




The Retail Sector and COVID-19

How to manage your employees
in this crisis

26 March 2020



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world.



Welcome & Introduction

Philip Meichssner, Partner, Germany



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Spain Update

Anna Iborra, Senior Associate, Barcelona

- **State of alarm**

- Establishments open to public closed from 14th March to 11th April 2020 - Exceptions
- Hotels and similar lodgings closed from 26th March to 11th April 2020

- **Alternatives to dismissal**

- Teleworking
- Suspension of contracts or reduction of working time (force majeure vs. objective reasons) by the company
- Adaptation or reduction of working time by the employee
- Others: uneven distribution of working time, agreed holidays, etc.



The purpose of these measures is to temporarily provide those companies affected by the Covid-10 with the necessary flexibility to ensure the maintenance of employment, and to strengthen the protection of their employees

Italy Update

Stefano Lava, Partner, Milan

- **Closing of non essential stores**
- **«Cura Italia» Decree 17 March 2020**
 - Temporary prohibition to dismiss for economic reasons
 - Wage funds from the State
 - New rules on paid leave and permits
- **Precautionary measures to be implemented in workplaces against Covid-19 outbreak**
 - Precautionary measures and business organisation
 - Protective equipment and medical monitoring

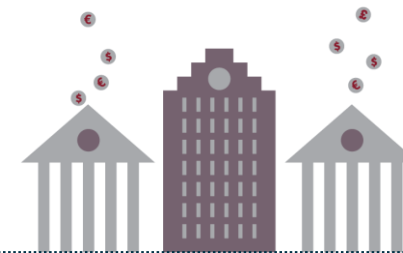


A temporary prohibition to dismiss for economic reasons has been introduced; however wage funds from the State are available.

Precautionary measures must be adopted affecting information duties, modalities for the access to company's premises, modality for the access of third party suppliers, cleaning and sanitizing, personal protective equipment, business organisation, medical monitoring.

France Update

Jerome Scapoli, Partner, Paris



Public places shutdown

All public places that are not necessary for daily life must **close until April 15** at least.

This includes **shops**, boutiques, shopping malls...

General lock-down

Because of the emergency health situation, people must **stay at home** and cannot go outside unless under specific situations.

Whenever possible, employees must **work remotely** and must have a written certificate from their employer should they need to leave their home.

Employment law adjustments

Companies can temporarily **reduce** their **activity** while compensating employees and receiving refund from the Administration ("*partial activity*").

The government has announced several adjustments to **ease business continuance** (increased refund for partial activity, easier use of paid leave...).

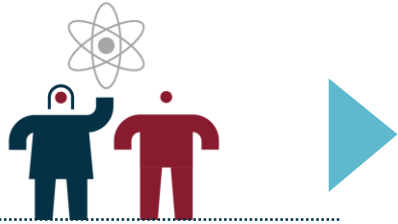
Tax and social payments

Companies facing serious economic difficulties because of the situation (especially the ones that had to close down) can **delay and/or temporary reduce** their mandatory tax and social payments.

Other economic support measures are to include **loans** and **financial help** from the government.

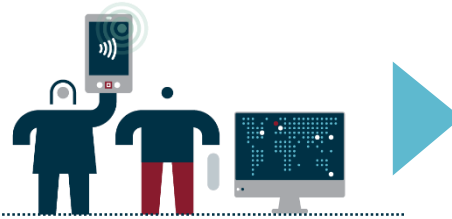
German Update

David Plitt, Partner, Hamburg



Statutory regulations in place since March 23rd March on

- Shop closures at least until April 6th with exceptions.
- State aid programs for businesses now in place.



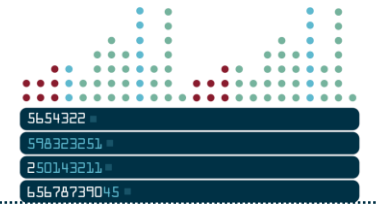
Possible measures ...

- Holidays; „company holidays“ / agree on holiday plan for the year?
- Overtime?
- Working hours/pay/bonus?



Financial support through ...

- **Application for short-time work.**
- Claim for compensation in case of infections from authorities.



Covid-19 and termination of employees ...



Potential to apply for state aid / financial support; Ease on many administrative hurdles but general labour law rules are unchanged.

Belgium Update

Vinciane Rysselinck, Senior Counsel, Brussels

- **Retailers**
 - Shops closed (until 5 April 2020)
 - Exceptions
 - Ongoing consultations
- **Teleworking (until 5 April 2020)**
- **Temporary lay-offs (unemployment)**
- **Social security measures**



Since 20 March 2020, the government grants automatic and extended access to the temporary unemployment scheme for *force majeure* to all businesses suffering from the consequences of the Covid-19 crisis.

The Netherlands Update

Jorgo Tsiris, Partner, Amsterdam

Main general measure

- Social distancing (1,5 meters between individuals at all times)

Specific for retailers

- Shops may remain open at this moment but must take measures to ensure the 1,5 meters distance requirements and the other hygiene measures

Governmental aid programme (employees only). Other measures out of scope for these slides.

- >20% turn over drop as per 1 March 2020 + 3 months
 - Extension possible with another 3 months

Two core conditions:

- **no (involuntarily) lay offs for in scope employees**
- **employer pays out 100% salary during programme**
- Turn over drop is 100% -> government pays 90% of wage bill. 50% drop -> government pays 45% of wage bill
- **Details of scheme unknown (Expected ultimately 31 March 2020)**
<https://www.osborneclarke.com/insights/topics/coronavirus-covid-19/location/the-netherlands/>
 - OC advise
 - Start preparing document showing turn over decrease
 - What other cost saving measures can be taken? Pension/bonus/etc.



"Dutch government is willing and able to spend up to 90 billion euro to make sure companies make it through this crisis."

UK Update

Leanne Coates, Associate Director, Bristol

- **Working arrangements**
 - Government Guidance
 - Statutory duty
 - Working remotely
- **Alternatives to dismissal**
 - Lay off/short time working
 - Government Support – Coronavirus Job Retention Scheme
- **Enforced leave**
- **Unwell employees and sick leave**



The government has recently announced a Coronavirus Job Retention Scheme and which will pay up to 80% of salary of an employee who would otherwise have been laid off (subject to a cap of £2,500 per month). We await further details.

India Update

Arjun Paleri, Employment Lead, Mumbai

1. Lock-down order of the government

All commercial and private establishments which are engaged in non-essential activities to remain shut until April 15, 2020.

2. Impact on movement of staff and supply chain

Movements of individuals and supply chain will be severely restricted, and violations can attract penal action.

3. Impact on wages and leaves of employees

Employees will remain entitled to receive wages.

4. Beyond the current lock-down

Will evolve as the pandemic worsens or improves.



Keep a watch on
Government notifications.

Evaluate the applicability of
the local state level Shops
and Establishments Acts and
Industrial Disputes Act, 1947
before you consider
terminating services of the
employees.

Any Questions?



Thank you for listening

If you have any further questions or would like any more advice in any jurisdiction please get in contact.

