

March, 25th 2020


COVID 19 CRISIS - MAIN LEGAL AND BUSINESS MEASURES ADOPTED IN PERU

1. [Peruvian Emergency State](#)
2. [Corporate](#)
3. [Customs & International Trade](#)
4. [Labor](#)
5. [Public Procurement](#)
6. [Tax](#)

1. PERUVIAN EMERGENCY STATE

On March 15 and 18, 2020, the following regulations aimed at preventing the spread of the Coronavirus (COVID-19) in Peruvian territory were published, regulating the National Emergency State: (1) Urgency Decree N° 026-2020; (2) Supreme Decree N° 044-2020-PCM; and (3) Supreme Decree N° 046-2020-PCM; establishing the following:

- The Emergency State was declared throughout the national territory for a period of 15 calendar days, computed from 00:00 hours on March 16, 2020, arranging the mandatory social isolation (“Quarantine”).
- The supply of food and medicine was guaranteed, as well as basic public services such as: water, sanitation, electricity, gas, fuels, cleaning and collection of solid waste and funeral services.
- The constitutional rights to personal liberty and security, inviolability of the home, freedom of assembly and free transit were suspended. Based on these restrictions, it will only be possible to circulate on public use roads for the provision and access, among others, of the following services:
 - Acquisition, production and supply of food, basic necessities and pharmaceutical products.
 - Financial entities, insurance and pensions.
 - Production, storage and transportation, distribution and sale of fuel.
 - Situations analogous to the previous ones and assumptions of fortuitous event and force majeure.

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- From March 18, the compulsory social immobilization of all people in their homes was established between 8:00 p.m. and 5:00 a.m., except for those strictly necessary who participate in the provision of the aforementioned services.
 - The transport of cargo and commodity across borders is allowed, but not that in the case of people, which was suspended from 23:59 on March 16, 2020.
 - The interprovincial transport of people within the national territory was suspended from 23:59 on March 16, 2020. The urban transport was reduced to 50% of the offer of operations by land and pluvial.
 - Since March 18, 2020, the use of private vehicles, during the validity of the Emergency State, with the exception of the vehicles necessary for the provision of the services described in numbers 2 and 3 above; and for the transfer of people who require urgent or emergency medical attention.

Violation of some of these provisions authorizes the National Police and the Armed Forces to adopt force measures so that they are followed. Resistance to the authority could lead to the commission of criminal offenses.


2. CORPORATE

The Business Support Fund for Micro and Small Businesses (known as “FAE-MYPE”) was created, which will have an amount of S/ 300’000,000.00 destined to:

- Guarantee the credits for working capital to be granted between March 21 and December 31, 2020. The credits granted may not exceed 36 months and grace period of up to 6 months may be given.
- Reprogram and refinance debts granted by companies in the Peruvian financial system and saving and credit unions not authorized to raise funds from the public. Reprogramming of refinancing may not exceed 36 months and grace periods up to 6 months may be included.

3. CUSTOMS AND INTERNATIONAL TRADE

- Although the borders of Peru are closed for the transport of people, the entry and exit of all kinds of merchandise, by any track, is not restricted. In this sense, the companies that participate in the entire logistics and supply chain (ports, transport companies, customs warehouses, customs agencies, maritime agencies, port security companies, among others) are operating normally.

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- On the other hand, the Customs Administration has suspended for 30 business days the terms of the administrative procedures (audits, appeals, etc.) that began before March 16, 2020. However, the calculation of interest has not been suspended for those tax-customs obligations notified before the Emergency State.

4. LABOR

- During the Emergency State was established the possibility for the employer to arrange remote work, which constitutes a modality characterized by the provision of services with the physical presence of the worker in his home or isolation place, using any devices or mechanism that makes it possible to carry out work outside the workplace, whenever the nature of the work allows it.
- For the private sector, in case the nature of the work is not compatible with remote work, it was established that the employer grants a paid leave, as agreed between the parties. In the absence of an agreement, the compensation of hours corresponds after the end of the Emergency State.

SOCIAL SECURITY MEASURES:

It was established that, for the cases of workers diagnosed with COVID-19 and who receive less than S/ 2,400.00 per month, the social health insurance will grant a subsidy for the first twenty (20) days of disability, which constitutes an extraordinary measure, because that period is usually assumed by the employer.

IMMIGRATION MEASURES:

- It has been authorized the rescheduling of administrative procedure appointments and the various services provided by the Migration Authority, once the Emergency State ends.
- It has been arranged the suspension of the administrative deadlines and sanctions for excess permanence during the entire period of the Emergency State, allowing the corresponding regularization procedures to begin within a period of not less than forty five (45) days.
- It has been arranged the extension of the terms of the special permits granted to foreigners to be absent from the national territory, as well as to those resident foreigners who are outside the country, for the entire term of the Emergency State, as long as they do not come from the countries that temporarily closed their borders before the entry into force of the national quarantine, extension which is subject to the accreditation that they come from that country and that will be done from the term in which it was found to be prevented from leaving it.



5. PUBLIC PROCUREMENT

- It has been established the suspension of the terms calculation for the period of 15 days (from March 16, 2020) for the selection procedures called by the Peruvian State before March 16 and for the subscription of contracts with the Peruvian State.
- This suspension does not apply to those selection procedures and the subscription of contracts with the Peruvian State, linked to essential services such as food supply, medicine, as well as the continuity of water services, sanitation, electricity, gas, fuel, telecommunications, cleaning and solid waste collection, funeral services, and other complementary and related services.
- Likewise, the suspension of calls for selection procedures was ordered for a period of 15 days from March 16 of this year, being the only exception those procedures related to the obligation to guarantee essential services and necessities.

6. TAX

- The Tax Administration Authority has extended –until June- the deadline for the submission of the Income Tax Annual Sworn Declaration for the 2019. This applies only to individuals and companies that have not generated net income greater than S/ 9'660,000.
- Additionally, it has been ordered the suspension –for 30 business days- of the deadlines for starting and processing administrative procedures subject to positive and negative silence that are in force, with the exception of those who have the authority pronouncement pending of notification.
- The Tax Administration Authority has granted the following main facilities:
 - Extension of expiration terms referring to payments of fees under the fractionation and /or fractionation with deferment for the period declared in National Emergency State.
 - Extension of the terms of payment of the tax debt subject to postponement for the period declared in Emergency State.
- It has been established that administrative sanctions will not be applied for tax infractions incurred by taxpayers (without distinction of the level of net income). Therefore, there will be no fines, only delay interest for late payment of the tax.

For further information, please contact:

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