

SUMMARY OF TAX MEASURES

DATE MARCH 20, 2020

IN LIGHT OF THE CRISIS DERIVED FROM COVID-19

In light of the health crisis caused by COVID-19, in the tax area, the State Government has approved several Law Decrees in order to reduce the tax impact, adopting measures to facilitate compliance with the obligations of taxpayers.

Aware of the excess of information, here is a brief summary of the main tax measures adopted:

1. Electronic notifications and administrative deadlines

The Government has approved the suspension of the terms of certain administrative procedures, **extending until April 30 the term of the procedures initiated prior to March 18, 2020**, detailed below:

- Expiration of the payments of deferment agreements and instalments granted.
- Payment of tax debts from AEAT liquidations.
- Deadlines to answer requirements, procedures of attachment proceedings, request for information and allegations.

On the other hand, **if the above procedures have been started from March 18, 2020, the term to carry them out will end on May 20, 2020.**

In any of these cases, it is not necessary to request the extension of the term, because it is applied by default.

2. Deferments

2.1. SME' measures

In relation to the deferrals of tax debts, the Administration has expanded an existing measure for the deferral of tax debts of the AEAT for self-assessments that are in a voluntary period of payment from March 13 to May 30, 2020.

The measures adopted, **applicable to SMEs, companies with a volume of operations in 2019 less than € 6,010,121.04**, are detailed below:

- Deferral, without providing guarantees, of a maximum of € 30,000 overall.
- Extension of the models to be postponed, been allowed models the withholdings, advance income, instalment payments of personal income tax and corporation tax and VAT.
- 6-month term of deferment, in which interest for late payment will not be credited for the first three months.

For that matter, this measure will affect the settlements of the first quarter of 2020, that have to be submitted within the period of April 1 to 20.

2.2. Large companies' measures

Furthermore, remember that those companies that its volume of operations are higher than the indicated above, and that are therefore considered large companies and have to present the monthly VAT for February before March 30 (or March 25 if you choose the direct debit option), cannot take advantage of these exceptional measures, and in the event of deferring the tax debt, they will have to pay the defaulting interest established (3.75%).

2.3. Informative declarations

Finally, remember that the informative declarations must be declared, such as model 720 of Informative Tax Return on goods and rights located abroad, which ends the presentation period on March 31.

3. Electronic certificates

The Administration has expanded the use of expired electronic certificates or those that expire in the coming days while the current alert situation lasts.

4. Measures applied by the Government of the Generalitat de Catalunya and the City Councils

On the other hand, the Government of the Generalitat in Decree Law 7/2020 of March 17 has approved the suspension of the presentation of self-assessments and payments of assigned taxes until the declared state of alarm is maintained.

Finally, in relation to local taxes, each City Council has established its situation in light of this established crisis.

We remain at your disposal to answer any questions that may arise.

Sincerely,

Ester Brullet

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