

Legal Alert Covid-19 Update on Business Interruption and the "Employment Protection Law"



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On April 8, it was published in the Official Gazette the first resolution establishing the areas and territories affected by declarations of authority involving the cessation of activities (Resolution 88 of the Ministry of Finance). This to ensure that workers of the affected companies who are unable to fulfil their labour obligations due to the cessation of activities can receive the benefits of unemployment insurance, in accordance with the provisions of Law 21,227, known as the "Employment Protection Law".

This resolution does not create new health restrictions, but rather declares the aforementioned cessation of activities for those areas and territories for which the Ministry of Health has currently decreed measures of isolation or quarantine; suspension, prohibition or closure of activities (e.g., sports activities, cafes, cinemas, etc.); and sanitary cordons.

The resolution also determines those industries or activities that should be considered excluded from the standstill, despite being in one of the territories currently with health measures imposed by the Ministry of Health. These include establishments and activities related to health (hospitals, pharmacies, veterinarians); emergencies; public utility services (electricity, ports and airports, fuel distributors, food delivery, etc.); food and essential trade; transportation; security and press, among others.

The duration of the shutdown will depend on each area, according to the restriction in each case imposed by the Ministry of Health.

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