



## PRESIDENCY OF THE COUNCIL OF MINISTERS

### Council of Ministers Resolution No 10-A/2020

*Summary:* Approves a series of measures concerning the epidemiological situation of the novel Corona-virus — COVID 19.

The World Health Organisation took the view, on last 30 January 2020, that the SARS-CoV-2 epidemic had caused a public health emergency of international scope. On 11 March 2020, it characterised the virus as a pandemic, considering the large number of countries affected.

Taking into account the proliferation of internationally registered cases and the growing number of cases at national level, it is urgent to approve a set of measures aimed at ensuring not only the treatment of COVID-19 disease in Portugal and the reduction of the risk of transmission of the disease, but also at reducing and mitigating the economic impact of the epidemic.

The Government considers that the course of action to be taken should first of all be preventive. In this regard, a number of measures have already been adopted for public and private bodies, such as the suspension of flights to China and Italy. There is also the possibility of recourse to mechanisms provided for in the Labour Code or in the relevant collective work regulations covering, in particular, telework, holiday planning and flexible working time management in the context of contagion hazards by COVID-19.

Another aspect is the adoption of specific tax and economic measures, such as the extension of deadlines for voluntary compliance with tax obligations, the recognition of infection or prophylactic isolation situations accepted as situations of justified impediment or the promotion of electronic services and phone call handling within the Tax and Customs Authority as preferential means of contact with taxpayers. In the context of justice, a number of recommendations and guidelines have been issued so that citizens would only go to courts when summoned for procedural steps or for other urgent reasons.

Without prejudice to these measures initially taken, the Government now decides to adopt an additional set of measures for citizens and businesses, public and private entities and healthcare professionals and establishments. Such measures are aimed at supporting the liquidity of businesses, maintaining jobs and strengthening the capacity to react and contain the spread of the disease.

Therefore, the Government creates a credit line of EUR 200 million to support the companies' cash-flow and approves a package of incentives for companies in the area of incentive payment acceleration, deferral of subsidies' amortisation and the eligibility of expenditure proven to be borne by beneficiaries in cancelled or delayed initiatives or actions for reasons related to COVID-19.

On the other hand, the Government intends to promote a set of measures in order to address the needs deriving from COVID-19, in particular the creation of an extraordinary support for the maintenance of the employment contracts in undertakings in a business crisis situation, with or without training, with the right to compensation similar to a simplified layoff scheme.

Other measures with economic impact are also foreseen, such as an extraordinary financial incentive to ensure the normalisation phase of the activity or an extraordinary support to the training of workers from undertakings whose activity has been severely affected by COVID-19.

Therefore:

In accordance with Article 199 (d) and (g) of the Constitution, the Council of Ministers hereby

1 — Approves a set of measures for citizens, businesses, public and private entities and professionals regarding the epidemiological infection with SARS-CoV-2 and COVID-19 disease.

2 — Determines the adoption of the following business incentive measures:

a) The liquidation of the incentives must take place as soon as possible after the payment requests are submitted by the undertakings, which may ultimately be made in the form of an advance, these being later settled with the definition of the incentive to be paid by the intermediate body/paying agency without any formalities for beneficiaries;

b) In the case of undertakings with losses in turnover or reserves or orders exceeding 20 %, in the two months preceding the submission of the request for change in the repayment plan regarding the equivalent period of the previous year, the deferral for a period of 12 months of the outstanding instalments until 30 September 2020 in respect of reimbursable grants under the incentive schemes of the National Strategic Reference Framework or of Portugal 2020 without interests or other penalties for the recipient companies, under Article 30-B(2) (e) of the Ministerial Implementing Order (*Portaria*) No 57-A/2015 of 27 February 2015 in its current wording.

3 — Decides that the expenditure shown to have been borne by the beneficiaries with cancelled or postponed initiatives for reasons related to COVID-19, as provided for in projects approved by Portugal 2020 or other operational programmes, in particular in the areas of internationalisation and vocational training, and by the *Instituto do Vinho e da Vinha, I.P.* in the context of measures to support the promotion of wines in third countries, shall be eligible for reimbursement.

4 — Determines that the negative impact of COVID-19 having caused an insufficient delivery of actions or targets may be considered to be reasons of force majeure that cannot be attributed to the beneficiaries in the assessment of the agreed goals under the incentive schemes of Portugal 2020, in accordance with Article 14(3) of the Ministerial Implementing Order No 57-A/2015 of 27 February 2015 in its current wording.

5 — Grants powers to the Minister of State, of the Economy and the Digital Transition for:

a) The operationalization, monitoring and assessment of the possible need to reinforce the credit line of EUR 200 million in order to support the businesses' cash-flow;

b) The coordination of the Working Group on the Monitoring and Assessment of the Conditions for Good Supply in the Agro-Food and Retail Sectors by Virtue of the Market Dynamics caused by COVID-19, by adopting the preventive or corrective measures decided by that Group in order to maintain or restore normal supply conditions.

6 — Grants powers to the Minister of State and Finance to determine, as regards export credit insurance with State guarantees, in the scope of support measures to customer diversification, in particular for markets outside the European Union, the following increases:

a) From EUR 100 million to EUR 200 million: for ceilings of the credit insurance scheme with State guarantees for metallurgical, mechanical and mould sectors;

b) From EUR 100 million to EUR 200 million: for the guarantee insurance scheme for outdoor works, other supplies, with State guarantees;

c) From EUR 250 million to EUR 300 million: for the ceiling of the short-term export-credit insurance scheme.

7 — Reinforces the offices of the IAPMEI — Agency for Competitiveness and Innovation, I.P. — of the *Instituto de Turismo de Portugal, I. P.* and of the Agency for Investment and External Trade of Portugal, E. P. E., in order to provide information regarding the impact of COVID-19.

8 — Grants powers to the Minister of National Defence to ensure the readiness of the Armed Forces Hospital, other health facilities of the armed forces, and the Chemical and Pharmaceutical Products Military Laboratory to meet the needs of the National Health Service.

9 — Grants powers to the Minister for Internal Administration to provide for:

a) The implementation of a special mechanism to enhance the usual operational capacity of fire-fighters to respond to rescue and patient transport situations, to be borne under the annual Financial Directive of the National Emergency and Civil Protection Authority (ANEPC);



b) The creation of a national reserve of personal protective equipment for medical emergency, for fire fighters' bodies, to be formed by the ANEPC;

c) The determination that the National Civil Protection Commission functions as a focal point for data collection from the various government departments, aimed at supporting the technical and operational coordination of the various sectorial areas, and the communication to the public of the relevant information.

10 — Grants powers to the Government member responsible for Public Administration to take the following measures at the level of the helpdesks to citizens and businesses, including outside the national territory with regard to consular services:

a) Strengthening the supply of digital services and the promotion of infrastructure support to such services;

b) Strengthening of the citizens contact points in undertakings so as to ensure a centralised response in support to the use of digital services, in connection with the areas of justice, labour and social security, finance, internal administration and planning;

c) The adoption of a mechanism for centralising information on open and closed points and desks in the e-Portugal portal;

d) Monitoring responses to person-to-person attendance for a coordinated decision on how to act;

e) The implementation of a communication campaign to promote adherence to electronic identification as a means to access digital public services;

f) Strengthening communication with local and regional authorities in relation to citizens' shops managed by municipal bodies and citizens' spaces.

11 — Grants powers to the Minister of Labour, Solidarity and Social Security to promote an extraordinary support for maintaining contracts of employment in undertakings in a situation of business crisis entitled to compensation similar to a simplified layoff scheme, in the event of suspension of the activity linked to the COVID-19 outbreak, and in the event that the global supply chains are interrupted or affected in an abrupt sharp drop of 40 % in sales, with reference to the equivalent period of three months.

12 — Determines that the support referred to in the preceding paragraph shall abide by the following characteristics:

a) The provision of extraordinary support for maintaining employment contracts in an undertaking in a situation of corporate crisis entitled to compensation similar to a simplified layoff scheme, after consultation with trade unions and workers' committees where they exist, must be preceded by a communication to the employees and accompanied by a declaration from the employer and a declaration from the certified accountant;

b) Employees submitted to the scheme shall at least receive a monthly gross remuneration of two thirds, up to a maximum of three guaranteed monthly minimum remunerations, for a period of one extendable month after assessment, up to a maximum of six months;

c) Social Security shall guarantee the payment corresponding to 70 % of the remuneration of the amount referred to in the preceding paragraph, the remainder being borne by the employer;

d) In the context of the extraordinary support for the maintenance of employment contracts in an undertaking in business crisis undergoing training with a right to compensation similar to a simplified layoff scheme, a training grant of 30 % x Index for Social Support is implemented, half of which is allocated to the worker and another half to the employer, the cost being borne by the Institute of Employment and Professional Training (*Instituto de Emprego e Formação Profissional, I. P. - IEFP, I.P.*).



13 — Grants powers to the Minister of Labour, Solidarity and Social Security to provide for:

a) The implementation of special vocational training support, in the amount of 50 % of the worker's remuneration, up to the guaranteed minimum monthly wage (RMMG), added by the cost of training, in the case of workers with no occupation in productive activities for considerable periods of time, when linked to undertakings whose activity has been severely affected by COVID-19;

b) The creation of an extraordinary financial incentive to ensure the normalisation phase of the activity, which is intended to support undertakings that, having been closed by a health authority or having been covered by the support referred to in paragraph 10 and being no longer constrained in their capacity to work, require support in the first phase of normalisation in order to prevent the risk of unemployment and to maintain jobs, as long as they comply with the following characteristics:

- i) Supporting the payment of wages at the stage of normalisation of the activity;
- ii) Expected duration of one month;
- iii) The ceiling for the incentive totals, per worker, the amount of a RMMG;

c) Measures to ensure the social protection of trainees and trainers in the course of vocational training activities promoted by the IEFP, I. P., or entities contracted or financed by the IEFP, as well as of beneficiaries occupied in active labour policies that are prevented from attending training actions or activities comprised in their projects due to the closure of premises on account of prophylactic isolation or infection with COVID-19;

d) The promotion, in the contributory context, of an exceptional and temporary scheme for the exemption from social security contributions for employers and independent persons who are employers, to be awarded as follows:

i) Full exemption from payment of contributions relating to remuneration in respect of the period in which the undertaking is covered by the support scheme for the maintenance of employment contracts in an undertaking in a situation of corporate crisis entitled to compensation similar to a simplified layoff scheme;

ii) Full exemption from payment of contributions relating to remuneration for the month in which the support of the IEFP, I. P. is granted, at the stage of normalisation of the activity, after closure by the health authority or after the end of the period of support for maintaining working contracts in an undertaking in a crisis situation, in a situation similar to a simplified layoff scheme;

e) The promotion of voluntary actions to ensure the essential functions that may not be ensured otherwise;

f) The adoption of measures to safeguard the social protection of trainees and trainers in the course of the vocational training activities promoted by other bodies that lead training activities, in particular in the area of disability, co-financed by Portugal 2020 in the scope of Social Inclusion and Employment, as well as of beneficiaries occupied in active labour policies that are prevented from attending training actions or activities comprised in their projects due to the closure of premises installations on account of prophylactic isolation or infection with COVID-19.

14 — Grants the Minister for the Environment and Climate Action, regarding waste management in locations with infected patients, the responsibility for:

- a) Drawing up and disseminating specific recommendations for the packaging of such waste;
- b) Supporting local and regional authorities in setting up specific waste collection schemes in those locations;
- c) Finding out the appropriate final destination of the waste generated.



15 — Recommends that public authorities that have accepted obligations to make payments to third parties in return for the supply of goods and services or equivalent, pursuant to Law No 8/2012 of 21 February 2012, as amended, make such payments as soon as possible.

16 — Determines that this resolution takes effect on the day of its adoption.

Presidency of the Council of Ministers, 12 March 2020. — The Prime Minister, *António Luís Santos da Costa*.

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