

Royal Decree-law 11/2020, of 31 March, adopting supplementary urgent measures in the social and economic field to deal with COVID-19

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The measures provided for in this Royal Decree-law (**Royal Decree-law**) shall remain in force until one month after the end of the duration of the declaration of the state of alarm. However, those measures provided for in this law that have a specific time limit shall be subject to such limit.

The content of the Royal Decree-law is summarised below, structured in 3 parts, 54 articles, 22 additional provisions, 5 transitional provisions, 13 final provisions and 4 schedules.

PART 1. SUPPORT FOR WORKERS, CONSUMERS, FAMILIES AND VULNERABLE GROUPS

Chapter 1 - Measures targeting families and vulnerable groups

a) Measures aimed at supporting the rent of vulnerable persons

- Suspension of the eviction and dispossession procedures involving vulnerable households without a housing alternative and extraordinary extension of main home leases.
- Moratorium on rental debt of main home lessees in a situation of vulnerability and automatic application of the moratorium on rental debt in the case of large housing holdings and corporations.
- Exceptional and transitory amendment of lease terms in the case of non-corporate lessors who are not large housing holdings and corporations.

- Approval of a guarantee line for the State's cover of lessee financing.
- An aid programme to help minimise the economic and social impact of COVID-19 on main home rent.

b) Mortgage debt moratorium in respect of main home purchases

- The suspension period is extended to 3 months and technical adjustments are made to facilitate the application of the moratorium on mortgage debt in respect of main home purchases.
- The settlement of suspended installments is clarified, as is the concept of "basic expenses and supplies" for the purposes of defining the vulnerability threshold, including in this concept expenses associated with the supply of electricity, gas, heating oil, running water and fixed and mobile telecommunication services.
- Extension of the moratorium on mortgage debt for employers and self-employed workers and professionals in respect of real property attached to their business activity and for natural persons who have real property leased out for which they do not receive rent as a result of measures approved during the state of alarm.
- The amount of the surplus that may be allocated by local authorities to benefits and investments related to social expenditure is individualized, with the consideration of financially sustainable investments.
- The Presidents of local corporations are authorised to approve, by Decree, credit facility modifications consisting of extraordinary credit facilities or credit facility supplements.

c) Extension of the scope of the moratorium to non-mortgage loans and credit facilities held by economically vulnerable people, including consumer credit facilities.

d) Suspension of unsecured credit facility or loan agreements or of mortgage loans concluded by vulnerable persons.

d) Extension of the contingencies in which the rights consolidated in pension schemes can be made effective

The accumulated savings in pension schemes may be used, exceptionally, in situations of unemployment as a result of a temporary collective redundancy scheme (abbrev. ERTE) and of cessation of business of self-employed workers as a result of COVID-19.

e) Extension of the group of potential beneficiaries of the social energy tariff

Natural persons who, in their main home, with the right to contract the Voluntary Price for Small Consumers, have an income equal to or less than certain thresholds and whose business had ceased or turnover reduced by certain percentages may apply.

f) Guarantee of electricity and water supply for homes during the alarm state.

The supply to domestic consumers in their main home may not be suspended for reasons other than security of supply.

g) Extraordinary allowance for lack of business for persons included in the Special System of Household Employees of the General Social Security Scheme

A temporary extraordinary allowance is created for cases of lack of business, reduction of hours worked or termination of contract as a result of COVID-19. This allowance is compatible with the maintenance of other activities and the maximum amount to be received will be the national minimum wage without thirteenth and fourteenth month pay.

h) Exceptional unemployment benefit at the end of a temporary contract

This benefit is designed without any waiting period requirement precisely to equate their situation as much as possible to that of the people who have been included in a temporary collective redundancy scheme and who have been able to access, even without fulfilling the established waiting period, the appropriate unemployment benefit. The only requirement is the minimum term of the contract, which must be at least two months.

Chapter 2. Support measures for self-employed workers

a) Moratorium on social security contributions

The Social Security Agency is authorised to grant six-month moratoriums, without interest, in exceptional circumstances. The accrual period, in the case of companies runs between April and June 2020 and, in the case of self-employed workers between May and July 2020, provided that the business they carry out has not been suspended as a result of the state of alert.

b) Deferment of Social Security debts.

The deferment of payment of social security debts for which the statutory period for payment is between April and June 2020 may be applied for until 30 June 2020, without the interest provided in Art. 23(5) of the Social Security (Recast) Act being applicable.

Chapter 3: Consumer protection measures

a) Right to terminate certain contracts without penalty for consumers and users.

The right of consumers and users to terminate contracts for the sale of goods and the provision of services, whether or not they are continuing contracts, whose performance is impossible as a result of the application of the measures adopted in the declaration of the state of alarm, for a period of 14 days.

- b) **In the case of continuing contracts, options for subsequent recovery of the service may be offered**, and only if the consumer is unable or unwilling to accept such recovery shall the amounts paid be refunded.

No new monthly payments shall be submitted for collection until the service can be provided normally, without this giving rise to termination of the contract.

- c) In the case of the provision of services involving several suppliers, such as package holidays, **the consumer or user may choose to request a refund or to make use of the voucher provided by the organiser or, where appropriate, the retailer.**
- d) **Commercial communication by nationwide gaming operators**, including entities designated for the marketing of lottery games, **is limited.**

PART 2. MEASURES TO SUPPORT BUSINESS IN THE FACE OF TRANSITIONAL DIFFICULTIES RESULTING FROM COVID-19

Chapter 1: Support for industrialisation.

- a) **Modification of the time and period for providing guarantees in calls for applications for loans granted by the Secretariat General for Industry and SMEs** (abbrev. SGIPYME) pending decision at the time of entry into force of Royal Decree 462/2000 of 14 March.
- b) **Refinancing of loans granted by the SGIPYME.**

Refinancing of the loans for a period of two and a half years, extendable by resolution of the Cabinet.

- c) **Authorisations to ICEX**

Refund of the amounts paid by companies in events organised by the Spanish Foreign Trade Agency (abbrev. ICEX) that had to be cancelled due to force majeure. ICEX will grant the companies additional aid on the basis of non-recoverable costs incurred.

- d) **Emprendetur**

Suspension for one year, without any penalty, of the payment of interest and cancellation corresponding to the loans granted by the State Secretary for Tourism within the framework of the Emprendetur R&D&i Programme, the Emprendetur Young Entrepreneurs Program and the Emprendetur Internationalisation Programme.

Chapter 2. Flexibility in supplies for SMEs and the self-employed

- a) Temporary suspension of electricity supply contracts or amendment of contract types without penalty; possibility of changing the 'access toll' (**connection charge**) and adjustment of the contracted power upwards or downwards, without any cost. Once the **state of alarm has concluded**, they are again allowed a new modification without cost or penalty.

- b) Urgent mechanism to adjust the contracted capacity of **natural gas supply** points to actual needs, change the step of the access toll or even temporarily suspend the supply contract at no cost.
- c) Mechanism for the debtor to **suspend payment of the bill for electricity, natural gas and other petroleum products** to the regulated electricity and gas supplier or, where appropriate, the distributor of manufactured gases and piped LPG.
- d) Regulated suppliers or distributors are **exempted from paying tolls** during the period of suspension of payment.
- e) Regulated electricity and gas suppliers, distributors of manufactured gases and piped LPG, and electricity distributors are authorised to **access the line of guarantees** provided in Art. 29 of Royal Decree-law 8/2020 of 17 March, or any other line of guarantees that may be provided for this specific purpose.
- f) Provision for an exceptional period, from 1 May to 30 June 2020, during which the **marketing of petrol** with a vapour and distillate pressure between the minimum summer limit and the maximum winter limit will be permitted.
- g) On an exceptional and transitional basis, companies providing **audiovisual services** shall be entitled to **temporary compensation for certain costs of compulsory population coverage** of the State digital terrestrial television service.

PART 3. OTHER MEASURES

Various measures are provided in the public sector field:

- a) Donations to support in the face of COVID- 19
- b) Extraordinary measures applicable in relation to the deadlines for drawing up and submitting the annual accounts for the 2019 financial year of the State's public-sector bodies and for submitting the Whole of Government Accounts to the Court of Audit.
- c) Measures in the area of liquid assets of autonomous bodies and other entities that make up the State's public sector.
- d) Extraordinary deferment of the repayment schedule for loans granted by 'Autonomous Communities' (devolved regions) and Local Authorities to employers and self-employed workers affected by the health crisis caused by COVID-19.
- e) Reinforcement of the obligations to provide business and financial information.
- f) Measures for deferment of debts arising from customs declarations.
- g) Suspension of tax deadlines of Autonomous Community and Local Authorities.
- (h) Measures concerning subsidies and public aid.

ADDITIONAL PROVISIONS

First: CERSA's COVID-19 guarantees line.

Second: Application of the standard terms and conditions of Royal Decree 106/2018 of 9 March regulating the National Housing Plan 2018-2021.

Third: Incorporation of new aid programmes into the agreements signed between the then Ministry of Civil Works and the Autonomous Communities and the cities of Ceuta and Melilla for the implementation of the National Housing Plan 2018-2021.

Fourth: Readjustments in the distribution of the funds available in each agreement between the programmes of the National Housing Plan 2018-2021 on the initially planned distribution.

Fifth: Verification of requirements for the granting of rental subsidies under the National Housing Plan 2018-2021.

Sixth: Rules applicable to users of military housing subject to the Measures to Support the Geographical Mobility of Members of the Armed Forces Act 26/1999 of 9 July.

Seventh: Funds from the collection of the vocational training contribution for employment for the year 2020.

Eighth: Extension of the deadline to appeal. From the entry into force of Royal Decree 463/2020 of 14 March to 30 April 2020, the period for lodging administrative reconsideration appeals or tax complaints governed by the Tax Act will begin to run from 30 April 2020. The same measure will be applicable to administrative reconsideration appeals and tax complaints that, in the field of taxation, are regulated in the recast version of the Local Finance Act.

Ninth: Application of Royal Decree-law 8/2020 to certain procedures and acts.

The period from the entry into force of Royal Decree 463/2020 to 30 April 2020 shall not be counted for the purposes of the maximum duration of the period for enforcement of the decisions of tax courts, and within this period the limitation periods of any actions and rights provided for in the tax legislation shall be suspended.

Tenth: Extension of deadlines applicable to payments to be justified.

Eleventh. Interim measures for the issuance of qualified electronic certificates.

Twelfth: Rules applicable to the duration of certain teaching and research staff contracts concluded by universities.

Thirteenth: Rules applicable to employment contracts signed with funding for public calls for human resources in the field of research and for the integration of staff hired in the National Health System.

Fourteenth: Application of the sixth additional provision of Royal Decree-law 8/2020 to companies in the performing arts, music, film and audiovisual sectors.

Fifteenth: Effects of the compatibility of the retirement pension with the appointment as 'statutory staff' (with a special civil servant status) of health professionals carried out under Order SND/232/2020 of 15 March.

Sixteenth: Authorisation to those authorised in the Electronic Data Transfer (abbrev. RED) System.

Seventeenth: Criteria for classification of possible defaults in SGIPYME financing programmes.

Eighteenth: Collaboration of public employees.

Nineteenth: Action Plan to speed up judicial activity in the employment and judicial review branches of the judiciary as well as in the area of Companies Courts after the state of alarm.

Twentieth: Availability of pension schemes in the event of unemployment or cessation of business as a result of the health crisis caused by COVID-19.

Twenty-first: Temporary disability in an exceptional situation of total confinement.

Twenty-second: Compatibility of childcare allowance and unemployment or cessation of business benefit during the state of alarm.

TRANSITORY PROVISIONS

First: Transitory rules applicable to the programme of assistance to persons in a situation of home eviction or dispossession.

Second: Processing of the authorisation of transactions in progress and transactions of between 1 and 5 million euros included in Art. 7 *bis* of Act 19/2003 of 4 July, exempting transactions of less than 1 million euros from the need for prior authorisation.

Third: Retroactive nature and processing of the extraordinary allowance due to lack of business of persons under the Special System of Household Employees and of the exceptional unemployment allowance due to end of the temporary contract.

Fourth: Provisions concerning insolvency proceedings.

If, on the date of entry into force of this Royal Decree-law, the judge of the insolvency proceedings has issued an order for the application of the measures provided for in Arts. 22 and 23 of Royal Decree-law 8/2020, the decision will have full effects for the purposes of recognition of the benefits under Part II of said law. Submitted applications in which no decision has been taken by the judge of the insolvency proceedings must be sent to the labour authority and will continue to be conducted under the procedure and with the qualifications provided for in Arts. 22 and 23 of Royal Decree-law 8/2020. The acts previously carried out and the consultation period in progress or concluded will remain valid for the purposes of the new proceedings.

Fifth: Application of certain measures of the Royal Decree-law.

FINAL PROVISIONS

First: Amendment of Royal Decree-law 8/2020 of 17 March on urgent extraordinary measures to deal with the economic and social impact of COVID-19.

The following articles are amended or added to Royal Decree-law 8/2020:

Art. 4(3): Suspension of the validity of Arts. 3(5) and 6 of Order IET/389/2015 of 5 March 2005 updating the system for the automatic determination of maximum selling prices for bottled liquefied petroleum gases and amending the system for the automatic determination of selling prices.

Art. 7: Moratorium on mortgage debt in respect of main home purchases.

Art. 8: Scope of the moratorium on mortgage debt in respect of main home purchases.

Art. 12: Application for a moratorium on real estate mortgage debts.

Art. 13: Granting of the moratorium.

Art. 14: Effects of the moratorium.

Art. 16: Consequences of the debtor's improper implementation of the measures for the restructuring of the real estate mortgage debt. Supervision and penalty rules and formalisation in a deed of the mortgage moratorium.

Art. 17: Extraordinary cessation of business benefit.

Art. 20: Suspension of portability.

Art. 34: Suspension of public sector contracts as a result of COVID-19.

Art. 37: Granting of extraordinary credit facilities in the budget of the Ministry of Science and Innovation in relation to COVID-related scientific research.

Art. 38: Rules regarding monetary contributions made by the Carlos III Health Institute or the Spanish Research Council (abbrev. CSIC) derived from the COVID-19.

Art. 40: Extraordinary measures applicable to legal persons governed by private law.

Art. 41: Extraordinary measures applicable to the operation of the governing bodies of listed companies.

Seventh additional provision: Authorisation for contained use and voluntary release activities with genetically modified organisms,

New tenth additional provision: on qualifications in the application of Part II to companies subject to insolvency proceedings.

Tenth final provision: Duration of the planned measures.

Paragraph 2 of the first transitional provision: Extraordinary measures concerning contributions and protection in the event of unemployment.

First final provision: Amendment of the recast version of the Transfer Tax Act, approved by Royal Legislative Decree 1/1993 of 24 September.

Second: Amendment of Law 7/1985, of 2 April, regulating the bases of the local regime.

A new paragraph 3 is added to Art. 46 of Law 7/1985, of 2 April, regulating the bases of the local system, making it possible in exceptional circumstances to hold meetings of the collegiate bodies of Local Authorities and to pass resolutions by electronic and telematic means.

Third: Amendment of the Capital Movements and Economic Transactions Abroad and Certain Anti-money Laundering Measures Act 19/2003 of 4 July, extending the scope of the suspension of the deregulation of certain foreign direct investments in Spain for reasons of public safety, public policy and public health in the main strategic sectors of our country, to those made by investors resident in countries of the European Union and the European Free Trade Association, when such investors are controlled by entities resident outside that territorial area.

Fourth: Amendment of Art. 71 *septies* of the Collective Investment Schemes Act 35/2003 of 4 November. Supervision of limits to leverage, adequacy of creditworthiness assessment processes and liquidity risk.

Fifth: Amendment of paragraph a) of the eighth transitional provision of the Electricity Sector Act 24/2013 of 26 December.

Sixth: Amendment of Art. 4(3)(b) of the Savings Banks and Bank Foundations Act 26/2013 of 27 December.

Seventh: Amendment of the Public Procurement Act 9/2017 of 8 November, which transposes into Spanish law European Parliament and Council Directives 2014/23/EU and 2014/24/EU of 26 February 2014.