at effect by means of a general scope resolution issued by the General Directorate of Customs.

## Employment-related measures

(e.g. state compensation schemes, training...)

### Authorization to Reduce Workdays due to the National Emergency Declaration Act N° 9832

In effect from 23 March 2020

- When the gross income of companies is affected by the Covid- 19 event by at least 20%, in relation to the same month of the previous year, employers may unilaterally reduce by up to 50% the number of hours of the ordinary working day agreed between the parties, as an unequivocal consequence of the Covid – 19 event. The working hours may be reduced by up to 75% when the impact exceeds 60% of gross income.
- The employer must initiate the respective authorization procedure before the Labor Inspectorate of the Ministry of Labor and Social Security, within three business days after the start of the reduction of the workday.
- The bill limits the authorization to reduce labor hours to be temporary, for a period of time up to 3 months, extendable for 2 equal periods in the event in that these circumstances remain, and such circumstances are validated by the Labor Department
- The employer must verify the decrease in his gross income and that said affectation is attributable to the Covid- 19 event by means of a sworn statement signed by the legal representative of the company and authenticated by a lawyer, or by a certified public accountant. This information may be subject to verification by the Labor Inspection.
- For the calculation of unemployment and advance notice, the wages received before the authorization of the reduction of the working day will be considered. For any other calculation of labor rights, the salary actually received by the worker will be taken into account.

## Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

### Central Bank Approves Monetary and Credit Measures

- The Monetary Policy Rate was reduced to 1.25% annually.
- The Interest Rate on one day deposits was reduced to 0.01%
- The Permanent Credit Facility was reduced to 2%.
- The Integrated Liquidity Market Permanent Deposit Facility Rate was reduced to 0.01%
- In addition, the Financial System Supervisory Council (CONASSIF for its initials in Spanish) has adopted measures to protect the grant of credit to the public, including the possibility of renegotiating up to 2 times the conditions of the credit, without affecting the debtor's credit rating, among others.

### Maximum Commissions of the Card System Act N° 9831“ Enacted

In effect from 21 March 2020

- The bill "Maximum Commissions of the Card System", was approved this past Saturday by the legislative assembly.
- This law regulates the maximum commissions charged by service providers on the processing of transactions that use payment devices and the operation of the payment card system.
- This law is mandatory for all card system service providers, as well as the entities that provide them with technological support for their commercial purposes, the card brands, affiliates and customers who accept and use payment devices.
- The Central Bank of Costa Rica will determine the maximum exchange fees that issuers may charge, as well as the maximum acquisition fees and maximum limits to other fees and charges established by service providers for the use of payment devices, regardless of its denomination.
- The service provider that does not meet the maximum limits of commissions, established by the Central Bank of Costa Rica for the card system, will be sanctioned with the payment of a fine equivalent to the excess collection that has been made and never less than 200 base salaries.
- Additionally, the offender must return to affiliates all amounts collected that exceed the maximum commissions authorized by the Central Bank of Costa Rica and will be subject to public record.
- The Central Bank of Costa Rica must regulate and carry out the first setting of commissions and maximum charges, as well as their corresponding publication, in accordance with the provisions of this law, within a maximum period of six months, counted from their entry in force.



**Other measures and sources****Amendments to the Health Regulations for the Grant of Licenses and Disability to the Beneficiaries of Health Coverage. (In effect)**

- Pursuant to the publication at the Official Journal N° 46 from March 16th, the Social Security Fund Board Members have approved the amendment associated to the new sickness leave, so the term “domiciliary isolation leaves”, can be included within this Ruling, as a result from the sanitary alert derived from COVID-19 spread, as follows:

**The Export of Medical Equipment Will be Placed Under Control**

- Pursuant to Directive DGA-003-2020 of March 18th of 2020, the General Customs Administration has placed the export of the following items under control: disposable caps, safety glasses, disposable boots, N95 or FFP2 respirators, disposable surgical masks, level 2 impermeable disposable gowns, latex gloves, automated PCR test systems for the detection of pathogens in biological samples, dacron swabs.

**Main sources of information**

- Costa Rica: Updated on tax relief legislation, response to coronavirus (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-costa-rica-updated-tax-relief-legislation-response-coronavirus.html>
- Costa Rica: Updates on work hours-reduction, credit card commissions legislation (COVID-19): <https://home.kpmg/us/en/home/insights/2020/03/tnf-costa-rica-updates-work-hours-reduction-credit-card-commissions-legislation.html>
- Costa Rica: Tax relief includes deferred tax payments (COVID-19) : <https://home.kpmg/us/en/home/insights/2020/04/tnf-costa-rica-tax-relief-includes-deferred-tax-payments-covid-19.html>

**CONTACTS:**

**Tax:** Marco Banuelos – [mbanuelos@kpmg.com](mailto:mbanuelos@kpmg.com) / Carlo Mercedes – [cmercedes@kpmg.com](mailto:cmercedes@kpmg.com)

**Tax measures – Direct and Indirect**

(e.g. payment deferrals, rate reductions...)

**Tax relief in response to coronavirus (COVID-19)**

A deadline extension has been granted regarding the filing and payment of tax obligations related to Corporate Income Tax ("CIT"), Individual Income Tax ("IIT"), as well the Simplified Tax Regime ("RST"), as follows:

- Extended deadline payment for April 30, 2020:
  - Income Tax Return for taxpayers operating under the RST;
  - First payment of IIT for individuals and Agricultural businesses operating under the RST;
  - First payment of IIT for individuals and purchases under the RST;
  - Filing of IIT and Undivided Estates returns (IR-1 Form);
  - Filing of Informative Return on Operations between Related Parties ("DIOR") for entities/individuals with fiscal year ending in September 30, 2019.
- Extended deadline payment for May 29, 2020:
    - Filing of CIT return (IR-2 Form);
    - Filing of IIT for Individually Owned Businesses ("Negocios de Único Dueño" per its name in Spanish);
    - First payment of Asset Tax for Legal Entities and Individually Owned Businesses;
    - First payment of CIT for legal entities whose Fiscal Year (FY) ends on December 31;
    - Non-For-Profit entities whose FY ends on December 31.
  - Allowing taxpayers that, after having filed their CIT/IIT returns, are required to pay additional CIT/IIT before the DGII, may settle the remaining CIT/IIT through deferred payment arrangements of up to 4 equal and consecutive installments; which will be exempted from the surcharges and interest ordinarily applicable to overdue payments.
  - Allowing installment arrangements of up to 4 installments regarding the Value Added Tax ("VAT") applicable to the February 2020 period; whose filing and payment deadline has been deferred from March 20, 2020 to March 30, 2020; meaning that there will not be applied a compensatory interest calculation.
  - Reducing by 50% the amount of any currently active installment payment arrangements, duplicating the previously agreed-upon deadlines, as well as the number of installments. In addition to, payment deferral of the installments due on April, May and June, 2020. Accordingly, the validity period of all payment agreements has been automatically extended by 3 months, except for the payment agreements related to: (i) February, 2020 VAT Return (IT-1 Form); and (ii) the CIT for taxpayers whose FY ends on December 31.
- Facilitate tax compliance for taxpayers with outstanding tax obligations in connection with payment arrangements, free of penalties.
  - Ceasing temporarily to apply the corresponding rate from Advanced Pricing Agreements (APAs) for the hospitality industry.
  - Digitalization, via the Virtual Office (OFV), of the exemption requests related to VAT and Excise Tax (ISC), expressly provided for under applicable law, regulations and congressionally approved contracts.
  - Enabling the OFV to request the issuance of a vehicle's first license plate.
  - Extension on the presentation and payment, in the next 3 fiscal periods (i.e. March, April, and May of this year), of the following obligations: Tax on Casinos, tax on slot machines, single tax on sports betting banks, and single tax on lottery banks.
  - Simplification of the procedures for the Trustees that promote low-cost housing.
  - Elimination of the surcharge for late import declaration, by request submitted to the General Agency for Customs (DGA).
  - Days of March 2020 and up to 3 business days after the lifting of the state of emergency will not be taken into account for the calculation of the terms of stay of the merchandise in the Deposit Regime, under any of its modalities: tax, re-export and cargo consolidation.
  - The DGA will not take into consideration the days of quarantine for ruling the abandonment of merchandise.
  - Enabling digital reception of the following requests: (i) tax exemption requests from Law No. 253-12; (ii) tax exemption requests according to provision No. 7204; and (iii) World Trade Organization Quota Authorizations.
  - Exemption from the payment of CIT/IT advances for the fiscal period of March, 2020, whose due date is April 15, 2020. The exemption shall not apply to large national taxpayers, not including those with legal barrier to operate during the state of emergency (e.g. airports, travel agencies, shopping malls, hotels, tour operators). Taxpayers who are subject to the payment of CIT/IT advances but due to particular circumstances cannot make the corresponding payment, can request total or partial exemption from this obligation.
- Furthermore, since March 24, 2020, the DGII's Local Administrations, Service Centers, Collection Offices, Payment Offices, and Motor Vehicle Offices, have been temporarily closed for in-person assistance. Nonetheless, the Contact Center, Phone Line, and Social Media sites, will be available Monday through Friday from 8:00 a.m. to 1:00 p.m. The OFV can be accessed 24/7. The DGII also gave access to a remote service email per Local Administration.



# Dominican Republic (2/3)

Current as of 01 April 2020

## Employment-related measures

(e.g. state compensation schemes, training...)

- The Employee Solidarity Assistance Fund (ESAF) has been created by the Government of the Dominican Republic, to cover part of the salary in companies with economic difficulties. This program consists in the contribution of DOP\$8,500.00 per month to formal employees. Certain conditions will apply, specially in regards with the suspension of labor contracts and a coverage from the employer in certain cases of different tranches of the minimum salary per sector.
- Resolution No. 62-20 was issued, where the Congress authorizes the President to declare a state of national emergency for up to 25 days and allows the President to: (i) restrict freedom of transit and freedom of association and assembly; (ii) adopt measures to guarantee medical services and provisions; and (iii) adopt measures to support the economic sector, as a way to protect employment and the income of workers.
- Resolution No. 07/2020 was issued by the Ministry of Labor, and mentions witch companies are allowed to stay open: "... [those] that are engaged in basic activities for the population: supermarkets, grocery stores, gas stations, pharmacies and commercial establishments dedicated to the sale of raw or cooked food, industrial sector companies, free zones and agricultural companies among others". For the purposes of this Newsletter, we will consider these as Category 1 companies. The businesses mentioned, may operate during the 15-day period of the quarantine. This resolution states that, although Category 1 companies may remain open, they must promote telework, increase safety and hygiene measures, implement flexible work shifts (making an effort to not substantially affect their production or their employees' salaries) and, in general term, apply all necessary measures to avoid large crowds at the work place.
- The Ministry of Labor urged employers to grant paid vacations to all workers who qualify for them. In the same sense, the workers who have not acquired the right to vacations, will be advanced a week of vacations, as well as an additional week of salary in charge of the company.
- The Treasury of the Social Security informed that during the state of emergency and up to 30 days after the lifting of such, both public and private employers may make their payments free of surcharges.

## Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

## Other measures and sources

### **Special regulatory treatment measures for the financial system:**

- Authorize financial institutions to freeze the ratings and provisions of the debtors at the level such where at the time of the approval of the Resolution.
- Authorize that credit restructuring that implies a modification in the payment conditions, interest rate, terms and installments, among others, may maintain the same risk rating of the debtor when it is restructured. In other words, this means that the debtor's credit rating would not be reduced due to problems caused by payment arrears as a result of the current situation.
- Authorize to consider as not overdue installments related to disbursed lines of credit for a period of 60 days. This measure includes a waiver of the loan principal payment in that period, benefiting the debtor's cash flow.
- Extend for 90 days the period granted to the debtor for the updating of guarantees corresponding to the appraisals. This measure will provide greater flexibility to the debtor who will have more time to comply with the requirement to update their guarantee.

### **Interest rate measures:**

- Reduce the Monetary Policy Rate (MPR) by 100 basis points, from 4.50% to 3.50% per year, with the aim of encouraging a general decrease in interest rates in the financial system through the monetary policy transmission mechanism.
- Likewise, and with the purpose of providing liquidity at a low cost to financial institutions, a decrease of 150 basic points in the interest rate of the permanent liquidity expansion facility (overnight repurchase agreement) was approved, passing from 6.00% to 4.50% annually.
- Additionally, it was decided to reduce the interest rate on short-term interest-bearing deposits at the Central Bank (Overnight), from 3.00% to 2.50% per year. This measure contributes to reducing the interbank interest rate and, therefore, reduces the cost of funding for financial institutions.

### **Liquidity provision measures to the financial system:**

- USD\$417 millions will be destined to loans for households, micro, small and medium-sized enterprises, the trade sector, productive sectors, tourism and the export sector, with a maximum interest rate of 8.0% per year and will not be considered in the calculation of the solvency index.
- Providing liquidity to the market for more than USD\$500 million, to inject liquidity in foreign currency and to temporarily relax the coverage requirements of the legal reserve in foreign currency of multiple banks.

### **General Measures by Private Banks (varies per bank):**

- 0% of default interest in the payment of consumer and commercial loans during the emergency period.
- 0% commission for late payment of personal and commercial loans requested.
- Elimination of the minimum monthly payment on the balance of credit card debt.
- Extension for credit card payment after its deadline.

- The suspension and generation of late charges in public telecommunications and energy supply services were prohibited by Resolution No. PRE 02-2020 and SIE-016-2020-MEMI, respectively.



# Ecuador (1/2)

**CONTACTS:**Tax: Karina Rubio - [krubio@kpmg.com](mailto:krubio@kpmg.com)Tax: María de Lourdes Ortiz – [marialortiz@kpmg.com](mailto:marialortiz@kpmg.com)

Current as of 31 March 2020

**General Information**

A presidential decree was issued on March 16<sup>th</sup> establishing the state of emergency applicable in all the Ecuadorian territory. From such date onwards, several measures have been issued, as explained below:

| Tax measures – Direct and Indirect<br>(e.g. payment deferrals, rate reductions...)  | Employment-related measures<br>(e.g. state compensation schemes, training...)  | Economic stimulus measures<br>(e.g. loans, moratorium on debt repayments...)  | Other measures  |
|---|--|---|---|
| <ul style="list-style-type: none"> <li>The term for filing annual Corporate Income Tax returns (from April 10<sup>th</sup> to April 28<sup>th</sup>) and monthly VAT returns have not been modified.</li> <li>However, the payment of the Corporate Income Tax for fiscal year 2019 and VAT for the months of April, May and June 2020 can be deferred in 6 instalments for the following taxpayers:               <ul style="list-style-type: none"> <li>Small business</li> <li>Entities with who are domiciled in Galapagos, for tax purposes</li> <li>Airlines</li> <li>Entities in the tourism sector (lodging and food &amp; beverages)</li> <li>Agricultural sector</li> <li>Usual exporters of goods</li> </ul> </li> <li>A self-withholding Income Tax (IT) of 1,75% over monthly taxable income has been established for financial entities and entities that provide mobile phone services.</li> <li>An self-withholding IT of 1,5% over monthly taxable income has been established for entities that have subscribed exploration and exploitation of non-renewable resources and hydrocarbons agreements, entities that have subscribed specific work agreements, entities that provide complementary oil services and entities that transport crude oil.</li> </ul> | <ul style="list-style-type: none"> <li>On-site workdays have been suspended for the public and private sector until April 5th.</li> <li>The following work modalities have enter enforce:               <ul style="list-style-type: none"> <li><b>Reduction of workday:</b> The workday can be decreased up to 30 weekly hours from the regulated 40-hour working week. Such decrease shall be agreed between the employer and the employee and registered within the Ministry of Labor online registry. This measure can be applied over a 6-month period, renewable for a single period.</li> <li>The employer shall pay wages considering the reduced schedule, however the employer's social security contribution would not be reduced.</li> <li>If the employer wishes to distribute dividends obtained in the fiscal year on which the workday was reduced, the employer must pay the employees for the reduced working hours prior to the distribution of dividends to its shareholders.</li> <li><b>Modification of workday:</b> During the state of emergency, the employer is able to modify the working day schedule, including working days on Saturdays and Sundays, considering the maximum working week duration of 40-hours per week, distributed among 5 working days. However, even if the working week is modified, the employee has the right to 2 uninterrupted rest days per week.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li><b>Superintendence of Banks:</b> The collection of loans instalments has been postponed for 60 days regarding personal microcredits, as well as those granted to small companies, deferring them without charges, at the end of the originally agreed term.</li> <li>Banks will offer refinancing solutions for the remaining debts, in accordance with the particular needs of each debtor.</li> <li><b>Foreign Trade Committee:</b> Temporarily apply a 0% tariff for imports for consumption of medical supplies, while the state of sanitary emergency is enforced.</li> </ul> | <ul style="list-style-type: none"> <li><b>Superintendence of Companies:</b> Suspension of terms on all administrative, coercive, tax and prescription processes for collection action and, in general, all processes in charge of the aforementioned Superintendence.</li> <li><b>Nacional National Court of Justice:</b> Services are suspended, as of March 16th, for the duration of the sanitary emergency. The terms established by law for judicial processes are suspended. Said suspension shall not apply to cases of flagrant infractions.</li> <li><b>Ministry of Energy and non-renewable resources:</b> the term for the payment of mining conservation patents was extended, for 60 days counted from end of the state of emergency.</li> </ul> |



# Ecuador (2/2)

Current as 31 March 2020

## General Information

A presidential decree was issued on March 16<sup>th</sup> establishing the state of emergency applicable in all the Ecuadorian territory. From such date onwards, several measures have been issued, as explained below:

| Tax measures – Direct and Indirect<br><i>(e.g. payment deferrals, rate reductions...)</i>   | Employment-related measures<br><i>(e.g. state compensation schemes, training...)</i>   | Economic stimulus measures<br><i>(e.g. loans, moratorium on debt repayments...)</i> | Other measures |
|---|--|---|----------------|
| <ul style="list-style-type: none"> <li>– The terms of all tax administrative processes and the statutes of limitation for collection actions are suspended from March 16th to March 31st (both days included).</li> <li>– For the compliance of other tax formal obligations, such as the filing of Tax Annexes, deadlines have been extended.</li> </ul> | <ul style="list-style-type: none"> <li>– <b>Suspension of the workday:</b> Applicable to all economic activities that due to their nature it is not possible to apply remote working measures (home office), the reduction or modification of their workday.</li> <li>– In such cases, the employer is able to notify the suspension of services to its employees. The suspension of the services does not imply that the employees are dismissed or that the work contract is terminated.</li> <li>– Working days that were missed due to the suspension of the services shall be recovered by the employees, once the emergency state ends. The employer shall determine the recovery schedule, up to 12 hours during the work week and up to 8 hours on Saturdays. During such recovery schedule no overtime charges apply.</li> <li>– Employees are obliged to recover the missed work days or to reimburse to the employer the paid wages during the suspension of services.</li> <li>– Employees could choose not to recover the missed work days. In such case, the employer shall not pay their wages.</li> <li>– During the suspension of the services, the employer and employee can agree upon a wages' payment calendar.</li> <li>– <b>Vacations:</b> Employers can notify employees the use of their accrued vacation leave.</li> <li>– Employers and employees can agree on the use of advanced vacation periods.</li> </ul> |   |                |

**CONTACTS:**
**Tax:** Flor de María Jaime – [fjaime@kpmg.com](mailto:fjaime@kpmg.com) / Joaquin Torres – [joaquintorres@kpmg.com](mailto:joaquintorres@kpmg.com)
**Current as of 01 April 2020**
**General Information**

The Salvadoran government and congress (Asamblea Legislativa) approved several decrees in order to regulate the crisis which includes restrictions on free transit, extensions in tax payments and provisions on telecommuting, as well as health issues.

| <b>Tax measures – Direct and Indirect</b><br><i>(e.g. payment deferrals, rate reductions...)</i>   | <b>Employment-related measures</b><br><i>(e.g. state compensation schemes, training...)</i>  | <b>Economic stimulus measures</b><br><i>(e.g. loans, moratorium on debt repayments...)</i>  | <b>Other measures and sources</b>   |
|--|--|---|---|
| <ul style="list-style-type: none"> <li>– The Tourism Special Contribution it is exempt during the time period of 3 months.</li> <li>– The CIT payment is extended for 30 days without a fee or interests for taxpayers dedicated to tourism whose tax to pay is less than USD 25,000, so the new due date for the payment is on May 31st..There is no extension for the presentation of the tax return.</li> <li>– The CIT payment is extended for 30 days without a fee or interests for taxpayers whose tax to pay is less than USD10,000, so the new due date for the payment is on May 31st..There is no extension for the presentation of the tax return.</li> <li>– The CIT payment is extended without fee or interest for the taxpayers who are dedicated to the generation, transmission, distribution and commercialization of electric energy, as well as the taxpayers dedicated to subscription of television services, residential and commercial internet services, fixed and mobile telephony, as long as they request instalment payment in which the first instalment will start on May 31st. There is no extension for the presentation of the tax return.</li> <li>– The payment of the advance income tax for the months of March April and May is extended without fee or interest for the taxpayers who are dedicated to subscription of television services, residential and commercial internet services, fixed and mobile telephony, as long as they request instalment payment</li> </ul> | <p>The Telecommuting regulation law is approved, which their relevant aspects are the following:</p> <ul style="list-style-type: none"> <li>– Telecommuting is defined as a way of carrying out the non presential employment relationship outside a workplace, using as a support the information technologies and the communication.</li> <li>– There must be an employment contract governed by the Work law regulations where the conditions of telecommuting are established.</li> <li>– Employers have the same obligations and prohibitions established in the Work law of El Salvador, in addition to providing the necessary tools to develop telecommuting.</li> <li>– People employed under the telecommuting modality have the same rights as face-to-face workers in terms of social security, social security, legal benefits, occupational health and safety and freedom of association.</li> </ul> | <p>The government decreed National Emergency, which, among other things, provides that no contractual breaches will be incurred, nor civil and commercial penalties for those people affected by the crisis who are unable to fulfill their obligations, therefore, the following sectors have taken measures such as:</p> <ul style="list-style-type: none"> <li>– The banks have frozen their loan installments to their clients for 3 months.</li> <li>– The payment of electricity, water and telephone bills are frozen during the months of March, April and May as regulated in the transitory law to postpone the payment for up to 24 months.</li> </ul> | <ul style="list-style-type: none"> <li>– The State of Emergency Decree prohibits the dismissal of employees and job stability is guaranteed for 3 months.</li> <li>– The temporary restriction of the constitutional rights act is decreed, which among other things limits freedom of transit, which expires on April 15 2020.</li> <li>– The Government has delivered a financial support of USD300 to affected families</li> </ul> |

**CONTACTS:**
**Tax:** Luis Laguerre – [llaquerre@kpmg.com](mailto:llaquerre@kpmg.com)
**Legal:** Jair Montufar – [jmontufar@kpmg.com](mailto:jmontufar@kpmg.com)
**Current as of 24 March 2020**
**General Information**

Executive Decree No.251 of March 24, 2020 was published in the Official Gazette, which introduced extraordinary tax measures in order to alleviate the economic impact of taxpayers in Panama as a result of the State of Emergency emerged by COVID-19.

Law No. 134 of March 20, 2020, was published in the Official Gazette, to amend Law 99 of 2019, about the general tax amnesty for the payment of taxes managed by the General Directorate of revenues, Law 76, related to the Tax Procedure Code among other provisions.

**Tax measures – Direct and Indirect**
*(e.g. payment deferrals, rate reductions...)*
**1. Extension of the Term to file the Income tax return for tax year 2019.**

- An additional period is granted until May 30, 2020 for taxpayers to file the income tax return for the 2019 tax year. However, the possibility to obtain the regular month extension to file, as established in Article 710 paragraph 5 of the Tax Code, is abolished in these cases.

**2. Extension of the term for the payment of taxes during the emergency period.**

- A term of 120 days is granted from March 20, 2020 (July 18, 2020) to make the payment of taxes that are caused and owed during said term without triggering interest, surcharges and fines. However, the following taxes are exempt from the benefit:
  - Income tax withheld to employees;
  - Income tax withheld to non-residents;
  - ITBMS withheld to non-residents;
  - ITBMS withheld by the state;
  - ITBMS withheld by local withholding agents;
  - Dividend Tax;
  - Real Estate tax withheld by banks

**3. Electronic submission of the request for “Non-application of the Alternate Tax Method (CAIR).**

- All documents required to taxpayers in order to request the Non-application of the Alternate Tax Method (CAIR), in accordance with the provisions of Article 133-E of the Executive Decree 170/1993, are authorized to be submitted electronically without the need to submit them physically at the offices of the Tax Administration

**4. Reduction of the amount required to declare and pay in relation to the Income Tax Advance.**

- For tax year 2020, Taxpayers can determine the income tax advance payments in an amount not less of 70% of the period tax determined in the income tax return filed for tax period 2019, without the Tax Administration being able to carry out any type of investigation or verification on said declared amount. On the other hand, the income tax advance payments will be paid in two installments: i) September 30, 2020, as the first installment, and ii) and, December 31, 2020, as the second installment.

**5. Request for “Good Standing Certificate” to taxpayers who keep debts and inconsistencies in their current account.**

- For 120 days calendar days, the Director of the General Directorate of Revenues was authorized to issue “Good Standing Certificates” to taxpayers who owes taxes or keep inconsistencies in their tax current account, if taxpayers submit the corresponding duly motivated and sustained request to the Tax Administration. On the other hand, DGI and the Social Security Office’s “Good Standing Certificates” will not be required to be filed, if needed, for any procedures related to the General Directorate of Treasury and the General Directorate of Revenues.
- It should be noted that the taxpayers who maintain processes for administrative tax evasion or criminal tax fraud, will not be able to apply the benefits granted under this Executive Decree. Similarly, Executive Decree 507 of 2020, which established the curfew in the Republic of Panama, ordered the suspension of all terms within administrative processes, followed by the different government institutions.

**Extension of the Tax Amnesty granted by Law 99 of 2019**
**I. Extension of the term for the payment of taxes due and arising until June 30, 2019**

- Condonation of 85% of interest, surcharges and fines for owed taxes arising until June 30, 2019 on payments made between February 29, 2020 and June 30, 2020.
- Possibility to establish a payment agreement with the General Directorate of Revenue for the cancellation of taxes arising until June 30, 2019, obtaining an 85% condonation of interest and surcharges, if the debt is paid in full no later than December 31, 2020.
- The acceptance of the benefits will be made automatically as long as the taxpayers have made a payment aimed to liquidate the debt kept with the General Directorate of Revenues, without the need to use the E-Tax 2.0



| Tax measures – Direct and Indirect (continued)<br>(e.g. payment deferrals, rate reductions...)  | Other measures and sources   |
|---|--|
| <p><b>Extension of the Tax Amnesty granted by Law 99 of 2019 (continued)</b></p> <p>II. Extension of the term to file reports and late affidavits without a fine</p> <ul style="list-style-type: none"> <li>– On the other hand, the term to file the following forms or reports that should have been submitted by February 29, 2020, is extended until June 30, 2020, without this action causing any fine:           <ul style="list-style-type: none"> <li>• Donations report</li> <li>• Non- Tax filer (NGO) report, filed through Form No.27</li> <li>• Payroll Report, filed using Form No. 03</li> <li>• Report on the retirement, pension and other benefits funds, filed through Form No. 40</li> <li>• Insurers report and certification of medical expenses per insured, filed through Form No. 41</li> <li>• Certification of interest on residential mortgage loans without preferential interest, through Form No. 42</li> <li>• Purchases and imports of goods report, filed through Form No. 43</li> <li>• Credit card sales report, filed using Form No. 44</li> <li>• Transfer Pricing Report, submitted using Form No. 930</li> <li>• Individual income tax return, filed using No.1</li> <li>• Corporate income tax return, filed using Form No.1</li> <li>• Free Trade Zone income tax return, filed using Form No. 18</li> </ul> </li> <li>– The exemption of the fine for the late submission of these reports is subject to the taxpayer compliance with the conditions and commitments of the aid and economic stimulation package issued by the state of emergency following COVID-19, or that they are taxpayers who keep business activities.</li> </ul> <p>III. Late submission of real estate improvements until December 31, 2020</p> <ul style="list-style-type: none"> <li>• The deadline for the late declaration of real estate improvements was extended until December 31, 2020, if taxpayers, during the term of the amnesty, submit the permanent improvements declaration or undeclared improvements before the Public Registry Office by the time the Law is in force.</li> <li>• Said improvements must be attached with a sworn declaration before a Notary in which it is stated the date and the amount for which the improvements were built.</li> <li>• Once registered in the Public Registry, must be filed before the National Land Authority for its update.</li> </ul> | <p><b>Main sources of information</b></p> <ul style="list-style-type: none"> <li>— Panama: Tax relief, extended due dates for tax returns and payments (COVID-19):<br/> <a href="https://home.kpmg/us/en/home/insights/2020/03/tnf-panama-tax-relief-extended-due-dates-for-tax-returns-and-payments-covid-19.html">https://home.kpmg/us/en/home/insights/2020/03/tnf-panama-tax-relief-extended-due-dates-for-tax-returns-and-payments-covid-19.html</a></li> </ul> |

**CONTACTS:**
**Tax:** Ahmed Vega – [ahmedvega@kpmg.com](mailto:ahmedvega@kpmg.com)
**Legal:** Roberto Casanova-Regis – [rcasanovaregis@kpmg.com](mailto:rcasanovaregis@kpmg.com) / Edgar Vera – [egvera@kpmg.com](mailto:egvera@kpmg.com)
**Current as of 01 April 2020**
**General Information**

As a consequence of the World Health Organization's declaration of the COVID-19 as pandemic, the Peruvian Government has addressed COVID-19 as a "Sanitary Emergency" by means of the Supreme Decree No. 008-2020-SA (published on 13 March, 2020). It later involved that Peru enters into a State of National Emergency since 16 March, 2020, as approved by the Supreme Decree No. 044-2020-PCM (published on 15 March, 2020). In this scenario, the Peruvian Government has announced the following emergency tax measures:

**Tax measures – Direct and Indirect**
*(e.g. payment deferrals, rate reductions...)*
**Tax (IT) and Value Added Tax (VAT)**
**Filing/Payment deadline extension**

- The Peruvian Customs and Tax Authority (in Spanish, Superintendencia Nacional de Aduanas y de Administración Tributaria, hereinafter referred as SUNAT) has extended the annual IT filing and payment deadline for the fiscal year 2019. The new deadlines are between 24 June, 2020 and 9 July, 2020. This rule is applicable for taxpayers that generated a net income not higher than 5,000 Tax Units during 2019 (PEN 21 MM = USD 6 MM approximately).
- Likewise, SUNAT has extended the monthly IT and VAT filing and payment for the tax periods: **February 2020, March 2020 and April 2020**, according to the following detail:

| Period        | Taxpayers A   | Taxpayers B |
|---------------|---|-------------|
| February 2020 | Yes / New deadlines are between 4 June, 2020 and 11 June, 2020. | No          |
| March 2020    | Yes / New deadlines are between 3 June, 2020 and 11 June, 2020  |             |
| April 2020    | Yes / New deadlines are between 12 June, 2020 and 22 June, 2020 |             |

- Taxpayers A: Taxpayers that generated a net income not higher than 2,300 Tax Units during the fiscal year 2019 (PEN 9,7 MM = USD 2,8 MM approximately).
- Taxpayers B: Taxpayers that generated a net income not higher than 5,000 Tax Units during the fiscal year 2019 (PEN 21 MM = USD 6 MM approximately).

**Other formal obligations**

- Formal obligations are postponed are the following:

**i. Electric Sales and Income Register and the Electronic Purchase Registry**

The new deadlines are as follows:

| Period        | Taxpayers A  | Taxpayers B  |
|---------------|--|--|
| January 2020  | No   | Yes<br><u>Schedule Type B:</u> The new deadlines are between 11 June, 2020 and 19 June, 2020 |
| February 2020 | Yes<br><u>Schedule Type A:</u> The new deadlines are between 4 June, 2020 and 10 June, 2020<br><u>Schedule Type B:</u> The new deadlines are between 11 June, 2020 and 19 June, 2020 | Yes<br><u>Schedule Type B:</u> The new deadlines are between 11 June, 2020 and 19 June, 2020 |
| March 2020    | Yes<br><u>Schedule Type A:</u> The new deadlines are between 2 June, 2020 and 10 June, 2020  |  |
| April 2020    | Yes<br><u>Schedule Type A:</u> The new deadlines are between 11 June, 2020 and 19 June, 2020   |  |

**ii. Inventory and Balance Book, cost register, assets register, and other accounting electric books and registries related to tax matters**

The new deadlines are as follows:

| Period     | Taxpayers A   | Taxpayers B (*)   |
|------------|---|---|
| April 2020 | Until 4 June, 2020, for taxpayers whose deadlines began from 16 March, 2020 to 31 May, 2020 | Until 4 June, 2020, for taxpayers whose deadlines began from 31 March, 2020 to 31 May, 2020 |

(\*) Provided that generated a net income higher than 2,300 Tax Units during the fiscal year 2019.

**iii. The Annual Return of Operations with third parties (in Spanish, Declaración Jurada Anual de Operaciones con Terceros – DAOT)**

The new deadlines are as follows:

| Taxpayers A   | Taxpayers B (*)   |
|---|---|
| Until 29 May, 2020, for taxpayers whose deadlines began from 16 March, 2020 to 30 April, 2020 | Until 29 May, 2020, for taxpayers whose deadlines began from 31 March, 2020 to 30 April, 2020 |

(\*) Provided that generated a net income higher than 2,300 Tax Units during the fiscal year 2019.

**Temporary Net Assets Tax (in Spanish, Impuesto Temporal a los Activos Netos – ITAN)**
**Filing/Payment deadline extension**

- SUNAT has extended the annual Temporary Net Assets Tax filing and payment deadline for the fiscal year 2020. The new deadlines are between 3 June, 2020 and 11 June, 2020. This rule is applicable for taxpayers that generated a net income not higher than 5,000 Tax Units during 2019 (PEN 21 MM = USD 6 MM approximately).
- If the taxpayer chose to pay Temporary Tax on Net Assets 2020 in installments, may postpone the payment of March 2020 and April 2020 installments until the following dates:

| Period     | New deadline                            |
|------------|---|
| March 2020 | As of 03 June, 2020 until 11 June, 2020 |
| April 2020 | As of 12 June, 2020 until 22 June, 2020 |

**Tax measures – Direct and Indirect (continued)**

(e.g. payment deferrals, rate reductions...)

**Electronic Billing Systems**

- Extension of the deadline until 31 May, 2020 for the issuance of the following authorized documents without using to the Electronic Billing Systems:
  - Documents issued by the acquiring companies acquire the payment systems using credit cards and/or debit cards issued by banks and financial or credit institutions, domiciled or not in Peru.
  - Documents issued by the operator of irregular corporations, joint ventures or other forms of business cooperation agreements, which do not carry out independent accounting and engaged in exploration and exploitation of hydrocarbons to the transfer of goods obtained by execution of activities that the operator and other parties perform together in a single operation.
  - Documents issued by other parties, other than the operator, of the irregular companies, joint ventures or other forms of business collaboration agreements, that do not carry independent accounting and engaged in exploration and exploitation of hydrocarbons to the transfer of goods obtained by execution of activities that the operator and other parties perform together in a single operation.
  - Documents issued by the acquiring companies in the payment systems using credit cards issued by themselves.
- Extension of the deadline to send [directly or through Electronic of Services Operator (in Spanish, Operador de Servicios Electrónicos - OSE) of the Electronic Billing System reports and communications, according to the following detail:

| Taxpayers A   | Taxpayers B   |
|---|---|
| Until 15 May, 2020, for taxpayers whose deadlines began from 16 March, 2020 to 30 April, 2020 | Until 29 May, 2020, for taxpayers whose deadlines began from 31 March, 2020 to 30 April, 2020 |

**Discretionary application of tax and customs fines**

- SUNAT will apply the discretionary authority for not imposing tax fines during the emergency period, including the tax fines incurred or detected as of 16 March, 2020.

**Employment-related measures**

(e.g. state compensation schemes, training...)

**Filing/Payment deadline extension**

- By means Electronic Payroll (in Spanish, Planilla Electrónica) - Virtual Form 0601, employers monthly may (i) apply Income Tax withholdings dependent and independent employees as others withholdings payroll taxes (i.e. Pension Fund Contribution), (ii) make direct monthly payments for Health Contribution (i.e. National Health Contribution - Essalud or Private Health System - EPS) and (iii) fill information about its employees.
- In this sense, the taxpayers that generated a net income not higher than 2,300 Tax Units during 2019 (PEN 9,7 MM = USD 2,8 MM approximately) may postponed the fill of such obligations corresponding February 2020 as of 17 April, 2020 until 24 April, 2020.

**Labor and support to employees**

- Additional home office rules to employees from private sector in order to continue with business activities during this period of Sanitary Emergency. These rules are not applicable to employees affected with COVID-19 or medical rest.
- Exceptionally, employees can withdraw up to the amount of PEN 2,400 (USD 686 approximately) from their CTS accounts (in Spanish, Compensación por Tiempo de Servicios). It is a fund to protect to the employee when they are unemployed. According to the labor rules, employers must open and transfer funds twice per year to CTS accounts to its employees. The employees can not withdraw these funds until they are in unemployed situation or when a specific rule authorize it.
- The contributions to the Private Pension Fund are suspended for the salaries to be paid in April 2020 (10% of salary). Also, the Pension Funds Administrators will not discount April fees (applicable to the flow of funds) from the funds of the employees. However, the Collective Disability and Survival Insurance (in Spanish, Seguro de Invalidez y Sobrevivencia Colectivo del Sistema Privado de Pensiones) will be discount to employees.
- Employers will receive a subsidy from the Peruvian Government equivalent to the 35% of the gross salaries of the employees which salaries are no more than PEN 1,500 (USD 429 approximately).
- Peruvian Government will pay the subsidy mentioned in the previous paragraph through credit in the account. For these purposes, the employers must previously inform the Account Code for inter-bank transfers (in Spanish, Código de Cuenta Interbancaria - CCI) to SUNAT in the term of 7 business days through SUNAT - Online Operations.

**Exceptional withdrawal of Pension Funds**

- Exceptionally, affiliates into Private Pension System (PPS) can withdrawal its funds up to the amount of PEN 2,000, provided that have not been paid obligatory contributions for six consecutive months.
- The Pension Funds Administrators (i.e. AFP) will pay such funds in April 2020, upon request of affiliate.

### Economic stimulus measures

(e.g. loans, moratorium on debt repayments...)

#### Payment in instalments and/or Postponement of payment and/or Refinancing of tax debts for Individual taxpayers

- Instalments due on 31 March, 2020 and 30 April, 2020 could be paid until 29 May, 2020.
- This measure will apply to those (i) Payment in instalments and/or payments postponed or (ii) Postponement of payments with Payment in instalments or (iii) Refinancing of the tax debt granted until 15 March, 2020, provided that it has not notified the loss of the regime.

#### Withdrawal of the funds deposited on the Withholding Advanced Collecting Bank Accounts (in Spanish, Cuentas bancarias de Detracciones)

- The accumulated balance available to withdraw is the obtained until 15 March, 2020.
- The withdrawal will be requested through SUNAT - Online Operations between 23 March, 2020 and 7 April, 2020 only.

#### Extension of deadline for withdrawal of funds deposited on the Withholding Advanced Collecting Bank Accounts corresponding to period April 2020

- Request for withdrawal of the funds deposited on the Withholding Advanced Collecting Bank that should have been submitted between 1 April, 2020 to 7 April, 2020, may be submitted between 8 April, 2020 and 16 April, 2020, as the case may be.
- The withdrawal will be requested through SUNAT - Online Operations.

#### Refund of Balance in Favor of the Exporter

- The Exporters that generated a net income not higher than 5,000 Tax Units during 2019 (PEN 21 MM = USD 6 MM approximately), may request the refund of Balance in Favor of the Exporter (in Spanish, Saldo a Favor Materia de Beneficio) by means Virtual Form No. 1649. The tax rules regarding natural disasters will apply to such refund requests.

#### Payment in instalments and/or Postponement of payment and/or Refinancing of tax debts for Individual taxpayers

- Instalments due on 31 March, 2020 and 30 April, 2020 could be paid until 29 May, 2020.
- This measure will apply to those (i) Payment in instalments and/or payments postponed or (ii) Postponement of payments with Payment in instalments or (iii) Refinancing of the tax debt granted until 15 March, 2020, provided that it has not notified the loss of the regime.

#### Reduction of default and compensatory interest rates applicable to tax debts and the refund of improper or overpayment, respectively

- As of 1 April, 2020, the following interest rates will apply:

| Monthly rate | Specifications   |
|--------------|--|
| 1.00%        | Default interest rate applicable to local currency tax debts.  |
| 0.50%        | Default interest rate applicable to foreign currency tax debts.  |
| 0.42%        | Compensatory interest rate applicable to local currency refund of improper payments or overpayments according to Paragraph b) of Article 38° of Peruvian Tax Code.                           |
| 0.25%        | Compensatory interest rate applicable to foreign currency refund of improper payments or overpayments according to Paragraph b) of Transitory First Provision of Legislative Decree No. 953. |

- This compensatory rate is not applicable to VAT Withholdings Regimen and VAT Perception Regime.

**Other measures and sources**

**Customs/Import**

- Temporary reduction to 0% of the CIF ad valorem tariff rate applicable to the import of goods (medicines and medical equipment) that are listed in the appendix of Supreme Decree No. 059-2020-EF, published on 28 March, 2020 (i.e. Chlorine, Sulfuric Acid, Anesthetics, esters, medical mask, among others).
- This measure is applicable for 90 calendar days counted as of 12 March, 2020. By means of a Supreme Decree, this period may be extended.
- Once the Sanitary Emergency is over, the customs duties will be applied to the importation of such goods (tariff rate: 6% or 11%, as the case may be).

**Customs Procedures and Regulations**

- The following customs procedures it will be in force on July 31, 2020:
  - Outright Exportation” – DESPA-PG.02 - Version No. 7.
  - Acts related to the exit of goods and means of transport” – DESPA-PE.00.21 – Version No. 1.
  - Material for Aeronautical Purposes”- DESP-PG.19 – Version No. 3.

**Discretionary application of customs fines**

- SUNAT will not impose custom fines on Trade Operator (in Spanish, Operador de Comercio Exterior), intervening or third-party operator (in Spanish, Operador Interviniente o Tercero) during this emergency period, provided the following conditions are met:
  - The custom penalty must be listed in the appendix included in the Resolution No. 006-2020-SUNAT/3000000 (published on 20 March, 2020).
  - The custom fine is incurred between 12 March, 2020 and 9 June, 2020.
  - The correct and/or omitted information was transmitted or registered.

**Suspension of Tax and Custom Procedures**

- Suspension of Tax and Custom Procedures overseen by SUNAT and the Tax Court, for a period of 30 business days.
- For Tax and Custom Procedures subject to positive and negative administrative silence (pending) this period concludes on 28 April, 2020, restarting on 29 April, 2020.
- For the other Tax and Custom Procedures (to be started or pending) this period concludes on 6 May, 2020 restarting on 7 May, 2020 (i.e. Tax Audits).

**Suspension of Tax and Custom Legal Proceeding overseen by Judiciary Branch**

- Suspension of Tax and Custom Legal Proceedings overseen by Judiciary Branch, for a period of 28 calendar days. This period concludes on 12 April, 2020, restarting on 13 April, 2020.

**Individual Income Tax (IT)**

- SUNAT has extended the annual IT return filing and payment deadline for the 2019 fiscal year. The new deadlines are between 24 June, 2020 and 9 July, 2020.
- This rule is applicable for individual taxpayers that generated a net income not higher than 5,000 Tax Units during 2019 (PEN 21 MM = USD 6 MM approximately).
- SUNAT will automatically refund the IT that would have been overpaid by individual taxpayer (i.e. dependent and independent employees) before the legal term (i.e. March 10, 2020).

**Corporate matters**

- Superintendence of Securities Markets (in Spanish, Superintendencia de Mercado de Valores – SMV) has extended the deadline for presentation of the Finance Information (i.e. audited financial statements), Annual Report, Risk Classification Report, Information related to Economic Group, among others. The new deadlines are between 30 June, 2020 and 30 September, 2020.
- This measure is applicable to issuance companies with securities registered in the Securities Market Public (in Spanish, Registro Público de Mercado de Valores - RPMV), legal entities registered in the RPMV, mutual fund management companies and autonomous equity it manage.
- Besides, SMV suspended of the procedures (to be started or pending) that oversees, for a period of 30 business days.

Other measures and sources

Upcoming government measures in tax, labor and free competition matters

– By authorization of the Peruvian Congress through Law No. 31011, in the term of 45 calendar days, the Peruvian Government will issue laws on mainly the following matters:

| Matter                         | Upcoming Government Measures   |
|--------------------------------|--|
| <b>Fiscal and Tax Policy</b>   | <ol style="list-style-type: none"> <li>1) Temporary suspension of the macro-fiscal rules applicable to the public sector during the fiscal year 2020.</li> <li>2) Provide facilities for payment of tax debts to the sectors affected with COVID-1, establishing special procedures Payment in instalments and/or Postponement tax debts.</li> <li>3) Amend the following aspects of IT Law:               <ol style="list-style-type: none"> <li>i. Amend the calculation of the coefficient of IT Advance Payments to reduce or suspend them.</li> <li>ii. Allow the carry-over of the deduction of expenses for donations that cannot be applied in the 2020 fiscal year. This will allow that companies to continue donating during the State of National Emergency.</li> <li>iii. Allow accelerated depreciation of certain fixed asset accounts.</li> <li>iv. Exceptionally extend the deadline of 4 years for carrying forward tax losses bring obtained in the fiscal year 2020.</li> </ol> </li> <li>4) Redesign, eliminate and/or modify simplified Tax Regimes for micro and small taxpayers.</li> <li>5) Extend and expand the scope of application of the Early Recovery Regime of VAT referred to in Law No. 30296.</li> </ol> |
| <b>Labor Policy</b>            | Supervise the protection of socio-labor rights of employees in the context of the Sanitary Emergency.  |
| <b>Free Competition Policy</b> | Suspend of the enters in force of Urgency Decree No. 013-2019, Urgency Decree that establish ex-ante Control of Transactions of Corporate Concentration (published on 19 December, 2019) whose original date of in force was 20 August, 2020.  |

**CONTACTS:**
**Tax:** Gustavo Melgendler – [gmelgendler@kpmg.com](mailto:gmelgendler@kpmg.com)
**Legal:** Alicia M Seijas – [aliciaseijas@kpmg.com](mailto:aliciaseijas@kpmg.com)
**Current as of 27 March 2020**
**General Information**

Special regime for unemployment subsidy: The MTSS (Ministry of Labor and Social Security), issued resolutions establishing the creation of a special regime for unemployment subsidy that adds to the existing regime.

Protocol for the prevention of infection and spread of covid-19: The Ministry of Labor and Social Security issued Resolution No. 54/2020 on 03/19/2020, expanding the provisions stipulated on 03/13/2020 in a tripartite manner in the CONASSAT.

**Declaration of a national state of health emergency:** Several Executive Branch decrees have been issued since March 13<sup>th</sup> referring to the health emergency and complementary measures.

**Tax measures – Direct and Indirect**
*(e.g. payment deferrals, rate reductions...)*

**DGI Resolution No. 550/2020 of 03/20/2020:** extension of due date for obligations

- Extension of due dates for DGI tax obligations happening between March 23rd and March 26th, 2020, until March 27th, 2020, except for Commercial and Industrial Government Autonomous Entities and Decentralized Services.
- Tax payers included in literal E) of Article 52 of Title 4 of Texto Ordenado 1996 (small business) will be able to pay obligations corresponding to February (2/020) and March (3/020), in six equal and consecutive installments as of May 2020, including the installments corresponding to payment facilities which due date is in March and April.

The Congress of Intendants issued Circular No. 21/2020 of March 20th, in which the due date for the vehicle license tax is extended.

- Due date for vehicle license tax set for March 20th, 2020 is extended to April 20th, 2020.

**Employment-related measures**
*(e.g. state compensation schemes, training...)*

**Resolution No. 143/2020 of 03/18/2020**

- **Term:** Said regime will operate for a term of 30 days and will be able to extend for the same period.
- **Covered workers:** includes workers belonging to the following sectors: i) commerce in general; ii) retail food commerce; iii) hotels restaurants and bars; iv) cultural and recreational services; v) travel agencies.
- **Conditions to access:** workers that appear in the Work Control Sheet for at least six months previous to the subsidy request and: i) are in a situation of partial suspension: a) because of reduction of number of monthly work days with a minimum of six wages a month, or b) because of reduction of 50% or more of the amount of work hours a day, and ii) meet the remaining requirements that were in turn, clarifying that:
  - The regime included in Resolution No. 143/2020 of 03/18/2020, covers workers that in the last 12 months already used the cover (whether for discharge or total suspension of activity) of the general regime (these workers, would not initially have the right to do so because general regulations demand that, between different subsidy covers, there should be at least 12 months, six of them of effective contribution since they last received a payment).
  - Established in the Decree-Law No. 15.180 and its amending norms (however, annual generated work leave will not be a condition to access the special subsidy). It is expected to protect workers who have already used the unemployment subsidy regime cover with the special subsidy.
- **Subsidy amount:** will be equivalent to 25% of the monthly average of nominal compensations received in the six months prior to the cause for which the subsidy is generated, calculated proportionally to the covered period of the subsidy.

## Employment-related measures (continued)

(e.g. state compensation schemes, training...)

### Resolution No. 163/020 of 03/20/2020

The Ministry of Labor and Social Security (MTSS) expands Resolution No.143/2020 of 03/18/2020 that created a special unemployment subsidy regime for dependent workers belonging to certain activity sectors, incorporating all employees of the private sector that provide paid services to third parties (irrespective of the exclusions included in Article 4 of said norm) that are included in any of the Wages Council activity sectors.

— In turn, clarifying that:

- the regime included in Resolution No. 143/2020 of 03/18/2020, covers workers that in the last 12 months already used the cover (whether for discharge or total suspension of activity) of the general regime (these workers, would not initially have the right to do so because general regulations demand that, between different subsidy covers, there should be at least 12 months, six of them of effective contribution since they last received a payment).
- the special regime introduced in accordance with the COVID-19 emergency is optional and does not replace the existing subsidy, whether the general regime, or for extensions or other special regimes authorized by the Executive Branch.
- the extension of the regime included in Resolution No. 143/2020 of 03/18/2020 to all private sector employees will allow them to use this cover as of the Resolution's effective date (it is a retroactive extension).

— The forms to request the partial unemployment subsidy for monthly workers will be available as of Wednesday, March 25th on the Social Security Bank (BPS) website.

### CONASSAT Resolution of 03/13/2020

Established that it is responsibility of the employer, of the Bipartite Commission of Security (if corresponds) and of the Work Health and Prevention Services to coordinate the necessary procedures for the preparation of prevention, control and action protocols attending the nature and characteristics of each company and institution. The Ministry of Labor and Social Security has established recommendations for the preparation of prevention, control and action protocols, which were subsequently extended.

### MTSS Resolution No. 54/2020 of 03/19/2020

Prevention and control measures:

- communication to workers: information with the characteristics and risks of the disease produced by the COVID-19 virus must be put up in a visible place; they must contain the description of said disease included in the MTSS Resolution.
- provision of hygiene materials in the workplace: In order to comply with control, prevention and action measures issued by the Ministry of Public Health, it is necessary to distribute alcohol and means of personal protection such as gloves for those activities in which workers have direct contact with the public.
- use of masks: The utilization of masks is recommended only in those cases in which there is direct contact with someone suspected to have the virus infection or the presence of coughing or sneezing. Its use can be considered for those jobs in which there is close and frequent contact with other people
- workplace and work equipment sanitation: all workplaces and work equipment must be cleaned and sanitized; surfaces such as desks, tables, doorknobs, handrails and objects such as phones and keyboards must be sanitized with disinfectant frequently.
- personal items: such as mate, bottles, cutlery and dishes must only be for exclusive use and not be shared with others.
- ventilation equipment: maintenance and cleaning of such equipment (such as hand dryers, air conditioning and ventilation) must be rigorous as well as the hygiene and ventilation of reduced spaces.
- hand hygiene: all those who are working must be indicated to wash their hands frequently with soap and water or to use alcohol gel. Given that hand hygiene is the main measure of prevention and control of the infection, there must be informative signs and posters about it in visible places.
- instruments for hand washing and disinfection: supplies for washing and disinfecting must be ensured, guaranteeing the continuous replenishment of soap in restrooms and kitchens.
- alcohol dispensers: alcohol dispensers must be placed in visible spots (counters, clock in devices, lunchrooms, general public services offices), ensuring their frequent replenishment.
- respiratory hygiene: indication that when coughing and sneezing, one must cover their mouths and noses with the elbow crease or with a tissue, having to place visible signs and posters related to respiratory hygiene measures.
- home office organization: work organization must be determined, between workers and/or the public, maintaining a distance of at least one and a half meters.
- concentration of people: avoid concentrations of people in all workplaces ensuring the minimal amount of people possible.



| <b>Employment-related measures (continued)</b><br><i>(e.g. state compensation schemes, training...)</i>   | <b>Economic stimulus measures</b><br><i>(e.g. loans, moratorium on debt repayments...)</i>  |
|---|---|
| <p><b>Executive Branch Decree of 03/25/2020 workers of 65+ years old</b></p> <ul style="list-style-type: none"> <li>— People who are 65 years old or more, included in the subjective scope of the sickness subsidy established by Decree-Law No. 14.407 of July 22nd, 1975, will be able to isolate within a period of no more than 30 days, according to what companies determine and communicate to the BPS. Worker that perform or are able to perform their tasks from home are excluded.</li> <li>— Isolation will be understood as the permanence of people in their homes, except for cases of absolute necessity.</li> <li>— Those who are in isolation will be entitled to receive the monetary benefit corresponding to the sickness subsidy in the manner established by Decree-Law No. 14.407, for the isolation period.</li> <li>— Communication from the company will be understood as done by the health care provider.</li> </ul> <p>Due to Covid-19 crisis, the Uruguayan government implemented a special short-time work scheme for a 30 day period as from March 18th (with the possibility of extending it for another 30 days). This special scheme:</p> <ul style="list-style-type: none"> <li>— Includes monthly workers.</li> <li>— Includes employees from all activity sectors.</li> <li>— Includes employees who have utilized the regular short-time work scheme in the last year.</li> <li>— A minimum of six working days is required.</li> <li>— The subsidy to be received by the employee will be calculated based on 25% of the monthly average of computable nominal salaries received in the last six months. Its calculation will be proportional to the number of suspended or reduced days.</li> </ul> | <p><b>DGI Resolution No. 550/2020 of 03/20/2020: extension of due date for obligations</b></p> <ul style="list-style-type: none"> <li>— Authorize Financial Intermediation Institutions, Financial Services Companies and Credit Administrator Companies of major assets, to extend their due dates for the credits given to the Non-Financial Sector – in agreement with their clients – for up to 180 days, for capital and interest payments. In the case of consumption depreciable loans, transfer of installments is authorized for those with due dates between March 1st and March 31st of 2020, as of the last installment originally set, or as of September 1st, 2020.</li> <li>— The authorization could be exclusively considered for debtors whose income is affected by the Health Emergency declared by the Executive Branch on March 13th, 2020 and comprises: a) current credits as of February 29th, 2020, b) credit operations defined between March 1st and March 19th, 2020 and c) operations with due dates not encompassed between March 1st and August 31st, 2020.</li> <li>— These extensions should not be considered as restructuring or renovation of credit (in the terms of numeral 2, Annex 1 of the accounting framework). From the point of view of the classification in risk categories (numeral 4 of said Annex), it will not imply an reclassification obligation, even during the time negotiation with the client lasts.</li> <li>— Institutions that use this authorization will have to adequately identify the extended credits, as well as those that have not been extended, but are in the negotiation process. The Financial Services Superintendence will provide the reporting regime.</li> </ul> <p><b>As of 03/23/2020, the Central Bank issued Communication No. 2020/043: extension for reporting information</b></p> <ul style="list-style-type: none"> <li>— Extend for 30 days the presentation of information corresponding to the fiscal year ended on 12/31/2019 which due dates occur during the months of March, April and May of 2020, according to the following detail: <ul style="list-style-type: none"> <li>• Articles 521, 522, 523, 605, 605.1, 636 and 656 of the Recopilación de Normas de Regulación y Control del Sistema Financie</li> <li>• Articles 148 and 164.1 of the Recopilación de Normas de Control de Fondos Previsionales.</li> <li>• Article 138 of the Recopilación de Normas de Seguros y Reaseguros.</li> <li>• Articles 275, 276, 292, 293, 310.3, 314, 315, 316, 332, 339, 342 and 344 of the Recopilación de Normas de Mercado de Valores.</li> </ul> </li> <li>— Extend for 30 days the presentation of information by the issuers of public securities and societies with government participation which due dates occur during the months of March, April and May of 2020.</li> <li>— Extend the diffusion of Reports corresponding to December 31, 2019 in the website of the Institution: <ul style="list-style-type: none"> <li>• for 30 days, the annual report on corporate governance.</li> <li>• for 60 days, the report on capital, risk management and other prudential requirements.</li> </ul> </li> <li>— Suspension of the presentation of the Report on capital self-evaluation corresponding to December 31st, 2019.</li> </ul> |

| Economic stimulus measures (continued)<br>(e.g. loans, moratorium on debt repayments...)   | Other measures and sources  |
|--|---|
| <p>On March 16th, 2019, the Director of the Free Zones Area of the Ministry of Economy and Finances resolved to:</p> <ul style="list-style-type: none"> <li>— add flexibility to the application of dispositions of the Regime that oblige Free Zone Companies to carry out their activity from free zone territory.</li> <li>— authorize, temporarily and exceptionally all Free Zone personnel to carry out their work tasks from home, as long as the nature of the activity allows it, for the period between March 16th and March 30th of 2020.</li> </ul> <p><b>On March 25th, 2020, the Director of the Free Zones of the Ministry of Economy and Finances resolved to:</b></p> <ul style="list-style-type: none"> <li>— extend the term of flexibility to the application of dispositions of the Regime that oblige Free Zone Companies to carry out their activity from free zone territory, for the period between March 30th and April 10th, 2020.</li> </ul> | <p><b>Executive Branch Decree of 03/24/2020: adapts measures regarding entry to the country:</b></p> <ul style="list-style-type: none"> <li>— Only Uruguayan citizens and foreign residents coming from abroad are authorized, with the exception of some foreign citizens.</li> <li>— Entry to the country is authorized only for Uruguayan citizens and foreign residents coming from abroad, being subject to the sanitary measures established in Article 8 of Decree No. 93/020 of March 13th, 2020.</li> <li>— Entry of foreign citizens from any country is prohibited, except for: <ul style="list-style-type: none"> <li>— Foreign residents in the country.</li> <li>— Crew members of aircrafts and ships.</li> <li>— Drivers who transport goods internationally, merchandise, correspondence, inputs and humanitarian and sanitary help.</li> <li>— Diplomats accredited to the Uruguayan government or to international organizations with offices in the country.</li> <li>— Foreigners that benefit from the humanitarian corridor established for the arrival of cruises in the Montevideo Port.</li> <li>— Brazilians that, proving their condition of border city residents, enter the country through the Uruguay-Brazil border.</li> </ul> </li> <li>— Duly founded cases of international protection according to Law No. 18.076 of December 19th, 2006 (Refugee Law), which must be analyzed, case by case, taking into consideration the particular situation of those who arrive on account of family reunification with foreigners who already have permanent residence in the country.</li> <li>— Those covered in literals a,b,c,d and g must comply with the sanitary measures established in Article 8 of Decree No. 93/020 of March 13th, 2020.</li> <li>— Citizens and residents from MERCOSUR countries are authorized to be in transit in Carrasco International Airport "General Cesáreo L. Berisso" and Laguna del Sauce Airport "Capitán de Corbeta Carlos A. Curbelo ", not being allowed entry the country.</li> <li>— Commercial, private, or any other passenger transportation modality flights will only enter the country if they transport Uruguayans stranded abroad.</li> </ul> <p><b>Main sources of information:</b></p> <ul style="list-style-type: none"> <li>— Resolution No. 143/2020 of 03/18/2020: <a href="https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/documentos/noticias/Resolucion%20143%20-%2018-3-2020.pdf">https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/documentos/noticias/Resolucion%20143%20-%2018-3-2020.pdf</a></li> <li>— Resolution No. 163/020 of 03/20/2020: <a href="https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/Resolucion%20de%2018%20de%20marzo%20de%202020..pdf">https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/Resolucion%20de%2018%20de%20marzo%20de%202020..pdf</a></li> <li>— CONASSAT Resolution of 03/13/2020: <a href="https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/CONASSAT.pdf">https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/CONASSAT.pdf</a></li> <li>— MTSS Resolution No. 54/2020 of 03/19/2020: <a href="https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/Resolucion%2054.pdf">https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/Resolucion%2054.pdf</a></li> <li>— The MTSS issued Resolution No. 55/020 on 03/20/2020 (<a href="https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/resolucion%20autorizando%20adelanto%20de%20licencia..pdf">https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2020-03/resolucion%20autorizando%20adelanto%20de%20licencia..pdf</a>)</li> <li>— DGI Resolution No. 550/2020 of 03/20/2020 <a href="https://www.bcu.gub.uy/Comunicados/seggco20040.pdf">https://www.bcu.gub.uy/Comunicados/seggco20040.pdf</a></li> </ul> |

**CONTACTS:**
**Tax:** Oswaldo Briceño – [obriceno@kpmg.com](mailto:obriceno@kpmg.com)
**Legal:** Alessandra Montagna – [amontagna@kpmg.com](mailto:amontagna@kpmg.com)

Current as of 30 March 2020

| <b>Tax measures – Direct and Indirect</b><br><i>(e.g. payment deferrals, rate reductions...)</i>   | <b>Employment-related measures</b><br><i>(e.g. state compensation schemes, training...)</i>   | <b>Economic stimulus measures</b><br><i>(e.g. loans, moratorium on debt repayments...)</i>  |
|--|---|---|
| <ul style="list-style-type: none"> <li>– Few Municipalities granted extensions on filings and payments of municipal taxes that is assessed on gross income from commercial industrial activities.</li> <li>– Imports made by the public sector to avoid the extension of COVID-19 will be exempt from custom and value added taxes.</li> <li>– No benefits, extensions or incentives have been announced in relation to direct and indirect national taxes.</li> </ul> | <ul style="list-style-type: none"> <li>– On March 23, 2020 was published the Decree N° 4167 containing the Special Bar Against Dismissals ratifying the special protection against dismissals until December 31, 2020. The Special Bar Against Dismissals means that employers may not dismiss, impair the labor conditions, or transfer a worker without just cause</li> </ul> | <p><b>Special Regime for credit granted by banking institutions</b></p> <ul style="list-style-type: none"> <li>– The Ministry of the People’s Power for Economy and Finance, through the Superintendence of the Banking Sector Institutions (SUDEBAN, for its Spanish acronym), shall implement a special payment regime for credits in force and effect in the domestic banking sector, both public and private, under the following guidelines:</li> <li>– The special regime shall be applicable to any type of credit granted by banking institutions, in force and effect and paid up whether in full or partially by March 13, 2020.</li> <li>– The payment of both principal and interest will be extended, as well as any restructuring terms and any other clause contained in the respective credit agreements.</li> <li>– The suspension of payments may be established, entailing payment enforcement and compliance of any other condition relating to the suspended payment, for a term of up to one hundred and eighty (180) days.</li> <li>– Special conditions of a general nature may be established for certain credit categories</li> <li>– Neither delay interest nor the immediate payment enforceability upon any credit may be established at the end of the suspension period.</li> <li>– In addition, credit assignment by banking institutions is instructed under priority terms to the strategic sectors which activities are essential for the purposes of attending the preventive and mitigating measures concerning the overall alarm status decreed by the Executive</li> </ul> |

### Other measures and sources

- Decree number 4.160 was published in Official Gazette N° 6.159 Extraordinary, dated March 13 of 2020 whereby an overall alarm status is declared for the purposes of allowing the Executive to adopt urgent, effective and necessary measures involving the protection and preservation of health of the Venezuelan population, and intended to mitigating and eliminating epidemic risks in connection with the coronavirus (COVID-19) and its potential strands, thereby ensuring timely, effective and efficient care of any cases that may be originated. Amongst these measures to be adopted by the Executive as per the contents of the decree, follow:
- Imposing circulation restrictions (for both car traffic and pedestrians) at certain geographic areas as well as for entering or leaving restricted zones, whenever this may be deemed necessary as a measure for protection against or containment of the COVID-19 coronavirus.
- Ordering employment activity suspension for those job functions that cannot be undertaken via remote (home office), except for certain cases such as domestic public services companies, fuel and lubricants selling establishments, healthcare services, pharmacies, etc.
- Ordering the suspension of international flights into the Venezuelan territory or departing from the Venezuelan territory for as long as this suspension may be deemed convenient.
- The final provisions of the decree establish that the suspension or interruption of an administrative procedure as a result of the activity suspension measures or of the circulation restrictions issued, may not be considered as a cause attributable to the interested party and it may not be alleged as cause for delay or tardiness in the compliance of the obligations of the public administration. In any case, upon the suspension or restriction override, the public administration must immediately resume the procedure.
- Finally, this decree will be effective for 30 days, subject to extension for 30 additional days, until the coronavirus (COVID-19) epidemic and its potential strands containment is deemed adequate, and all contagion factors are duly controlled.

### Suspension of leases

- On March 23, 2020 was published the Decree N° 4167, containing the decree N° 03 In the framework of the alarm status to attend the sanitary emergency of Coronavirus (COVID-19), through the payment suspension of lease fees for commercial property and those used as main housing are suspended, under the following guidelines:
- Commercial and main housing leases are suspended until September 1, 2020
- Since the official publication of this decree, evacuation for non-payments that lessors could have immovable property or main housing are suspended for six (6) months
- Establish a payment suspension and encourage the restructuring part of payments
- In case of not reaching an agreement in the payment restructure it will be resolved with the National Superintendent for the Defense of Socio-Economic Rights (SUNDDE) about commercial property, and the National Superintendence of Housing Lease (SUNAVI) in case of main house.
- In no case may the lessee be obligated to pay the full amount of fees and other concepts accumulated immediately at the end of the suspension period.
- The vice president of sectorial economy will be the entity in charge of this decree completion
- This Decree will enter into force on March 23, 2020, the date of its publication in the Official Gazette of the Bolivarian Republic of Venezuela

### Main sources of information

- Government of Venezuela: <http://www.presidencia.gob.ve/Site/Web/Principal/paginas/classIndex.php>



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The materials are updated as new developments emerge but readers should recognize the rapidly evolving nature of the underlying subject matter.

**For any questions please contact:**  
[covid19@kpmg.com](mailto:covid19@kpmg.com)



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