



ENACTED REGULATIONS – COVID-19

From April 4th thru April 11th 2020

In the last week, a series of national and municipal regulations have been enacted in order to contain the proliferation of COVID-19.

Here below, we detail a complete report of the scope and implications for the private sector of each regulation:

DISASTER DECLARATION BY COVID-19

Through **Municipal Law GAMSCS No. 1288**, the Municipal Government of Santa Cruz de la Sierra determines to make budgetary modifications for the health program "Prevention, Control and Attention of Coronavirus".

Decree No. 237/2020 of the Municipal Government of Santa Cruz de la Sierra determines the militarization of the city of Santa Cruz de la Sierra from Tuesday April 14th thru Monday April 20th, in addition to stricter controls with respect to the circulation of residents and vehicles that do not have the permission established by the authorities and closure of most of the municipal markets.

TAX INCENTIVES

Board of Directors Resolution **No. 102000000008** regulates the application of Supreme Decree No. 4198 regarding tax measures to deal with the National Health Emergency.

Below, we detail those measures:

Business Income Tax (IUE)

- (i) Provides payment facilities and deferral of the Corporate Income Tax corresponding to the fiscal year closed as of December 31 2019 to taxpayers who have paid 50% of the tax before June 1, 2020. The remaining 50% can be done in 3 installments and will expire on the last business day of the month.
- (ii) The tax debt will not generate surcharges for maintenance of value and interest, and the constitution of guarantee will not be required, during the payment plan.
- (iii) Companies with a management closure as of December 31, 2019 must formalize their request for payment plans until June 17, 2020, upon payment of 50% of the Income Tax.
- (iv) Failure to comply with payment plans shall be constituted in tax execution titles and interest and maintenance of value on the debt balance will apply.

Transaction Tax Compensation (IT)

- (i) Contributors who declare and pay in full the Income Tax (fiscal year ending December 2019) until May 15, 2020 can compensate the Transaction Tax in this manner: PRICO and GRACO Taxpayers, each Bs. 1 of the Income Tax paid, will be equivalent to Bs. 1.10 and ii) for the REST Taxpayers, each Bs. 1 of the Income Tax paid, will be equivalent to Bs. 1.20.

- (ii) The effectively paid VAT will not be a part of the gross income that constitutes the IT Tax base for taxpayers categorized as Large Taxpayers - GRACO and Main Taxpayers - PRICO during a three (3) month period and for the taxpayers of the Rest category during a six (6) month period

Deduction in the IUE for Donations to Hospitals

- (i) The monetary donations to counteract the effects of COVID-19 may be done by submitting various documents issued by financial entities authorized by ASFI.

IVA Tax Credit to Independent Professionals

- (i) The VAT Tax Credit for independent professionals is expanded being able to provide invoices for food purchases, health and education services.

Additionally, the deadline for the Tax Refund Certificates (CEDEIM) and Tax Credit Certificate (CENOCREF), whose maturities would have occurred between March 23 of this year, are extended until May 11, 2020.

Through **Municipal Law GAMSCS No. 1289** the Municipal Government of Santa Cruz de la Sierra, approves the 75% discount on the payment of municipal taxes (real estate, vehicles and economic activities) for all those taxpayers who wish to donate food and / or medical biosecurity material that is used to combat the COVID-19 Pandemic.

The receipt of the donated products will be made by means of an act, for their subsequent appraisal and issuance of the corresponding certifications, these certifications may be used for any of the before mentioned tax obligations as of the 2019 fiscal year.

Likewise, by means of an Official Communication dated April 4th, 2020, the municipal government determines the suspension of the deadlines for the fulfillment of transfers and payment plans in real estate, vehicles, economic activities, as well as for the tax and control and coercive processes, as long as total quarantine remains.

BILLING OF BASIC SERVICES

Through **Regulatory Board Resolution No. 102000000007** the National Tax Service - SIN regulates Billing Procedures for the temporary reduction of basic services in the months of April, May and June 2020.

CREDIT AMORTIZATION DEFERRALS

Letter ASFI/DNP/CC-2785/2020 instructs financial entities to implement the automatic deferral of the installments corresponding to the payment of the amortizations of loans to capital and interests and other types of encumbrances in addition to establish provisions to be taken into account for the subsequent collection of credit installments.

JOB STABILITY

Communication No. 14/2020 issued by the Ministry of Labor guarantees job stability, forbidding the unjustified dismissal of workers, except for causes established in the Labor Law and its regulations.

Likewise, it guarantees the payment of wages and salary to all dependent personnel.

PRESENTATION OF FAMILY ALLOWANCES

The Social Security Supervisory Authority in compliance with the provisions set forth in the Supreme Decree No. 4200, suspends the presentation of forms in respect to maternity benefits as long as the quarantine lasts. Once the measure is lifted, companies must submit the documents within the following 10 business days.

OLEAGINOUS TARIFF TAX

The **Supreme Decree No. 4211** differs temporarily, and for the period of 2 days, the Tariff Lien at 0% for the importation of all kinds of Wheat and Meslin.

AGEMED

Circular Note No. 32/2020 of the State Agency for Medicines and Health Technology - AGEMED instructs the mandatory registration of data on essential medicines in pharmacy software in accordance with the National List of Essential Medicines LINAME.

We will be attentive to the evolution of new regulations and dispositions during the following days and will immediately inform any update or amendments to the to be issued by the municipal, departmental and national authorities.

This document constitutes a digest of the main regulations in force in the national territory. For a full report on the implications and application of the information that these regulations entail, please contact the email: indacochea@indacochea.com