



# ECIJA

## Scope of Services Covid-19 ECIJA

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Spain

The health crisis caused by Covid-19 exposes a series of uncertainties and legal and business challenges that many of our clients are dealing. For this reason, ECIJA has prepared the following service catalogue with the aim of offering comprehensive legal advice in the management of this situation, mainly focused on the workplace, restructuring and insolvency.

## Labour Consultancy

The spread of the Covid-19 in the labour sector and the limitations in certain sectors of activity are leading not only with situations of risk for the health and safety of workers, but also drastic downturn in the demand for services or even an absence of supplies that makes it seriously difficult to continue with the ordinary development of the activity of the companies. In this scenario, it is necessary to reorganize the human resources through the various mechanism of labour flexibility and the new measures approved by the Government to give an adequate response to this new, exceptional and unprecedented situation.

In this situation, ECIJA's labour area offers, among others, the following services:

- **Records of Temporary Employment Regulation (RTER) due to larger force, suspension or reduction of working hours, with full or partial scope of the workforce.**
  - ✓ Preparedness of the explanatory memory of the larger force causes.
  - ✓ The coordination of the documents for the administrative file.
  - ✓ Advice for the presentation of the file, or the direct presentation by us as proxies in the event that we have express Powers to act before the public administration.
  - ✓ Monitoring of the entire procedure until resolution.
  - ✓ Preparedness of the individual communications model, both communication prior to the RTER to be carried out after the resolution of the Labour Authority.
  
- **Records of Temporary Employment Regulation (RTER) for ETOP causes (economic, technical, productive or organizational), total or partial of the workforce**
  - ✓ Preparedness of the explanatory report on the larger force and coordination for the preparation of the technical report.
  - ✓ Advice for the constitution of the ad hoc commission, or where appropriate negotiation with the RL.T.
  - ✓ Coordination of the administrative file's documents.
  - ✓ Advice for the presentation of the file, or the direct presentation by us as proxies if we have express Powers to act before the public administration.
  - ✓ Monitoring of the entire administrative procedure, both in the initial and final communication.



- ✓ Preparedness of individual communications model derived from the RTER.
- **Employment Regulation Files (ERF- collective dismissals) total or partial**
- **Design of internal actions for human resources with mechanisms provided for the Collective Agreement of application** (flexible hours bags), **internal flexibility measures plans** (permits, working day adaptability...) **and external flexibility** (individual layoffs).
- **Design and planning of teleworking with specific actions and documentation derived from them** (addenda, confidentiality clauses, homework tools, information security...)

## Debt's refinancing and renegotiation consultancy

The pandemic caused by the Covid-19 outbreak will foreseeably lead to a reduction in the flows of economic activity and lack of liquidity, with the consequent default situation of the financial indebtedness of many companies. This non-compliance may involve early expiration/ causes of contractual resolves of financing contracts.

Mainly the following situations may happen:

- Non-payment of sums due on the corresponding dates, either principal or interest
- Breach of contractual obligations
- Breach of covenants and financial ratios (among others, debt service coverage, interest coverage with EBITDA, consolidated net debt on EBITDA...)
- Occurrence of a material adverse change ("MAC")

In this situation, the financing Banks will be able to:

- Grant a temporary authorization, "waiver";
- Declare the overdue credit or loan and demand the payment of all amounts pending to be paid, or execute the corresponding guarantees; or;
- propose an agreement of refinancing / renegotiation debt

The refinancing agreements may be outside of any insolvency procedure, either within a pre-insolvency of creditors (ex. Art. 5 bis of the Insolvency Law)).

ECIJA has a specialized team in legal advice for this type of operation, both for advising and negotiating possible waivers and for advising in refinancing and restructuring business debt.



## Pre-insolvency and insolvency law consultancy

Finally, it will also be considered that, despite the different measures provided by the Government, certain companies will not be determined to meet their obligations above third parties, expecting insolvency cases, which requires the request of arrangement with creditors of the company.

From ECIJA's Insolvency Department services are offered in the following areas:

- Pre-insolvency consultancy
- Submission of the pre-arrangement with creditors (article 5 bis) and negotiation with creditor to get an agreement on refinancing or an anticipated proposal of covenant.
- Preparedness and submission of the voluntaries and required insolvency arrangements.
- Preparedness of agreement proposals, feasibility plans and sales of productive units.
- Assistance of credits and defence of the interests of the creditors in the insolvency, including the VAT recovery.
- Assistance in insolvency incidents, and exercise of rescission actions.
- Assistance in the qualification levels in defence of the administrators' interests of the insolvency.

# ECIJA



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