

## Ecuador's Regulation Guidelines for COVID-19 Sanitary Emergency

Through Executive Decree No. 1017, on March 16, the President of the Republic declared the state of emergency by national disaster in the Ecuadorian territory by virtue of the Coronavirus cases confirmed in the Country and the pandemic declaration of COVID-19 by the World Health Organization. Among others, the right to free transit was suspended, and thus, regarding the right to association and gathering, it was determined that the Committee of National Emergency Operations would dispose the schedules and restriction mechanisms to each one of these rights. Additionally, the working day was suspended both for the public and private sectors. Currently, by decree from the aforementioned Committee of National Emergency Operations, the working day is suspended until April 12, 2020.

We have elaborated a Regulation Guide with the most relevant aspects of certain sectors and economic activities that are summarized below:

### **a) Regulations of the bank sector and the popular and solidary economy:**

The Monetary and Financial Policy and Regulation Board No. 569-2020F, stated that as of March 31, 2020 and for 90 consecutive days, the amounts due of bank and credit operations that are not paid on the due date, shall be transferred to the subsequent 60 days of the total amount due date of the operation. The operations shall not be reported as overdue to the Country Credit Bureau with the aim of not affecting the credit rating of any natural or legal entities; moreover, in the case of public entities, the term of deferment shall be extended to at least 90 days.

Finally, it granted each private financial institution with the power to adopt measures such as: *i)* no overdue interest charges for the obligations that have not been paid within the established due date ; and, *ii)* offer a term of deferment for the payment. These dispositions apply to consumption, housing, vehicle or credit card loans.

### **b) Labor-related subjects:**

The Ministry of Labor established the following alternatives that may be adopted by the employers within their business settings:

**Teleworking:** Employers are enabled to establish the teleworking modality, thus permitting their employees to carry out their work from home.

**Modification of the working day:** The employer may modify the working hours, while complying with the maximum working hours established by the Labor Code. Working on Saturdays and Sundays is permitted, but the employer must guarantee two consecutive days off during the week.

**Reduction of the working hours:** It is possible to reduce the working hours up to 30 hours a week. Salary shall be paid in relation to the hours worked.

**Suspension of the working day:** The working day can be suspended. In this case the employer must establish the make-up policy, which could comprise up to 12 hours a week and 8 hours on Saturday. If the employee does not agree with the make-up policy, he/she won't be entitled to receive his/her remuneration; or, if applicable, he/she shall pay back the remuneration received during the suspension of the working day. All the hereby mentioned options shall be registered in the Unified Working System (SUT by its Spanish initials)

### **c) Administrative procedures and judicial proceeds:**

With relation to administrative procedures, public administrations have issued their resolutions, whereby they have suspended the terms and due dates of the proceedings, a few of them having

enabled the submission of documents by electronic means. Thus, for example, the Comptroller General of the Republic, through Decree No. 008-CG-2020, issued the Regulation for the reception of documents during the Sanitary Emergency, thereby enabling the reception of documents through the Institution's web page.

Regarding the judicial proceedings, the Judiciary Council, a governing, administrative and disciplinary body of the Judicial Function of Ecuador, through its Plenary Session, issued Resolution No. 031-2020 on March 17, 2020, whereby the suspension of the labor day of the employees of the judicial function was disposed, except for those related to flagrancy, penal, violence against women, transit and infringing adolescents. Judicial terms and deadlines for judicial proceedings are suspended during the Sanitary Emergency. The Arbitration and Mediation Centers throughout the Country are also closed to the public.

**d) Intellectual Property Proceedings processed at the SENADI**

In relation to the intellectual property processes, the National Service of Intellectual Rights – SENADI, established the suspension of the terms and deadlines of the procedures that are processed therewith, as well as the publication of the Intellectual Property Gazette, until April 12, 2020. This suspension is subject to change. Notwithstanding, it still provides online services through its web page, among them the request for brand registry etc., the payment of services, and user information through e-mail.

**e) Administrative and tax procedures and the limitation period of recovery actions**

The Internal Revenue Service, through resolution NAC-DGERCGC20-0000024, suspended the terms and deadlines of all administrative and tax procedures and the limitation period of recovery actions, from April 1 until, and including, April 5, 2020.

Subsequently, in line with the decree that defers the mobility restrictions and suspension of labor activities, the Internal Revenue Service, by resolution NAC-DGERCGC20-0000026, extended the suspension of the terms and deadlines of all the administrative and tax procedures and the limitation period of recovery actions established in the previously mentioned resolution, until, and including, April 12, 2020.

**Sources:**

- 1) Resolution NAC-DGERCGC20-0000024 of March 31, 2020.
- 2) Resolution NAC-DGERCGC20-0000026 of April 02, 2020.

**The information contained in this blog shall not be used as advice or legal opinion as it is merely an informational document.**