

LATAM COVID-19 TASK FORCE - CHALLENGES AND RESPONSES:
LATIN AMERICA, UNITED STATES AND EUROPE

LATAM COVID-19 Task Force – Challenges and Responses: Latin America, United States and Europe [Update]

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The outbreak of COVID-19 is causing disruption across the world. Willkie has been endeavoring to provide our clients, colleagues and friends with current information, insights and analysis of the challenges and issues that companies are facing globally. As part of those efforts, we have asked our colleagues at law firms in Latin America and Spain to join us in creating a **LATAM COVID-19 Task Force** to help clients navigate through this crisis and share their thoughts, views and insights on it.

Since March 30, 2020, when we issued the first publication of the **LATAM COVID-19 Task Force** entitled “*LATAM COVID-19 Task Force - Challenges and Responses: Latin America, United States and Europe*”, COVID-19 continues to proliferate and to challenge state and local governments around the world to take extreme and unprecedented measures in an attempt to mitigate the economic and social impact brought by the pandemic. These measures often come in the form of emergency decrees, financial relief, lending programs and tax relief.

As the crisis continues to rapidly evolve and the world prepares for a “new normal,” we will continue to closely follow how governments in the United States, Latin America and Europe continue to support individuals and businesses, while preparing to transition into recovery. We look forward to having an active conversation with you and hearing about any concerns and questions you may have. For this purpose, we have created an email address to which you can direct your questions – LATAMCovid19@willkie.com.

You can access all of Willkie’s COVID-19 publications at our [COVID-19 Resource Center](#).

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United States – Willkie Farr & Gallagher LLP

While almost all states in the United States have either reached or are now past their COVID-19 apex, the socio-economic impact of COVID-19 in the United States has been profound. As businesses continue to demand further government support, the executive and the legislative branches of the U.S. government have both accelerated their responses, and instituted new measures and policies to continue providing both short- and long-term relief to individuals and businesses impacted by the outbreak and responsive shutdown measures.

On April 24, 2020, President Trump signed into law the fourth COVID-19 relief bill in the amount of \$484 billion, of which approximately \$310 billion will be used to replenish the Paycheck Protection Program (“PPP”) after the initially allocated \$349 billion was exhausted in less than two weeks. As the debate over a fifth package continues to heat up, more than half of the states have announced and are adopting plans to lift restrictions and reopen businesses.

[Unprecedented Times Call for Unprecedented Measures \[Update\]: Read full article](#)



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Argentina – Marval O’Farrell Mairal

In response to the COVID-19 pandemic declared by the World Health Organization, Argentina has been in mandatory preventive social isolation since March 20, 2020. The quarantine was initially scheduled to end on March 31, 2020, but has been successively extended and is now in effect until May 10, 2020.

The Executive Power may extend the lockdown further based on the epidemiological situation. The quarantine is being enforced by the police and law enforcement officers.

Essential activities and services continue to be carved out from the lockdown, and since April 3, 2020, the government has gradually been lifting restrictions on other important (but not from the outset essential) activities; for example, banks were first authorized to open for the withdrawal of pension or social funds, and were subsequently authorized to open to the public in general upon appointment. The lockdown restrictions are expected to be eased in certain regions of the country where so far no COVID-19 infection has been detected, that are not heavily populated, or where the rate of transmission is kept under certain levels (subject to permanent monitoring), among other requirements.

This new regulatory framework, which is subject to constant modifications, affects social and business activities in Argentina.

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[Hernán Slemenson](#) | [Pablo S. Cerejido](#)

Brazil – Lefosse Advogados

Since the first issue of this client alert, new regulations have been approved in a continuous effort to mitigate the socio-economic impact of COVID-19 in Brazil. These include authorizing work hour and salary reductions, establishing an emergency basic income for unemployed individuals and extending specific lines of credit to provide working capital for businesses in general that have been adversely affected by the pandemic. Incremental measures were also taken to provide special relief to those sectors that have been heavily and immediately affected by the crisis (such as airlines, airports and health insurance); such measures include the release of guarantees and collateral previously granted by private investors to secure performance of contractual obligations to the government (e.g., in concession contracts), reduction of minimum mandatory solvency margins, and debt standstills under lines of credit that had been previously extended by governmental banks.

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While Brazil has not yet reached its COVID-19 apex, attention has already been shifted towards reopening the country. Because the imposed restrictions were established by the states and the municipalities (as opposed to the Federal Government), the timing and plans for lifting them vary significantly by city and state. As an example, the state of São Paulo, which so far has seen the highest number of COVID-19 cases, has announced its plan for a gradual reopening beginning on May 11, 2020, subject to the actual results of the restrictions during the next weeks.

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Central America – BLP Legal

COSTA RICA – BLP ABOGADOS

The state of National Emergency has been extended until May 15, 2020; therefore, non-essential businesses, as so deemed by the government, that serve the general public continue to operate on a mandatory restricted schedule during the week and some are prevented from opening on weekends (non-essential businesses that do not serve the general public are not subject to these restrictions). Restrictions on transportation, traffic and border control policies have also been extended until May 15, 2020. All essential services and businesses are still authorized to open and operate, subject to the initial restrictions imposed on March 16, 2020, including restrictions on vehicle mobility. There has not been any news or any official statement from the government regarding the possibility of reopening the economy.

Since the last update provided on March 30, 2020, the most relevant economic measure adopted in Costa Rica to relieve the impact of the COVID-19 pandemic is the approval by the IMF of Costa Rica's request for \$508 million in emergency financial assistance. The Central Bank of Costa Rica and the Ministry of Planning are currently analyzing the conditions of the loan, which will have to be approved and enacted as a law by the Legislative Assembly.

EL SALVADOR – BLP ABOGADOS

The State of Emergency and the mandatory household quarantine declared in March 2020 has been extended until May 21, 2020. The government has announced through an official statement the possibility of gradually reopening the economy after May 21, 2020.

Since March 30, 2020, Congress has approved several economic and social measures to relieve the impact of the COVID-19 pandemic, including, among others, (i) extending from April 30, 2020 until May 31, 2020 the deadline for companies in the tourism industry whose liability does not exceed \$25,000, to pay income taxes and the special contribution for the promotion of tourism; (ii) extending from April 30, 2020 until May 31, 2020 the deadline for all taxpayers with a tax liability of less than \$10,000 to pay income tax, allowing them to pay their taxes in up to eight monthly

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installments; (iii) extending the deadline to pay income taxes for the fiscal year 2019 for all taxpayers who provide electricity generation, transmission, distribution or commercialization services, or telecommunications services, allowing them to pay their taxes in up to eight monthly installments; (iv) a temporary exemption of the Central American import tariff on essential food products, medications for respiratory diseases, and hygiene and cleaning products during the COVID-19 emergency; (v) an extension of the period of grace from March to May to pay bills related to water, electric power and telecommunications services for the months of March, April and May for families in financial hardship; (vi) extension of the deadline to file and pay 2019 Income Taxes until June 30, 2020 for medium and large corporate taxpayers; (vii) extension of the annual deadline for all companies to file their annual accounts with the Ministry of the Treasury until June 30, 2020; (viii) the extension of the payment deadline of the April, May and June 2020 income taxes for medium and large corporate taxpayers; (ix) extension of the deadline for all companies to file their audit tax opinions (and other formal tax obligations) for a period of two months starting April, 2020; and (x) the suspension of deadlines and the interruption of limitation periods imposed by statute or governmental institutions.

GUATEMALA – BLP ABOGADOS

On March 6, 2020, the government of Guatemala declared a State of Calamity to mitigate the spread and potential impact of COVID-19 in the country; this measure was recently extended until May 11, 2020. As a consequence, constitutional rights, such as freedom of movement, freedom of commerce, and free access to public courts, are restricted for the inhabitants of Guatemala. Since March 30, 2020, the initial relief measures approved to relieve the impact of the COVID-19 pandemic have been modified and supplemented to support the most vulnerable sectors and industries affected by the COVID-19 pandemic, such as the working class, families in a state of poverty and small and medium-sized businesses. There has not been any news or any official statement from the government regarding the possibility of reopening the economy.

The main new economic and legal measures that have recently been adopted by the government include, among others: (i) the approval of a loan from the International Bank for Reconstruction and Development of a principal amount of \$200 million; (ii) an increase of the public budget to allocate additional funds to the health sector (cross-border bonds worth \$1.2 billion that were sold on April 21, 2020 to cover the increase in the public budget); (iii) temporary tax exemptions on imports of goods donated to relieve the effects of the pandemic; (iv) the creation of several funds that grant direct economic aid to families and credits to medium/small companies in financial hardship as a result of the COVID-19 pandemic; and (v) the creation of an employment protection fund of \$257 million to support those workers in the private sector whose work has been suspended by authorization of the Ministry of Labor.

HONDURAS – BLP ABOGADOS

On March 16, 2020, the Honduran Government imposed rigorous restrictions in an attempt to prevent the spread of COVID-19, which include a curfew and limitations on freedom of association, transportation and freedom of expression. These restrictions were extended until May 17, 2020, subject to customary exceptions for essential services and activities.

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There has not been any news or any official statement from the government regarding the possibility of reopening the economy.

Since the last update provided on March 30, 2020, additional mitigation measures have been implemented in all spheres of the country. These include (i) the suspension of deadlines and interruption of limitation periods imposed by statute or governmental institutions, including public courts, and authorizing employers to suspend existing labor contracts with employees during the COVID-19 pandemic, (ii) the approval of the Aid to Productive Sectors and Workers to Face the Effects of the Pandemic Provoked by COVID-19 Act, which includes a package of economic relief measures of up to \$2.5 billion, and (iii) the activation by the Central American Bank for Economic Integration of a contingency credit line of up to \$200 million, in agreement with the Central Bank of Honduras, to relieve the health emergency caused by the COVID-19 pandemic. In the private sphere, certain financial institutions are offering relief to customers facing economic hardship as a consequence of the pandemic by allowing them to refinance or adjust their debt obligations.

NICARAGUA – BLP ABOGADOS

As of April 30, 2020, the Nicaraguan government has not declared a state of emergency, or issued any decree imposing measures to mitigate the spread and potential impact of COVID-19 in the country. Since March 30, 2020, the government has made several public announcements recommending the adoption of preventive measures such as handwashing and general hygiene, to stop the spread of the virus.

Last week, the Nicaraguan Supreme Court issued a communication to the public to explain its new health-focused measures to address the pandemic, including, among other things, (i) the distribution of protective equipment such as alcohol (gel and liquid), gloves and masks to all the offices and dependencies of the judiciary, (ii) special training for all judicial personnel focused on the best practices to prevent the spread of the COVID-19 pandemic and (iii) restrictions on public attendance at hearings -only the people directly involved will be allowed in court (no family or friends will be allowed). These measures would not be binding for the general population, and do not include the imposition of quarantines, extensions of court or statutory deadlines, or tax or economic relief of any kind.

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[Julio Castellanos | David Gutiérrez](#)

Chile – Barros & Errázuriz

As of April 30, 2020, the Exceptional Constitutional State of National Catastrophe (approved on March 19, 2020, for an initial period of 90 days) and the indefinite nationwide curfew declared on March 22, 2020 prohibiting citizens from leaving their households between 10:00 p.m. and 5:00 a.m. remain in place.

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Since the last update provided on March 30, 2020, the government has continued to announce new measures in response to the evolving COVID-19 pandemic, including, among others, (i) a US\$3 billion relief package to guarantee working capital loans to small and medium-sized enterprises; (ii) loosening the requirements for access to unemployment insurance; (iii) mandatory use of masks in workplaces and public areas; and (iv) tax incentive and relief measures.

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[Pablo Guerrero](#)

Colombia – Brigard Urrutia

The State of Emergency declared by the president on March 30, 2020 came to an end on April 17, 2020, while the mandatory nationwide quarantine has now been extended until May 25, 2020. Since the last update provided on March 30, 2020, the Colombian government has approved a number of additional measures in response to the pandemic to stop the spread of COVID-19 and mitigate the social and economic impact of the pandemic, which generally remain enforceable now that the state of emergency has ended.

These new measures include, among others: (i) temporary authorizations to employees to make special withdrawals from their saving plans to compensate reductions in their wages caused by the COVID-19 pandemic; (ii) authorization for all proceedings before Mercantile and Insolvency courts to be temporarily conducted online; hearings or proceedings may be suspended if physical presence is required; (iii) simplified procedures to claim Income Tax and VAT refunds, certain tax exemptions and flexibility to make filings online; (iv) extension of grace periods on mortgages; and (v) the suspension of deadlines and interruption of limitation periods imposed by statute or governmental institutions.

On April 27, 2020, the construction industry resumed its activity under strict sanitary preventive measures. Similarly, the manufacturing industry will resume its activity as of May 11, 2020. The government has announced plans, protocols and strategies for gradually reopening other businesses and industrial sectors, such as vehicle, machinery and computer manufacturing, as well as the sale of spare parts for vehicles and machinery.

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Ecuador – Pérez Bustamante & Ponce (PBP)

Six weeks after the State of Emergency was declared on March 16, 2020, essential businesses (including, among others, health and energy industries, utilities, and certain export and import activities) remain open, but certain mobility and business operation restrictions are still in place. Although the state of emergency was declared for an initial period of 60 days, on April 28, 2020, the government announced an outline for a partial reopening of certain regions less affected by the COVID-19 pandemic, effective as of May 4, 2020 (to be implemented at the municipal level). The outline classifies businesses into three categories (red, yellow and green) to determine which non-essential businesses would be allowed to reopen, subject to different levels of restrictions (e.g., operating on a restricted schedule).

Since the last update, provided on March 30, 2020, several additional relief measures have been approved, including, among others, health, corporate and tax measures to mitigate the economic and public health impact of the COVID-19 pandemic in Ecuador. Some relevant measures are: (i) grace periods for income tax and (March) VAT tax declarations; (ii) temporary suspension of administrative proceedings before public institutions and regulators; (iii) an additional one-month grace period to make statutory filings with the Superintendent of Companies, Securities and Insurance until June 30, 2020; and (iv) the creation of a new channel to make filings online with the National Antitrust Agency.

Furthermore, a draft of a COVID-19 Humanitarian Support Bill to promote and support economically relevant sources of employment, which includes provisions allowing extended terms for payment of social security obligations and loans targeted at small to medium-sized businesses, is currently being debated in the National Assembly. We expect this bill to be approved by mid-May.

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[Diego Pérez Ordoñez](#)

Mexico – Mijares, Angoitia, Cortés y Fuentes, S.C.

On April 16, 2020, Mexico's president announced that the restriction on non-essential activities would be extended through June 1, 2020; however, as an exception, any municipalities that find themselves with no cases or very few COVID-19 cases may reopen on May 17, 2020. In contrast, the president indicated that there are certain areas of the country that are already in Phase 3 (the so called peak of the pandemic) and, therefore, the measures already adopted to stop the spread of COVID-19 in such regions will most likely remain in place for a longer period of time.

Since the last update, provided on March 30, the government has announced additional relief measures, including, among others, the following: (i) the tax authorities have extended from April 30, 2020 to June 30, 2020 the deadline to file 2019

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personal tax returns; (ii) the Federal Economic Competition Commission has extended from May 6, 2020 to May 29, 2020 all of its deadlines and the interruption of its limitation periods; (iii) the National Banking and Securities Commission has extended the deadlines for 2019 annual filings and 1Q 2020 filings (the new deadlines depend on the type of filing to be submitted); and (iv) the Official Gazette of the Federation and the Federal Judicial Council have extended until May 31, 2020 the initial suspension of their activities (except for those proceedings considered urgent).

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Peru – Rebaza, Alcázar & De las Casas

State of Emergency and quarantine measures have been extended until May 10, 2020. Since the last update provided on March 30, 2020, the government has approved additional relief measures including, among others: (i) direct economic aid packages for vulnerable populations suffering economic hardship for an approximate total amount of PEN 2 billion (US\$600 million), and (ii) a public collateral program for working capital loans up to PEN 30 billion (US\$9 billion) to stimulate the local economy and support local companies affected by the COVID-19 pandemic. According to recent news, the government is working on the issue of new sanitary guidelines and regulations to reopen the economy in four staggered phases to be completed between May and August, 2020.

We consider that this challenging situation should be taken as an opportunity for companies to carry out a joint analysis with their legal advisors in order to define strategies and actions to face the diverse legal implications that are being generated as a consequence of the COVID-19 pandemic.

[State of Emergency COVID-19: Legal Implications and Coping Strategies: Read full article ›](#)

[Alberto Rebaza](#) | [Felipe Boisset](#)

Spain – Pérez-Llorca

The state of alarm declared by Royal Decree 463/2020 issued on March 14, 2020 will remain in force until at least May 24, 2020. Since the last update provided on March 30, 2020, several Royal Decrees-Laws and other regulations have been passed, establishing new measures and implementing and supplementing other COVID-19-related measures previously adopted. The government has recently approved new relief packages that, among other things, include making certain foreign direct investments in Spain subject to a prior authorization regime, extending deadlines for paying tax debts, filing certain tax returns and self-assessments, and making the underlying payments. In addition, the government

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has recently issued the outline of the plan to lift the COVID-19 restrictions and lockdown measures in phases aiming at returning to the “new normal” by the end of June 2020.

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Iván Delgado

Venezuela – D'Empaire

The COVID-19 outbreak has prompted the Venezuelan government to extend the state of alarm and a nationwide quarantine until May 12, 2020, with the possibility of additional extensions. We highlight the following relief measures approved by the Venezuelan government since the last update provided on March 30, 2020: (i) a relief program for debtors of commercial debt borrowed from local banks, and (ii) a six-month suspension of rent payments for main homes and commercial use real property. Other measures initially taken in response to the COVID-19 outbreak remain in place, such as a labor freeze, several restrictions on movement and suspension of national and international flights.

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If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

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