

## ROYAL DECREE-LAW 15/2020, OF 21<sup>st</sup> APRIL, BY WHICH COMPLEMENTARY MEASURES ARE ADOPTED TO SUPPORT ECONOMY AND EMPLOYMENT

As a continuation of the Royal Decree 463/2020, dated March 14<sup>th</sup>, declaring the state of alarm for the management of the health crisis caused by COVID-19, below you will find the most significant measures which were recently adopted by the RDL 15/2020, of April 21<sup>st</sup>, that came into force on 22<sup>nd</sup> April, with repercussion in the fiscal area and measures about non-residential rental contracts.

Among the measures incorporated in the Decree, the following ones for the self-employed and SMEs should be highlighted:

### TAX MEASURES

#### **1.- VAT at 0% rate on certain goods.**

VAT is established at the rate of 0% on the delivery of goods, imports and intra-community acquisitions of certain necessary goods in the fight against COVID-19 when the recipients are public law entities, clinics, hospital centers or private non-profit entities.

#### **2.- Instalment Payments.**

Companies with a volume of operations not exceeding 600,000 euros in 2019 may exercise the option of instalment payments regulated in article 40.3 of the Corporate Income Tax Law, with an extension until May 20<sup>th</sup>, 2020. If the form of payment chosen is by direct debit, the deadline for submission of the self-assessments will be extended until May 15<sup>th</sup>, 2020.

Companies with a volume of operations not exceeding 600,000 euros in 2019 and who have not had the right to the aforementioned option may exercise it by presenting the second instalment payment on account corresponding to said period to be made within the first 20 calendar days of October, being the instalment payment made in April deductible.

These options for instalment payments will not apply to those tax groups under the special tax consolidation regime.

The companies that choose this option are linked to this modality only in relation to the payments corresponding to this tax period.

### 3.- Temporary renouncement of Objective Estimation

Natural persons taxed by the objective estimation modality (modules) renouncing this system may return to it during 2021, either through the revocation of the renouncement or through the presentation on time of the instalment payment of the first quarter of 2021, as set out for the objective estimation system.

The renouncement of the objective estimation and its subsequent revocation will have the same effects for both special regimes of VAT and IGIC.

### 4.- Calculation of instalment payments for Objective Estimation regarding Personal Income Tax (PIT) and VAT

For both PIT taxpayers and taxable persons for VAT purposes who are taxed through objective estimation, the calendar days on which the alarm state has been in force during that quarter will not be counted as business days for the calculation of the amounts to be paid.

### 5.- Non-commencement of the execution period of tax liabilities

In the Spanish Tax Authority's (AEAT) area of competence, for the declarations-liquidations and the self-assessments submitted within the established deadlines without having made the payment, the execution period will not start if the following requirements are fulfilled:

- That the taxpayer has requested, within the voluntary payment period of the tax debt or before its beginning, the special financing referred to in the RDL 8/2020, in order to face the payment of the tax debts, or at least the amount of these debts.
- To provide a certificate issued by the financial entity proving the application within the following 5 days from the payment deadline.
- That the amount of the application is at least the amount of the tax liabilities.
- That the debts are paid within a month after the payment deadline.
- The non-compliance of such requirements will imply the beginning of the execution period.

### 6.- Extension of the tax deadlines

Article 33 of Royal Decree-Law 8/2020 of 17<sup>th</sup> March is amended, extending the tax deadlines until 30<sup>th</sup> May 2020. This extension includes the following acts:

To meet the requirements, enforcement proceedings and information requests with tax significance, to file claims before opening acts of such proceeding or hearing, pronounced in tax enforcement procedures, sanctioning or nullity declaration procedures, correction of material and revocation mistakes.

Likewise, the eighth additional provision of Royal Decree Law 11/2020 of 31<sup>st</sup> March is amended, by which the extension of the period to file appeals through administrative channels or to initiate any other challenge, claim, conciliation, mediation and arbitration procedures until 30<sup>th</sup> May is established.

Similarly, the ninth additional provision of Royal Decree Law 11/2020 of 31<sup>st</sup> March is amended, stating the following:

- Until 30<sup>th</sup> May, no terms will be calculated for the purposes of the maximum duration of the execution periods of the resolutions by the economic-administrative bodies.
- Until 30<sup>th</sup> May, no terms will be calculated for the purposes of the maximum duration of the period.
- Until 30<sup>th</sup> May, the prescription and expiry periods are suspended.

### NON-RESIDENTIAL RENTAL AGREEMENTS

Significant measures are adopted, whose beneficiaries are self-employed workers and SMEs meeting the following requirements:

- To be in either of these two situations:
  - a) That **their activity has been suspended** by Royal Decree 463/2020, of 14<sup>th</sup> March, which must be proved by providing the relevant certification.
  - b) That, in case of continuing their activity, **their turnover has been reduced by 75%** in relation to the average monthly turnover of the quarter that month belongs to, in relation to the previous year, which must be proved by a statement of responsibility, and they must show the accounting books to the lessor, if required.
- In the case of renting a property used for the economic activity **carried out by the self-employed worker**, they must be affiliated to and registered with the Social Security system at the time of the declaration of the state of alarm.
- In the case of renting a property used for the economic activity **carried out by a SME**, it must not exceed the limits established in article 257.1 of the Companies Law, to prepare the consolidated balance sheet and statement of changes in equity:

1. Assets of an amount not higher than 4.000.000,00 €.
2. Net annual turnover of an amount not higher than 8.000.000,00 €.
3. Average number of workers employed during the tax year not higher than 50.

**TYPES OF MEASURES:** Different measures shall be applied depending on the characteristics of the lessor:

**IF THE LESSOR IS A COMPANY OR A PUBLIC HOUSING ENTITY OR A LARGE HOLDER.**

**Definition of large holder:** Any natural or legal person being the holder of more than 10 urban properties, excluding garages and storage rooms, or of a constructed surface of more than 1.500 m2.

- The lessee may request the moratorium on the payment of the rental to the lessor.
- The application must be filed before the deadline of 1 month from the entry into force of the measure.
- The moratorium will be applied automatically but must be accepted by the lessor.
- The moratorium shall not be applied if there has already been a previous agreement between the parties.
- The moratorium shall affect the time period the state of alarm lasts and its renewals and the subsequent months up to a maximum of 4 months.
- The rental will be deferred without any penalties or interests.
- The rental must be paid to the lessor from the following month after expiry of the moratorium through instalments within a term of 2 years, within the validity of the contract.

**IF THE LESSOR IS NONE OF THE AFOREMENTIONED PERSONS.**

- The lessee may request the temporary deferral of the rental payment to the lessor.
- The application must be filed within a term of 1 month from the entry into force of the measure.
- The measure shall not be applied if there has already been a previous agreement between the parties.
- The parties may use the rental deposit for the payment of the monthly amount of the rental.
- The lessee must repay the deposit within a term of 1 year from the date of the agreement or within the term of the remainder of the validity period of the contract in case it is less.

22<sup>nd</sup> April 2020