

THE LEGAL CHALLENGES AT WORK IN TIMES OF CRISIS



IRELAND
PORTUGAL
Business Network

Ireland Portugal Business Network Webinar Series

03.04.2020

9.30

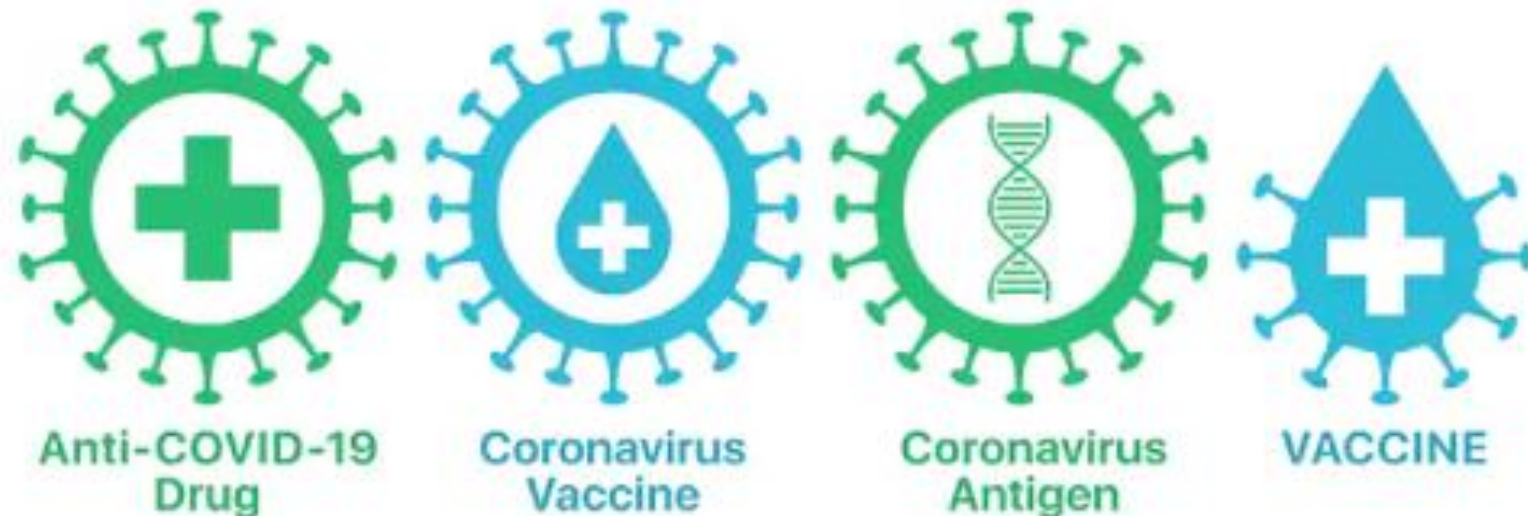
About us

International law firm with over
30 years of experience in
foreign investments

Departments:

Corporate & Commercial	Foreign Investment
Property & Tourism	Residency by Investment
International	Estate Planning & Probate
Litigation	Fiscal & Tax Planning
Employment	Contracts & Notary

About us



EDGE International Lawyers put together a specific COVID-19 team of lawyers specialized in company and commercial, employment, tax, private client and constitutional matters. We seek to provide solution focused and pragmatic answers, tailoring them to the needs of each client. We are already providing these answers for companies and individuals, particularly international companies and individuals who require specialized guidance at this time.

As death toll jumps to 55,
Prime Minister urges nation:
Avoid 'non-essential
contact' and socialising
14-day isolation for all if
family member has virus
Most at risk should
isolate for 3 months

PM's historic stay-at-home plea to beat virus

LOCKDOWN BRITAIN

Astonishing restrictions on daily life ++ NO travel unless essential ++ Don't see friends or family ++ Only one exercise outing a day ++ Fines if you don't obey ++ Mass closures of shops ++ All for at least 3 weeks

Puzzles Plus

The Daily Telegraph

End of freedom

THE DAILY TELEGRAPH

The Daily Telegraph

FOR SIX WEEKS
DETAILS, PAGE 10

**BRITAIN
SHUTS
UP SHOP**



The Daily Telegraph
Life put on hold

FREE HOME DELIVERY FOR **12 WEEKS**

● Avoid people
● Mother's Day cancell
● Second National off t

PM'S PANDEMIC MESSAGE

STAY SAFE

pullout inside

pubs, clubs
workplaces
avoided

Two weeks
quarantining

BORIS: MANY FAMILIES WILL

ifthenpost Reliable on Business
How to find a job or a new business

IT

will los

Economice

Covid-19

Economistas avisam que apoios são insuficientes

MARCH 30, 2020

TIME



FREE METRO
 WEDNESDAY MARCH 13, 2020 THE WORLD'S MOST POPULAR FREE NEWSPAPER
WORST CRASH SINCE '87

A collage featuring a newspaper clipping from 'Coronavirus Crisis' with the headline 'WE'RE SINGING SE Y E ED E?' and a photo of two men in suits. The clipping includes a sub-headline 'Préto para concurso de novos Terceiros Vagos da fatura tal que estatuido em' and a main headline 'Gestão da saúde do Governo de salvaguarda nacional no horizonte?'. The photo shows two men in suits, one of whom is Boris Johnson.

FINANCIAL POST *TSX, DOW DIP INTO BEAR MARKET
FOR THE FIRST TIME SINCE 2008.*

VOL. 22 NO. 115 THURSDAY, MARCH 12, 2020

POS PANDEMIC



S a national emergency

edp

THESE THINGS ARE JUST BEING SAID

RA
RUS

Salmond's resignation cleared of sex charges

Must stay at home

Meeting of more than two banned

...polos são insuficientes que

TIME

COR

SPECIAL REPORT

TO AND OUT DOBAL TIC

US

EOP LIVE

PROFES

SOL

RTP E PRODUÇÕES FICTÍCIAS

GUERRA INBERTA

A worker in a white protective suit and respirator mask uses a large sprayer to disinfect the interior of a bus in Bratislava, Slovakia. The worker is holding the sprayer nozzle, and a large white tank is visible in the foreground. The bus interior has red vertical poles and seats.

How to react to a pandemic?

- Special circumstances demand special measures.
- Most countries opted for isolation and enforced quarantine.
- Several consequences for economy and all sectors (commerce, industry, services).

Economy needs to be protected

- Portuguese Government and Parliament are actively legislating in order to protect Portuguese Economy and work.

Decree Law no. 10-A/2020, 13th March

**SOCIAL PROTECTION MEASURES IN
SICKNESS AND PARENTHOOD**

Law no. 1-A/2020, 19th March

**EXCEPTIONAL AND TEMPORARY
MEASURES FOR PROTECTION OF JOBS IN
CONTEXT OF COVID-19 PANDEMIC**

Decree Law no. 10-G/2020, 26th March

**INTRODUCES A SIMPLIFIED
LAY-OFF REGIME**

Ordinance no. 71-A/2020, 15th March

**EXTRAORDINARY MEASURES TO
MITIGATE CORPORATE CRISIS
SITUATIONS**

Decree Law no. 2-A/2020, 20th March

**REGULATES THE APPLICATION OF THE
STATE OF EMERGENCY**

AMONG MANY OTHER

DECREE LAWS AND ORDINANCES,

AS FOLLOWS...



PRESIDÊNCIA DO CONSELHO DE MINISTROS

Decreto-Lei n.º 10-K/2020

de 26 de março

Sumário: Estabelece um regime excecional e temporário de faltas justificadas motivadas por assistência à família, no âmbito da pandemia da doença COVID-19.

A Organização Mundial de Saúde qualificou, no passado dia 11 de março de 2020, a emergência de saúde pública ocasionada pela doença COVID-19 como uma pandemia internacional, constituindo uma calamidade pública. A situação tem evoluído muito rapidamente em todo o mundo e, em particular, na União Europeia.



PRESIDÊNCIA DO CONSELHO DE MINISTROS

Resolução do Conselho de Ministros n.º 10-B/2020

Sumário: Repõe, a título excecional e temporário, o controlo documental de pessoas nas fronteiras no âmbito da situação epidemiológica provocada pelo novo coronavírus SARS-CoV-2.



PRESIDÊNCIA DO CONSELHO DE MINISTROS

Decreto-Lei n.º 10-C/2020

de 23 de março

Sumário: Estabelece medidas excecionais e temporárias de resposta à epidemia da doença COVID-19 no âmbito das inspeções técnicas periódicas.

A Organização Mundial de Saúde considerou, no passado dia 30 de janeiro de 2020, que a epidemia SARS-CoV-2 causou uma situação de emergência de saúde pública de âmbito internacional, tendo, no dia 11 de março de 2020, caracterizado a disseminação do vírus como uma pandemia em virtude do elevado número de países afetados.

Nesse sentido, o Conselho de Ministros aprovou, nos dias 12 e 13 de março de 2020, um conjunto de medidas extraordinárias e de caráter urgente de resposta à situação epidemiológica do novo Coronavírus — COVID-19, através do Decreto-Lei n.º 10-A/2020, de 13 de março, e da Resolução do Conselho de Ministros n.º 10-A/2020, de 13 de março.



PRESIDÊNCIA DO CONSELHO DE MINISTROS, ADMINISTRAÇÃO INTERNA, TRABALHO, SOLIDARIEDADE E SEGURANÇA SOCIAL E SAÚDE

Gabinetes da Ministra de Estado e da Presidência, do Ministro da Administração Interna e das Ministras do Trabalho, Solidariedade e Segurança Social e Saúde

Despacho n.º 3863-B/2020

Sumário: Determina que a gestão dos atendimentos e agendamentos seja feita de forma a garantir inequivocamente os direitos de todos os cidadãos estrangeiros com processos pendentes no Serviço de Estrangeiros e Fronteiras, no âmbito do COVID 19.



PRESIDÊNCIA DO CONSELHO DE MINISTROS

Decreto-Lei n.º 10-J/2020

de 26 de março

Sumário: Estabelece medidas excecionais de proteção dos créditos das famílias, empresas, instituições particulares de solidariedade social e demais entidades da economia social,



PRESIDÊNCIA DO CONSELHO DE MINISTROS

Decreto-Lei n.º 10-H/2020

de 26 de março

Sumário: Estabelece medidas excecionais e temporárias de fomento da aceitação de pagamentos baseados em cartões, no âmbito da pandemia da doença COVID-19.

Atendendo à emergência de saúde pública de âmbito internacional, declarada pela Organização Mundial de Saúde, no dia 30 de janeiro de 2020, bem como à classificação, no dia 11 de março de 2020, da doença COVID-19 como uma pandemia, importa acautelar, estrategicamente, a previsão de normas de contingência para assegurar a resposta que é exigida a Portugal.

No dia 18 de março de 2020 foi decretado o estado de emergência em Portugal, através do Decreto do Presidente da República n.º 14-A/2020, de 18 de março.

A situação excecional que se vive no momento atual e a proliferação de casos registados de contágio de COVID-19 exige a aplicação de medidas extraordinárias, temporárias e de caráter urgente.

Most Relevant Measures

Decree Law no. 10-A/2020, 13th March

- ✓ First package of measures to be introduced;
- ✓ Implemented exceptional and temporary measures both for private and public sector;
- ✓ Suspended classes and declared closure of schools;
- ✓ Limited access to public spaces and public buildings;
- ✓ If symptomatic, preventive isolation for the period of 14 days;
- ✓ Introduced the possibility of receiving sickness benefit and child/grandchild care benefits – special protection granted for parents with children with less than 12 years old;
- ✓ Remote work was appointed as preferable.

Most Relevant Measures

Law no. 1-A/2020, 19th March

- ✓ Introduced new, exceptional and temporary measures to deal with pandemic situation;
- ✓ Reiterates and increases the ambit and impact of Decree Law no. 10-A/2020;
- ✓ Suspends most deadlines, including Court deadlines, administrative, fiscal and tax dates milestones;
- ✓ Introduces first measures to protect rental contracts, specifically the suspension of evictions procedures.

Most Relevant Measures

Decree Law no. 2-A/2020, 20th March

- ✓ Explains and implements State of Emergency;
- ✓ Institutes mandatory confinement and a special protection duty for certain citizens;
- ✓ Implements a general duty of self-isolation;
- ✓ Remote work is the new normal, mandatory for all who can do it;
- ✓ Establishes closure of all non-essential establishments, activities and services, including public services, in accordance with the list published;
- ✓ Gives a wider protection to tenants and rental contracts.

Most Relevant Measures

Decree Law no. 10-G/2020, 26th March

- ✓ Revoked Ordinance no. 71-A/2020, 15th March
- ✓ Intends to protect jobs and mitigate business crisis
- ✓ For a maximum of 3 months employers have right to:
 - a) Suspend contracts or temporarily reduced the working hours;
 - b) Opt for an extraordinary training plan (i.e. training can be partially paid by the IEFP, but this measure is not cumulative with the 2/3 salary reduction);
 - c) Receive one minimum salary per employee;
 - d) Request temporary exemption for Social Security payments.

Most Relevant Measures

Decree Law no. 10-G/2020, 26th March (cont.)

- ✓ Employment contracts can be suspended or working hours reduced;
- ✓ Employees with suspended contracts will receive 2/3 of the salary, 70% paid by Social Security and remaining 30% by employer;
- ✓ Avoid dismissals at all cost;
- ✓ Company must prove that they have no tax or Social Security debts.

The new Lay-off regime can be a solution for most companies of all shapes and sizes in all sectors

Situação no mundo

Mapa completo

Portugal e os outros países

Gráficos comparativos

Informação útil

Como manter-se seguro

Grupo NOV em "lay-off" nos setores do turismo, automóvel e construção

O grupo afirma que já sente "crise de liquidez" e, por isso, é necessário resistir "às restrições económicas e financeiras" e "assegurar a sustentabilidade do grupo", recorrendo ao "lay-off".

CORONAVÍRUS

Em dois dias, 76 mil trabalhadores em *layoff*

Ministro da Economia reconhece necessidade de se encontrar uma solução para sócios-gerentes de micro-empresas, mas sublinha que não será pelo *layoff*.



Victor Ferreira · 1 de Abril de 2020, 19:57



Coronavírus

Quase 40% das empresas vai recorrer ao lay-off simplificado

Mariana Espírito Santo
7:00

18



Inquérito da Câmara de Comércio e Indústria Portuguesa aponta para uma grande adesão ao lay-off simplificado. 38,3% das empresas admitir recorrer a este regime criado pelo Governo perante o Covid-19.



TAP, RYANAIR E EASY JET VÃO AVANÇAR PARA O PROCESSO



Requirements

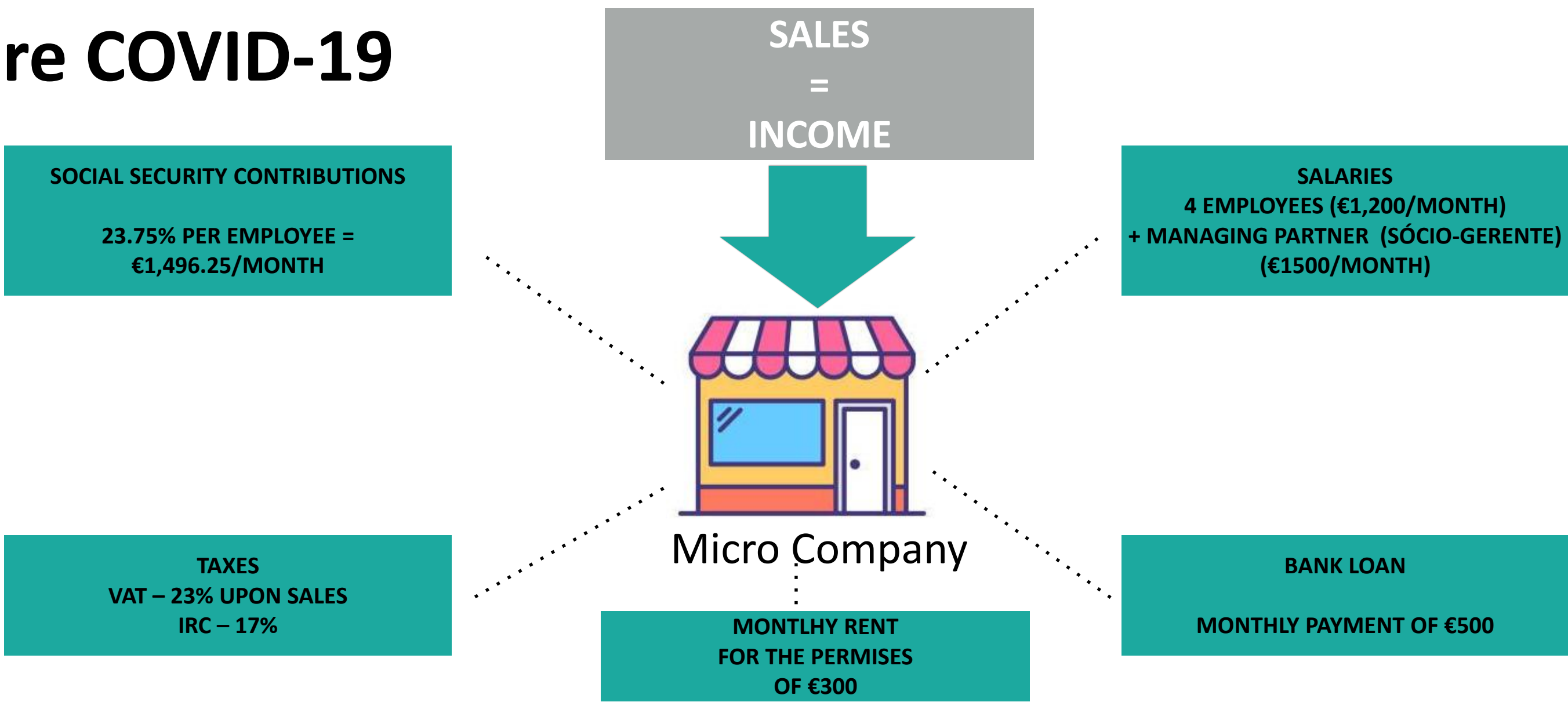
- ✓ Simplified procedure;
- ✓ Companies in proven crisis situation can choose to suspend employment contracts or reduction of normal working hours;
- ✓ Examples of proven crisis situation are where the company has:
 - a) been forced to close due to state of emergency (e.g.: restaurants, bars, casinos and others);
 - b) declared with certified accountant total or partial cease of activity for lack of supply/ orders/ reservations (e.g.: hotel industry);
 - c) abrupt fall of at least 40% in invoicing over last 30 days, compared to previous period of 60 days of activity (several activities in the services sector);
- ✓ It must be requested online;
- ✓ During application and in the subsequent 60 days, no redundancies (collective or individual) are allowed.

Benefits

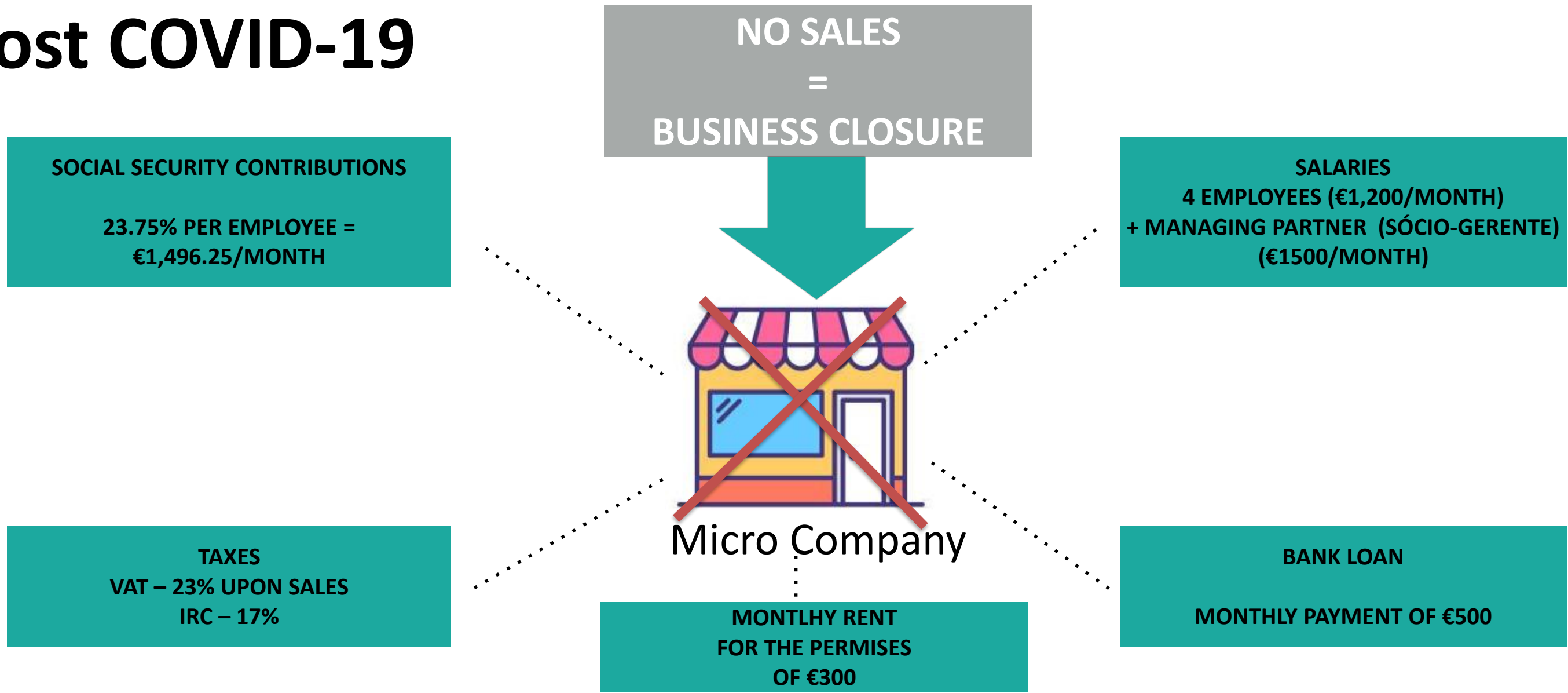
- ✓ Extra financial support to maintain employment contracts (reduction in 2/3 of the salary with a minimum limit of the national minimum wage with 70% paid by Social Security);
- ✓ Extraordinary training support (as an alternative to the above);
- ✓ Extraordinary financial incentive to normalize activity in (minimum monthly remuneration per employee covered, i.e. the amount equivalent to 1 minimum salary paid per employee to the company on restart of activity);
- ✓ Temporary exemption of contributions' payment by the employer to Social Security.

What is the actual impact of the measures and financial assistance provided?

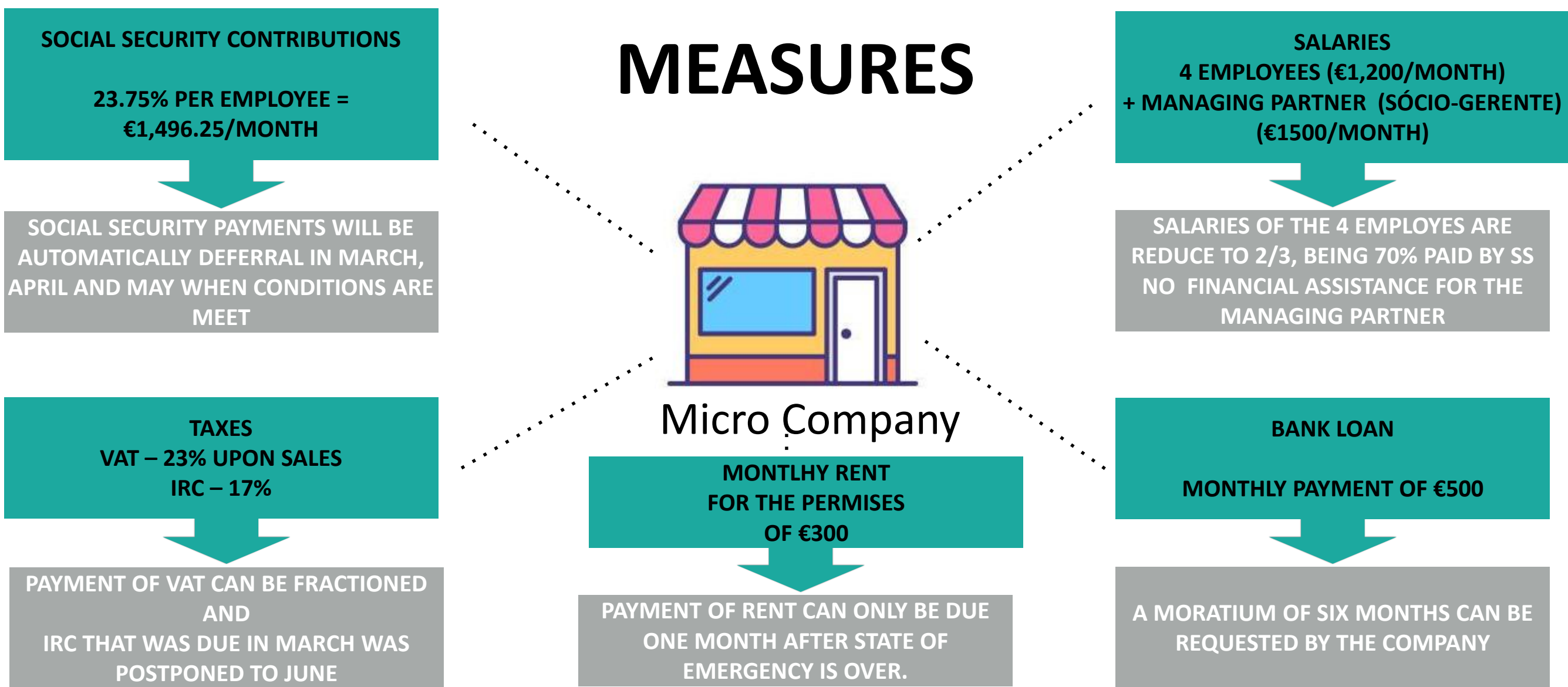
Pre COVID-19



Post COVID-19



Post Covid-19



Outcome For the Company

MONTHLY EXPENSES BEFORES COVID-19

SALARIES: € 6,300

(€ 1,500 + € 1,200 x 4)

TAXES: € 2500

SOCIAL SECURITY: € 1,496,25

LOAN: € 500

RENT: € 300

TOTAL: € 11,096.25

MONTHLY EXPENSES WITH MEASURES

SALARIES: € 2,460

(Each employee receives €800;
€ 560 from SS** + € 240 Employer)

TAXES: € 0 *

SOCIAL SECURITY: € 0 *

LOAN: € 0 *

RENT: MAY BE € 0

TOTAL: €2,460.00

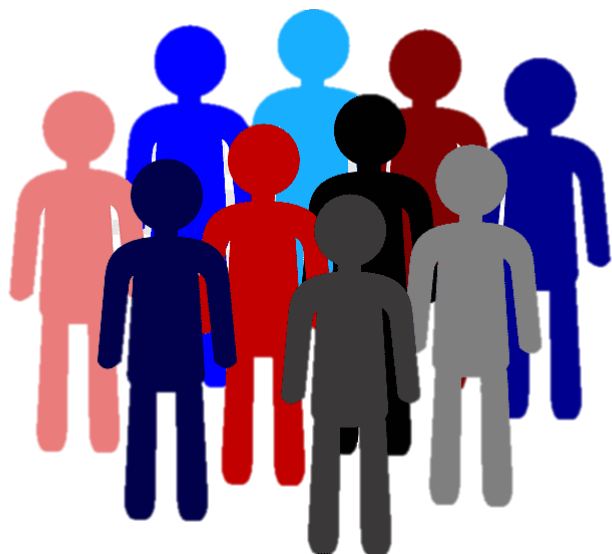
*** DEFERRED EXPENSES**

**** THE PAYMENT OF 70% OF THE SALARIES BY SOCIAL SECURITY SHALL NOT BE
REIMBURSED BY COMPANIES.**

Another example



Small Company



25 Employees



NORMAL CIRCUMSTANCES
=
€30,000/MONTH IN SALARIES



**IF ALL EMPLOYEES
ARE SUBJECT TO LAY-OFF
REGIME**
€ 6,000/MONTH IN SALARIES

Tax & Loan Deferments

TAX MORATORIUM

- ✓ EXTENDED DEADLINES FOR FULFILLING DECLARATIVE AND TAX OBLIGATIONS.

EXAMPLES:

- i) 1st PEC postponed from 31/3 to 30/6;
- ii) Mod. 22 postponed to 31/7;
- iii) 1st Payment on Account postponed from 31/7 to 31/8;

- ✓ A SECOND PACKAGE WILL INTRODUCE MORE FLEXIBILITY.

CREDIT INSTITUTIONS MORATORIUM

PROS

- ✓ FOR PRIVATE INDIVIDUALS AND BUSINESS
- ✓ DURATION: 6 MONTHS (until 30/9)
- ✓ POSTPONE PAYMENT OF INTEREST AND CAPITAL

CONS

- THERE ARE EXCEPTIONS
- LOAN WILL BE POSTPONED UNTIL A LATER DATE.

OTHER COMPANIES INCENTIVE SYSTEMS

- a) ACCELERATION OF INCENTIVE PAYMENTS (settlement of incentives in a short term);
- b) ASSISTANCE WITH REPAYMENTS OF REIMBURSABLE SUBSIDIES such as QREN and PT2020 – DEFERENCE UP TO 1 YEAR FOR PAYMENTS UNTIL 30/09, NO EXTRA CHARGES;
- c) SOME EXPENSES ALLOWED INCURRED WITH CANCELLED INTERNATIONAL EVENTS

Credit Lines

FIRST PACKAGE (Available since 12/03)

€ 200 MILLION

DESIGNED FOR SME AND MICRO
COMPANIES

CONDITIONS:

- ✓ MAX. 1.5 MILLION PER COMPANY
- ✓ WARRANTY UP TO 80% AND
COUNTER-WARRANTY OF 100%
- ✓ TOTAL WARRANTY COMMISSION
BENEFIT WITH A MAXIMUM OF
0.5% (i.e. exemption)

SECOND PACKAGE (Presented on 18/03)

€ 3 BILLION – BEING:

- a) RESTAURANTS AND SIMILAR:
total of €600 million; € 270 millions
for small and micro companies
- b) TOURISM, TRAVEL AGENCIES, EVENT
ORGANIZATION:
total of €200 million; € 75 million
for small and micro companies
- c) TOURIST ACCOMMODATION AND
SIMILAR ENTERPRISES:
total of €900 million; € 300 million
for small and micro companies
- d) TEXTILE, CLOTHING, FOOTWEAR, AND
EXTRACTIVE INDUSTRIES:
total of €1.3 billion; € 400 million
for small and micro companies.

Other sectors also affected by this crisis

- Tourism, Hospitality and all other related sectors are the most vulnerable to the COVID-19 measures taken, particularly considering the time of the year.
- Real Estate Sector is also one of the most affected with this crisis, with many deeds being cancelled or postponed.

Other solutions can also work

- Many companies are trying to reach an agreement with employees and unpaid leaves are being considered and accepted by many employers and employees.
- Others are reinventing the production and started producing necessary material for this period, such as protection equipment, disinfectant, masks, etc.

FAQ

Q1. What entities can opt for lay-off simplified procedure?

It can be used by all sorts of entities, including companies of all sizes, structures (e.g. Lda., S.A.) and even establishments (i.e. a group with several establishments can put only one in lay-out).

Q2. If the contract is suspended under the new lay-off regime, can the employee go to work?

No, it is not an option. Only employees with reduced working hours can work.

Q3. While the lay-off is in force, can the company sign termination agreements (by mutual consent) in normal terms?

Yes, such cases are not covered by dismissals which are prohibited.

FAQ

Q4. Is it possible to **terminate a fixed term contract** or simply **not renew it**?

Yes, this is possible as that's not covered by the prohibited dismissals. It is true for any infraction that can lead to disciplinary action, either before or during the lay off regime.

Q5. Can the company that introduced lay-off **conduct disciplinary action** while the measure is in place?

Yes, for any company employee, including those who are subject to the lay-off regime.

Q6. Can a company **force employees to take holidays**?

No, holidays must be agreed between both parties.

FAQ

Q7. If an employee is **covered by social security protection** at home, can he **also be covered by lay-off**?

No, measures are not cumulative, the company/employer have to choose one.

Q8. What is the **differences** between social security protection and lay-off?

Social Security Protection is available to all companies; lay-off is only available to those which have reduced activity by 40% or to those that have ceased activity due to State of Emergency or due to lack of orders/reservations.

Q9. How can one **define** reduced 40% of activity and how do you **prove** it?

The company **accountant** has to issue a document which certifies the decrease in sales in the **last 30 days compared to the previous period of 60 days.**

Our legal services

During this period, we continue to operate.

The range of services which we can provide includes:

- Property services and notarial services;
- Residency by investment;
- Non-Habitual Tax Residency services;
- Corporate and Commercial services, including support and company incorporation;

Our legal services

The range of services which we can provide also includes:

- Obtaining Portuguese tax numbers;
- Litigation Services;
- Employment Services;
- Probate and Wills services; and
- Other ancillary services (e.g.: opening bank accounts; registration at health centre; powers of attorney and certified copies).

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