

20th March 2019

The Royal Decree 463/2020 was published on the 14th March to declare a state of alarm for the management of the health crisis caused by the COVID-19 covering the whole of Spain. The duration of this alarm is set for 15 days therefore due to end on the 30th March 2020.

We have summarised the contents of the Royal Decree in a format that is easier to understand.

Can I leave my house during the State of Alarm?

Yes. But only to:

- Purchase food, pharmaceuticals and basic necessities.
- Visit medical centres, hospitals.
- Travel to the workplace to carry out your job, profession or business.
- Return to your home.
- Assist and care for the elderly, minors, dependents, people with disabilities or especially vulnerable people.
- Visit banks and insurance companies.
- Any cause that is considered an emergency or serious need.

Can I travel with my family to carry out the permitted activities?

No. You can only travel alone in the car unless accompanied by people with disabilities or for other justified cause. In addition, you are able to visit the petrol station when on one of the permitted journeys.

What are the penalties for not complying with the restriction on movement?

Between 300 and 1000 euros.

What else should I take in to consideration when travelling in the car?

The latest publication from the Guardia Civil (19.03.2020) indicates that you must prove with sufficient documentation your journey, either with a letter from your employer or receipts from the supermarket, medical prescription etc. If you travel with someone else in the vehicle for a justified reason then one must sit one in the back seat and both driver and companion must wear a mask. It is not permitted to visit a second property. You can take children to their other legal guardian in the car so long as everyone wears a mask.

If I am self employed and I am able to travel in my vehicle to a job what do I need to prove this?

There is nothing published to clarify this but we would recommend that you carry a copy of your Modelo 036/037 and Registration in Social Security, as well as a copy of the rental contract for the businesses premises where applicable.

Schools, Universities, Academies

All educational centres and activities are suspended, both in the public and private sector but are instead to be carried out “on line”, wherever possible.

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What businesses must close immediately?

Retail premises and establishments, catering and bar/restaurant activities, although home **delivery services can be provided exclusively**, so long as you have the corresponding authorisation from the health & safety authorities granted prior to the state of alarm. **Take-away** is not permitted.

What businesses can stay open?

Commercial retail establishments for food, beverages, products and essential goods, pharmaceutical, medical, optical and orthopaedic establishments, hygienic products, press and stationery, petrol stations, tobacconists, technological and telecommunications equipment, pet food, internet commerce, telephone or correspondence, dry cleaning and laundry.

The above are to open when strictly necessary so that consumers can purchase food and basic necessities, the possibility of consuming products in the establishments is not permitted.

Crowds must be avoided and consumers and employees should be controlled to maintain the safety distance of at least one meter in order to avoid the possibility of contracting the virus.

What about the Construction Sector?

This is permitted. The Ferretería can only open to businesses NOT to the general public and are only permitted to sell articles that relate to this sector.

Can I go to church?

Any visit to the church or other religious buildings must guarantee the distance of at least one metre between each person.

Hospitals

Private hospitals are now under the direct order of the Public Health Ministry to guarantee the best distribution of technical measures, staff and all that is needed to manage the health crisis.

Can I use public transport?

Public transport is reduced to 50%. You can only use it if it is for one of the reasons you are allowed to leave your home.

Will there be enough food supply?

Measures have been taken to guarantee sufficient food supply.

Are there any repercussions of not complying with what has been established in this Royal Decree?

Yes. Any person that does not comply with the measures established will be subject to penalties.

On the 17th March, the **Royal Decree Law 8/2020** was created to establish the urgent extraordinary measures to front the economic and social effects of COVID-19.

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What happens if I cannot pay the water and electricity bill?

The companies supplying water and electricity must guarantee the supply to any domestic consumer during the month after the Royal Decree Law has been published.

Am I obliged to offer my employees the opportunity to work remotely?

You are expected to provide this opportunity wherever possible to prevent the closing of your business. If you have done this then let your advisers know so that they can prepare the annex to the employment contract.

Do I get any help with my mortgage prepayments?

Contact the bank and ask if you can arrange to default on your mortgage prepayments as a consequence of the COVID-19 i.e. if your business has been ordered to close or you can justify a loss of income. **This must be agreed with them**, you will not have to pay the mortgage on your residential home and **no interest** will be charged to these payments. The application can be applied for up to 15 days after the State of Alarm has been lifted. Once you have submitted your application to the bank they will have a maximum of 15 days to consider your application and put it in place.

Do I get unemployment benefit if I am self-employed?

If you are registered as one of the activities that were suspended by the Royal Decree 463/2020 then you are entitled to unemployment benefit **for one month or until the last day of the month in which the State of Alarm is lifted**. If you are not carrying out an activity that was suspended but your income has reduced by 75% of your average income during the last six months then you will also be entitled to employment benefit. You must be up to date with your social security contributions, if not then you will be given the opportunity to bring these up to date and obtain the temporary unemployment benefit.

What if I am a shareholder/administrator of a limited company, do I get unemployment benefit?

The Royal Decree Law has made NO REFERENCE to your situation, however, it is expected that during these next few days it will be clarified and you will be entitled to temporary unemployment benefit if your company has been ordered to suspend its activity.

I have bought an item that needs to be returned to the supplier but I only had 15 days, what happens now?

The period of 15 days has been suspended and will restart once the State of Alarm has been lifted.

My business was ordered to close as from the 15th March, what happens with my staff?

You cannot force your staff to take their paid holidays but under the circumstances they may voluntarily offer this to you and in this case you would pay their wage and social security at the end of the month. It is unlikely, but some staff may offer to not request their wage for the 15 days that they have not worked and you will just pay their social security at the end of the month. The other option is to process and ERTE, temporary suspension of their employment contracts. In this instance, they will be entitled to temporary unemployment benefit and you will not have to pay the social security for this period. The condition is that you maintain the number of staff for SIX MONTHS once the State of Alarm has been lifted.

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What if my business was not ordered to close but I have not got enough work for staff?

You can apply for a reduction in contracted hours for your staff. They will be entitled to temporary unemployment benefit to make up the difference. Once the State of Alarm is lifted they will return to their normal working hours.

Is there any financial assistance available?

The Government have invested money that you can access via ICO loans, which have minimal interest charges. Your bank will be able to provide you with more information on these. This will assist with paying employees, rent on the business premises etc.

Will I have to pay my first quarter taxes in April?

The IGIC has been deferred to the 30th June, however the rent retention, retention on staff wages and payment on account for the profit/loss is still due to be presented. However if you have not got enough funds then you can apply for them to be paid over a period of six months, the first three months are interest free.

What if I don't have enough money to pay the social security?

You can apply for this to be paid in monthly instalments over six months; the first three months are interest free.

Do I still have to present my asset report (modelo 720) at the end of March?

Yes.

How do I give in any documentation to EBF?

Due to the COVID-19 and in order to protect staff, all documentation should be scanned over to us and not left in the letter box. There is a digital platform we have available for this. We can give you more information on this if needed.

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