



We contribute to COVID-19 scientific research



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EMERGENCY MEASURES COVID-19: Minimum living wage, hygiene protocols and new lines of financing for companies and the self-employed

This News Alert XXXI on urgent measures to alleviate the economic and social effects of COVID-19 includes a summary of the most relevant measures contained in the following legislation:

- Royal Decree-Law 20/2020 on the creation of the minimum living wage ("ingreso mínimo vital", or IMV).
- Royal Decree-Law 21/2020 on hygiene measures for the containment of the COVID-19 health crisis.
- Royal Decree-Law 22/2020 on the creation of the COVID-19 fund.
- Royal Decree 569/2020 and the Resolution of the Council of Ministers of 16 June 2020 on financing lines and incentives.



ROYAL DECREE-LAW 20/2020 - Minimum living wage

Spain is among the European Union countries with the most unequal distribution of income among households, an issue that has worsened due to the COVID-19 health crisis.

In order to prevent the risk of poverty and social exclusion of people in situations of vulnerability, RDL 20/2020 of 20 May 2020 has created the minimum living wage (IMV) benefit, the conditions of which are summarised below:

1. Beneficiaries

Persons between 23 and 65 years of age resident in Spain who live alone (individual beneficiaries) or in a household unit (household unit members).

2. Eligibility requirements

- Having lived independently for at least three years for individual applicants and one year for families.
- Being in a situation of economic vulnerability.
- Having legal and actual residence in Spain continuously and uninterruptedly for at least one year prior to the presentation of the application.
- The requirements for persons who have been victims of gender-based violence or human trafficking and/or sexual exploitation are more flexible.
- Having previously applied for benefits to which applicants may be entitled and being registered as a jobseeker.
- The net worth limit cannot be exceeded, the maximum amount of which varies depending on the household unit and ranges from €16,614 euros to €43,196.40.

3. Amount of the benefit

The amount of the benefit will be between $431.50 \notin$ month for people living alone and 1,015.30 \notin month for household units of five or more members.

4. Application

With effect from 15 June, the minimum living wage may be applied for through the relevant procedure established by the Social Security authorities.

To obtain detailed information on this benefit and to carry out the Minimum Living Wage simulation, the Ministry of Social Security website may be accessed at the following <u>LINK</u>.

The Government has also issued a Guide to Facilitate Access to Measures which addresses the most common doubts concerning this benefit. <u>SEE GUIDE</u>.



ROYAL DECREE-LAW 21/2020 - Hygiene measures for the containment of the COVID-19 health crisis

Royal Decree-Law 21/2020 of 9 June lays down urgent prevention, containment and coordination measures required to deal with the health crisis caused by COVID-19, as well as to prevent possible new outbreaks, with a view to the completion of phase III of the Plan for the Transition to a New Normality by certain provinces, islands and territorial units.

The measures include the following:

- <u>Mandatory use of masks</u> from the age of 6 years in public roadways and closed spaces for public use when it is not possible to maintain an interpersonal distance of 1.5 metres; in public means of transport (bus, subway, train, air, sea, taxi, VTC, etc.); except for people with respiratory pathologies or in the case of individual exercise.
- <u>Measures to be taken at work centres</u> by their administration or management:
 - Λ Establish measures for ventilation, cleaning and disinfection of the centre.
 - A Make hydroalcoholic gels, water and soap or disinfectants authorised by the Ministry of Health for hand cleaning available to workers.
 - A Adapt the organisation of work and common spaces to ensure that the interpersonal distance of 1.5 metres is respected. If this is not possible, workers must be provided with the necessary PPE.
 - Λ Take measures to avoid large-scale overlap of persons both workers and customers at the work centre.
 - A Implement measures for the gradual re-integration of employees into their jobs and promote teleworking.
 - Λ People with symptoms or who are in isolation must stay away from the work centre.
 - \wedge If a worker begins to show symptoms of the virus, the telephone number provided by the corresponding Autonomous Region must be contacted immediately and the worker must wear a mask until assessed by a health professional.

RDL 21/2020 delegates to the <u>competent administrations</u> the duty of ensuring compliance by establishment owners or managers with the measures to guarantee a distance of 1.5 metres between both employees and customers, as well as limits on capacity to avoid crowding. The RDL covers the following sectors:

- Health centres, services and establishments.
- Educational establishments.
- Social services.
- o Commercial establishments, particularly open-air markets and shopping centres.
- Hotels and tourist accommodation.
- Hotel and restaurant activities.
- Cultural facilities, public shows and other recreational activities.



- Facilities for sports activities and competitions.
- Public passenger transport.

Infractions and penalties

Failure to wear a mask will be considered a minor infraction subject to fines of up to €100.

The full text of RDL 21/2020 may be consulted at the following link: https://www.boe.es/boe/dias/2020/06/10/pdfs/BOE-A-2020-5895.pdf

ROYAL DECREE-LAW 22/2020 - Creation of the COVID-19 fund

RDL 22/2020 of 16 June 2020 regulates the creation of the COVID-19 fund as well as its allocation and release to the Autonomous Regions.

This fund has been created specifically to deal with the health crisis and the economic crisis resulting from the temporary paralysis of business activity, and amounts to ≤ 16 billion. The allocation of this amount among the Autonomous Regions will be based on population, the severity of the virus impact, health and/or educational expenditure and the level of business activity.

OTHER IMPORTANT FINANCING AND INCENTIVE MEASURES

On a complementary basis the Government has approved other lines of financing and incentives for various purposes, as set out in Royal Decree 569/2020 and the Resolution of the Council of Ministers, both dated 16 June 2020.

Automotive sector

The Government approved €650 million in measures to support the mobility and automotive sector. Of the total amount:

- €100 million will be allocated to the <u>second edition of the MOVES programme involving</u> <u>incentives for efficient and sustainable mobility</u>, so that regional governments can invest in infrastructures related to sustainable mobility. More details of RD 569/2020 can be found <u>HERE</u>;
- <u>€500 million will allocated to a new line of ICO guarantees</u> for SMEs and the selfemployed for the acquisition or financial or operational leasing of motor vehicles for professional use.



Tourism sector

The Resolution of the Council of Ministers of 16 June 2020 approved the <u>Tourist Sector Tranche</u> which will be managed under the ICO Guarantee Facility and will amount to \pounds 2,500 million. This specific tourism facility will be aimed at <u>SMEs and the self-employed in the sector in order to</u> <u>cover their liquidity needs</u>, as well as to finance expenses or investments for their improvement (expansion of facilities, purchase of equipment, improvement of services provided).

Fifth tranche of the ICO guarantee facility for companies

Finally, the Government approved the <u>5th tranche of ICO guarantees of up to \in 12.5 billion</u> for the renewal and granting of new loans to the self-employed and SMEs. It is divided as follows:

- Up to €7.5 billion for loan renewals and new loans granted to the self-employed and SMEs.
- Up to €5 billion for loan renewals and new loans granted to companies that do not qualify as SMEs.

The application deadline is <u>30 September 2020</u>.

More detailed information on the Council of Ministers Resolution of 16 June may be consulted HERE.

The professionals that regularly work with your company are at your disposal for any clarification or additional information you may require in relation to the content of this News Alert. Please contact us by telephone at 934 677 414.

Yours sincerely, AUDICONSULTORES

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