

APAC COVID-19 FAQ

EDITION IX –29 MAY 2020



Employment Law Expertise Provided by
Asia Pacific Members of the



INTRODUCTION

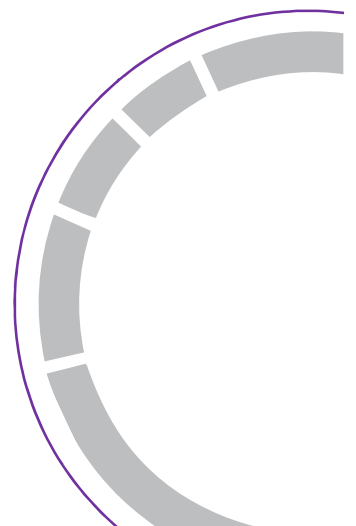
In the recent weeks, the Covid-19 situation has brought about great uncertainty for the world. Employers have not been spared. It can be challenging to wade through the ever changing myriad of notices, advisories and guidelines issued by the different governments.

To assist our clients, the Employment Law Alliance's APAC member firms have put together a set of FAQs to deal with some of the more common questions we have been asked relating to the new policies / advisories which have been issued in our respective jurisdictions as well as cost cutting measures which can be implemented to manage the cost of doing business.

The eighth edition of this paper was published on 22 May 2020 and can be found [here](#). As the situation is constantly evolving, we are providing weekly updates to our readers. This is the ninth edition and includes updates from Hong Kong, Japan and Philippines.

Readers should take note that this information is accurate as at 28 May 2020. We encourage readers to keep abreast of developments in the countries of concern to them on a daily basis. Should you have any queries, please feel free to reach out to the contributors individually.

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HONG KONG

Q: Are there any government directions to shut down business (“Shut Down directives”)?

A: The following scheduled premises which have been ordered to remain closed for until 28 May 2020 re-open on 29 May 2020:

- (a) bathhouse;
- (b) party room;
- (c) club or night club; and
- (d) karaoke establishment.

Premises that are exclusively or mainly used for the sale or supply of intoxicating liquors for consumption in that premises (i.e., bars and pubs) and other scheduled premises (e.g., fitness centres and beauty parlours) have been allowed to resume operation from 8 May 2020, subject to certain conditions such as screening of body temperature and provision of hand sanitiser.

The Government has further issued directions for catering businesses, requiring them to, inter alia, keep a distance of at least 1.5 metres between tables and not allow more than 8 persons to be seated together at one table.

Q: Are there any schemes to help businesses cope with the additional staff related costs resulting from the Covid-19 situation?

A:

1. To enhance Hong Kong’s ongoing work in the fight against the novel coronavirus infection and to provide support and assistance to industries and members of the public affected by the epidemic, the Government has set up a HK\$30 billion Anti-epidemic Fund (the “Fund”). The Fund will provide additional resources to strengthen the territorial-wide anti-epidemic work and will render support to the affected industries and employees. The Hong Kong Government announced a second round of the Fund on 8 April 2020.

The first round of the Fund covers the following sectors: property management, construction, retail, food and catering, transport, convention & exhibition, fisheries, arts

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and culture, licensed guesthouses and travel agents. Not all of the subsidy schemes under the first round of the Fund are directed at employment-related issues, but some do, for example, the Anti-epidemic Support Scheme for Property Management Sector aims to provide an “Anti-epidemic Cleansing Subsidy” to property management companies and owners’ organizations in private residential and composite buildings, and subsidises them to provide the “Anti-epidemic Hardship Allowance” to front-line property management workers (i.e. cleaning and security workers). Each worker will be given a monthly allowance of HK\$1,000 for four months, subject to a cap of six headcounts per building block.

On 8 April 2020, the Hong Kong Government announced a second round of the Fund in light of COVID-19. One of the measures include introducing a HK\$80 billion Employment Support Scheme (“**ESS**”). Application for the first tranche of the ESS has begun on 25 May 2020 and will be open until 23:59 of 14 June 2020. The online application form can be found here: <https://application.ess.gov.hk/en/apply>.

In relation to the ESS:

- The subsidy to be offered under the ESS is calculated based on 50% of the monthly salary of a “specified month” (any one month from December 2019 to March 2020 to be nominated by the employer), which is capped at HK\$18,000 (i.e. the maximum subsidy amount will be HK\$9,000). The number of all of its employees and their respective wages in the “specified month” will serve as the basis for calculating the subsidies.
- In terms of eligibility, except for ineligible employers (mainly being the Hong Kong government, statutory bodies, and public organisations) , employers who have been making MPF contributions / set up ORSO schemes for their employees are eligible to apply.
- Employers can apply for ESS wage subsidies in respect of employees who have MPF accounts (including those who are aged 65 or above for whom mandatory MPF contributions are no longer legally required, but they nevertheless have a MPF

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account to which their employers make voluntary contributions to) / who are members of the employer's ORSO scheme.

- Employers will have to apply for ESS online on this webpage: <https://application.ess.gov.hk/en/apply>. When submitting such online application, they will also have to: (i) authorise the ESS processing agent (appointed by the Government) to serve as their agent to receive the certificates on the relevant MPF records (including the number of employees and their wages) issued by MPF trustees; (ii) authorise their MPF trustees to provide the ESS processing agent (as their agent) with MPF record certificates to verify the information related to their MPF contributions. With the applicants' authorisation, the MPF trustees will forward the MPF record certificates in electronic format to the ESS processing agent direct. Applicants may also request their MPF trustees to provide such certificates for reference.
- As condition to application for the ESS, employers have to undertake that they cannot implement redundancy during the subsidy period and that they will spend all the government wage subsidies in paying wages to their employees in each of June, July and August 2020. The employees may be engaged in full-time or part-time work as each enterprise's circumstances differ. After approval of the application, the number of paid employees in any one month of the subsidy period between June and August 2020 shall not be less than the number of employees (including those on no-pay leave) in March 2020. Should there be any reduction in the number of employees on the payroll within the MPF and the ORSO framework during the period compared to the number of employees in March 2020, the ESS subsidy will be adjusted with claw back and other penalty. For an employer who has received the first tranche of payment, if it fails to use all the wage subsidies received for a particular month during the three-month subsidy period (i.e. June to August 2020) to pay the wages of its employees in the same month, the government will claw back the unspent balance of the subsidy; and if the number of employees on the payroll in any one month of the subsidy period is less than the number of paid or unpaid staff in March 2020, the ESS subsidy will be adjusted with claw back and other penalty. For an employer who has received the first tranche of

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payment, if it fails to use all the wage subsidies received for a particular month during the three-month subsidy period (i.e. June to August 2020) to pay the wages of its employees in the same month, the government will claw back the unspent balance of the subsidy; and if the number of employees on the payroll in any one month of the subsidy period is less than the number of paid or unpaid staff in March 2020, the employer will have to pay a penalty to the government in accordance with a pre-determined formula.

- Payment will be made in two tranches. Applications for the first tranche will be from 25 May 2020 until 14 June 2020. It is expected that most employers will receive the wage subsidy in three to four weeks after application, so as to be able to subsidise their payment of salaries from June to August 2020. The second tranche of subsidies will be disbursed in September. Application details will be announced by the government in due course.

Our Chief Executive has said that 100 per cent of the wage subsidies provided by the Government have to be spent on wages. The employer cannot not deploy the money for other purposes and the Government will put in place very robust auditing after the event because they don't want to have detailed vetting before paying out. Part of the mechanism includes publishing the list of employers receiving ESS subsidy, the total number of employees benefited, and the amount of subsidy granted, to enable the society and the employees concerned to monitor the situation. In the event an employer is found to have breached the conditions of the scheme, the employees concerned or members of the public may report to the relevant authorities.

Separately, there is automatic deferral of payment of salaries tax, tax under personal assessment and profits tax which are due for payment in April, May and June 2020 by three months. Profits tax, salaries tax and tax under personal assessment will be reduced by 100% for the year of assessment 2019-20, subject to a ceiling of HK\$20,000. Further, rates for non-domestic properties in 2020-21 will be waived, subject to a ceiling of HK\$5,000 per quarter in the first two quarters, and a ceiling of HK\$1,500 per quarter in the remaining two quarters. All taxpayers except for taxpayers who have to settle

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their tax liabilities before departing Hong Kong and taxpayers paying property tax will benefit from such deferral measure.

2. Separately, the Hong Kong Commerce & Economic Development Bureau's SME Financing Guarantee Scheme (the "Scheme") is planned to be rolled out sometime in April. The Scheme aims to alleviate the burden of paying employee wages and rents by small and medium-sized enterprises which are suffering from reduced income, thereby help minimise enterprise shutting down and layoffs. The Hong Kong Government will provide a 100% guarantee for approved loans taken out by eligible enterprises, in hopes that this will greatly enhance the chances for businesses in securing loans. The maximum amount of loan per enterprise is up to the total amount of employee wages and rents for six months per enterprise, or HK\$2 million, whichever is the lower. Further details are expected to be announced nearer the time of the commencement of the Scheme.

In terms of eligibility, it is said that all Hong Kong enterprises who have been operating and holding a valid Business Registration Certificate for at least three months by the end of December 2019 can apply to the Scheme. The loan applicant needs to provide proofs that they have suffered at least a 30 per cent decline in sales turnover in any month since February 2020 compared with the monthly average of any quarter in 2019. The current definition of "small-medium enterprises" used by the Hong Kong SAR Government is any manufacturing business which employs fewer than 100 persons in Hong Kong, or any non-manufacturing business which employs fewer than 50 persons in Hong Kong. It is at present unclear whether the definition of SMEs for eligibility to apply for the Scheme will follow the aforementioned definition.

The maximum repayment period is three years from the first drawdown of the facility. To lessen the immediate repayment burden of enterprises, an option for principal moratorium will be provided under which loan applicants will only be required to pay interest in the first six months. Separately, an interest rate of the Hong Kong Prime Rate minus 2.5 per cent per annum (or equivalent). The guarantee fee will be waived.

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3. Although not a subsidy scheme, pre-dating the COVID-19 outbreak, the Hong Kong Monetary Authority established the “Banking Sector SME Lending Coordination Mechanism” in October 2019 to provide a common platform for the banking industry to formulate solutions to support SMEs, including relieving SMEs’ cash-flow pressure via lending solutions. Since its establishment, Hong Kong’s banking sector has introduced several rounds of measures to help corporate and retail customers. Nearly 9 000 applications from SMEs involving principal repayment holidays, loan extensions and relief loans have been approved thus far, involving over HK\$57 billion. This has helped reduce the cash-flow pressure on customers and lessen the impact of the outbreak of COVID-19 on the local economy.
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JAPAN

Q: Are there any government directions to shut down business (“Shut Down directives”)?

A: The state of emergency was lifted for all of Japan as of May 25, about one week before the scheduled date to expire.

As a result, while people have been asked to refrain from non-essential moving across prefectures, such request is scheduled to be eased on June 1 and lifted nationwide on June 19.

In addition, the business closure request is to be lifted on June 1 in Osaka, Hyogo and Kyoto; and eased in a step-by-step manner in Tokyo, Kanagawa, Chiba, Saitama and Hokkaido.



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Q: Are there government directions restricting travel out of or into your jurisdiction (“Travel Restrictions”)?

A: On May 22, 2020 the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (“IATF”) issued Resolution No. 38 dated May 22, 2020 (“Resolution No. 38”) further revising the *Omnibus Guidelines on the Implementation of Community Quarantine* (“Revised Guidelines”). The Revised Guidelines generally reiterates the previous guidelines that have been summarized in the earlier updates with a few modifications. Please refer to APAC COVID-19 FAQ Edition VIII – 22 May 2020 for the summary of the previous guidelines.

Resolution No. 38 did not introduce any changes in relation to the travel restrictions out of or into the Philippines. To recall, the Revised Guidelines provides that outbound travel is allowed only for Overseas Filipino Workers (“OFWs”), students enrolled in exchange programs, permanent residents of foreign jurisdictions, stranded foreign nationals, or those leaving for medical and humanitarian purposes. OFWs are allowed to be deployed abroad subject to an undertaking that they understand the risk. Inbound travel to the Philippines is not mentioned in the Revised Guidelines but remains controlled.

On May 20, 2020, the Department of Labor and Employment (“DOLE”) issued Labor Advisory No. 19 (“Advisory”) adding a new requirement for the application and issuance of Alien Employment Permits (“AEPs”) for foreign nationals employed by Philippine Offshore Gaming Operators (“POGOs”) in Modified Enhanced Community Quarantine (“MECQ”) and General Community Quarantine (“GCQ”) areas. The Advisory provides that in addition to the standard documentary requirements for the issuance of AEPs, the POGOs will also have to present a copy of their Philippine Amusement and Gaming Corporation Authorization to Operate. It also provides that the DOLE Regional Offices may issue their own internal guidelines with regard to accepting AEP applications and release of AEP cards.

Q: Please state what implications such Travel Restrictions have in managing employees.

A: Considering that outbound and inbound travel from and to the Philippines remains controlled, international travels of employees have to be deferred. Moreover, employers must consider the current limitations on the processing of work visas and permits in relation to the hiring of expatriates.

Q: Are there any government directions to shut down business (“Shut Down directives”)?

A: Resolution No. 38 amends the allowable operational capacities of some of the industries/sectors that are allowed to operate in community quarantine areas. For ease of reference, we are restating the list of

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industries/sectors that are allowed to operate in the various community quarantine areas, and their allowable operational capacities below pursuant to the Revised Guidelines, as amended by Resolution No. 38 (we have underlined these changes below). “Skeleton workforce” means the operational capacity that utilizes the smallest number of people needed for a business or organization to maintain its basic function. Meanwhile, “operational capacity” refers to such a maximum number of employees or workers who can be permitted or required to physically report to work on-site in a particular office or establishment.

ECQ Areas

Operational Capacities	Permitted Industries/Sectors in ECQ Areas
May operate at full operational capacity	<ol style="list-style-type: none"> 1. <u>Public or private hospitals;</u> 2. <u>Health, emergency, and frontline services (including dialysis center, chemotherapy centers, etc.);</u> 3. <u>Manufacturers of medicines, medical supplies, devices and equipment, including packaging and distribution;</u> 4. <u>Agriculture, forestry, and fishery; and</u> 5. <u>Delivery and courier services (e.g., transporting food, medicine, essential good, accessories, hardware, housewares, school and office supplies, pet food, and others).</u>
May operate at maximum 50% operational capacity (without prejudice to work-from-home or other flexible work arrangements)	<ol style="list-style-type: none"> 1. Private establishments and their employees involved in the provision of essential goods and services and activities in the value chain related to food, medicine, vitamins production, medical supplies, devices and equipment, and other essential products, provided that their operational capacity may be increased by the Department of Trade and Industry (“DTI”); 2. Media establishments; and 3. <u>Workers accredited by the Department of Transportation (“DOTr”) to work on utility relocation works and specified railway projects.</u>
May operate with skeleton workforce only	<ol style="list-style-type: none"> 1. Other medical, dental (but procedures shall be limited to emergencies), rehabilitation, and optometry clinics; pharmacies and drug stores; 2. Veterinary clinics; 3. Banks, money transfer services, microfinance institutions and cooperatives, excluding pawnshops not performing money transfer; 4. Capital markets; 5. Water supply and sanitation services and facilities (e.g., waste disposal, management and building utility services); 6. Energy and power companies including their third-party contractors; 7. Telecommunication companies, internet service providers, and cable television provides including their third-party contractors;

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Operational Capacities	Permitted Industries/Sectors in ECQ Areas
	<ol style="list-style-type: none"> 8. Airline and aircraft maintenance; 9. Manufacturing companies and supplier of equipment or products necessary to perform construction works (e.g., cement and steel); 10. The Philippine Postal Corporation; 11. The Philippine Statistic Authority (for COVID-19 related survey and the implementation of the national identification system); 12. BPOs and exports-oriented businesses; 13. Essential projects, public or private (e.g., quarantine facilities, disaster risk reduction and rehabilitation works, sewerage projects, water service facilities projects, digital works); 14. Funeral and embalming services (the employer must provide for a shuttle or in-site accommodation); 15. Humanitarian assistance from civil society organizations and non-government organizations; 16. Pastors, priests, rabies, imams, or other religious ministers; 17. Security personnel; 18. <u>Printing presses authorized by the Bureau of Internal Revenue-authorized to print official receipts and other forms;</u> 19. <u>Companies engaged in repair and maintenance of machinery and equipment (including those engaged in the repair of computers and household fixtures);</u> 20. <u>Leasing activities;</u> 21. <u>Agencies and instrumentalities of the government (may operate at skeleton workforce in combination with other alternative work arrangements as approved by the head of agency unless a different operational capacity is required in agencies providing health and emergency frontline services, border control, and other critical services); and</u> 22. <u>Officials and employees of foreign diplomatic missions and international organizations accredited by the Department of Foreign Affairs (“DFA”), whenever performing diplomatic functions and subject to the guidelines issued by the DFA.</u>
<p>Not allowed to operate</p>	<ol style="list-style-type: none"> 1. All establishments apart from the permitted industries/sectors mentioned above; and 2. Hotels or similar establishments except those accommodating the following (provided hotel operations shall be limited to the provision of <u>basic accommodation services to guests through an in-house skeleton workforce</u>): <ol style="list-style-type: none"> a. For areas outside Luzon, guests who have existing booking

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Operational Capacities	Permitted Industries/Sectors in ECQ Areas
	<p>accommodations for foreigners <u>as of 17 March 2020 for Luzon and 01 May 2020 for other areas</u>;</p> <ul style="list-style-type: none"> b. Guests who have existing long-term bookings; c. Distressed OFWs and stranded Filipinos or foreign nationals; d. Repatriated OFWs in compliance with approved quarantine protocols; e. Non-OFWs who may be required to undergo mandatory facility-based quarantine; and f. Health care workers and other employees from exempted establishments under the Revised Guidelines and applicable Memoranda from the Executive Secretary.

MECQ Areas

Operational Capacities	Permitted Industries/Sectors in MECQ Areas
<p>May operate at full operational capacity</p>	<ol style="list-style-type: none"> 1. <u>All the permitted industries/sectors that are allowed to operate in ECQ areas (as listed in the table above)</u>; 2. <u>Media establishments, without the need of Presidential Communications Operations Office accreditation</u>; 3. Business process outsourcing companies and export-oriented establishments without need to set up on-site or near-site accommodation arrangements; 4. E-commerce companies; 5. Other postal, courier, delivery services; 6. Rental and leasing companies (other than real estate such as leasing of vehicles); 7. Employment activities that involve the recruitment and placement for permitted sectors; and 8. Housing services activities.
<p>May operate at 50% operational capacity on-site (while encouraging work-from-home and other flexible work arrangements)</p>	<ol style="list-style-type: none"> 1. Other manufacturing industries (e.g., beverages including alcoholic drinks, wood products and furniture, non-metallic products, textiles and clothing, tobacco products, paper and paper products, rubber and plastic products, coke and refined petroleum products, other non-metallic products, computers, electronic, and optical products, electrical equipment, machinery and equipment, motor vehicles, trailers and semi-trailers, other transport equipment, and others); 2. <u>Other</u> real estate activities; 3. Administrative and office support (e.g., photocopying and billing services);

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Operational Capacities	Permitted Industries/Sectors in MECQ Areas
	<ol style="list-style-type: none"> 4. <u>Other</u> financial services (e.g., money exchange, insurance, microfinance and credit cooperatives, reinsurance and non-compulsory pension funding); 5. Legal and accounting services; 6. Management and consultancy services or activities; 7. Architectural and engineering activities including technical testing and analysis; 8. Science and technology, and research and development; 9. Recruitment and placement agencies for overseas employment; 10. Advertising and market research; 11. Computer programming and information management services; 12. Publishing and printing services; 13. Film, music, and television production; 14. Photography, fashion and industrial, graphic and interior design; 15. Wholesale and retail trade of vehicles and their parts and components, whether such vehicles be fuel, electric, or human-powered; 16. Repair and maintenance of vehicles as defined in the immediately preceding provision as well as its parts or components; 17. Malls and commercial centers (subject to DTI guidelines); 18. Dining and restaurants (delivery and take-out only); 19. Hardware stores; 20. Clothing and accessories; 21. Bookstore and school and office supplies; 22. Baby or infant care supplies; 23. Pet food and pet care supplies; 24. Information technology, communications and electronic equipment (limited to a skeleton workforce in ECQ areas); 25. Flower, jewelry, novelty, antique and perfume shops; 26. Toy stores (playgrounds, if any, shall be closed); 27. Firearms and ammunition trading establishments, subject to strict regulation of the Firearms and Explosives Office; and 28. Pastors, priests, rabbi, imams, and other religious ministers providing home religious services to households.
<p>May operate with skeleton workforce</p>	<ol style="list-style-type: none"> 1. <u>Agencies and instrumentalities of the government (may operate at skeleton workforce in combination with other alternative work arrangements as approved by the head of agency unless a different operational capacity is required in agencies providing health and emergency frontline services, border control, and other critical services); and</u> 2. <u>Accredited diplomatic missions and international organizations</u>

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Operational Capacities	Permitted Industries/Sectors in MECQ Areas
Not allowed to operate	<ol style="list-style-type: none"> 1. Tourist destinations such as water parks, reservation services and related services; 2. Entertainment industries such as cinemas, theaters, and karaoke bars; 3. Kid amusement industries such as playroom and kiddie rides; 4. Libraries, archives, museums and cultural centers; 5. Gyms, fitness studios and sports facilities; and 6. Personal care services such as massage parlors, sauna, facial care and waxing. 7. Hotels or similar establishments except those <u>providing basic accommodation services through an in-house skeleton workforce</u> to the following guests: <ol style="list-style-type: none"> a. <u>Guests who have existing booking accommodations for foreigners as of 17 March 2020 for Luzon and 01 May 2020 for other areas;</u> b. Guests who have existing long-term bookings; c. Distressed OFWs and stranded Filipinos or foreign nationals; d. Repatriated OFWs in compliance with approved quarantine protocols; e. Non-OFWs who may be required to undergo mandatory facility-based quarantine; and f. Health care workers and other employees, whether private or public, from exempted establishments under the Revised Guidelines and applicable Memoranda from the Executive Secretary.

GCQ Areas

Operational Capacities	Permitted Industries/Sectors in GCQ Areas
May operate at full operational capacity	<ol style="list-style-type: none"> 1. <u>All the permitted establishments and activities in ECQ areas (as listed in the table above) shall be allowed to operate or be undertaken in GCQ areas at full operational capacity;</u> 2. Category I Industries - <ol style="list-style-type: none"> a. Power, energy, water, and other utilities; b. Agriculture, fishery, and forestry industries; c. Food manufacturing and food supply chain businesses, including food retail establishments such as supermarkets, grocery stores, food preparation establishments insofar as take-out and delivery services, food delivery services, health-related establishments, d. Logistics sector, information technology, and telecommunication companies; and

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Operational Capacities	Permitted Industries/Sectors in GCQ Areas
	<ul style="list-style-type: none"> e. Media; 3. Work in all government offices may be at full operations.
<p>May operate at 50% up to full operational capacity, without prejudice to work-from-home and other alternative work arrangements</p>	<p>Category II Industries –</p> <ul style="list-style-type: none"> 1. Mining and other manufacturing; 2. Electronic commerce companies; 3. Delivery, repair and maintenance; and 4. Housing and office services.
<p>May operate at 50% operational capacity on-site, without prejudice to work-from-home and other alternative work arrangements</p>	<p>Category III Industries-</p> <ul style="list-style-type: none"> 1. Financial services, legal and accounting, and auditing services; 2. Professional, scientific, technical, and other non-leisure services; and 3. Other non-leisure wholesale and retail establishments.
<p>Not allowed to operate</p>	<ul style="list-style-type: none"> 1. Category IV Industries; 2. Amusement, gaming, fitness establishments, as well as those in the kids and tourism industries; and 3. Hotels or similar establishments except those <u>providing basic accommodation services through an in-house skeleton workforce</u> to the following guests: <ul style="list-style-type: none"> a. <u>Guests who have existing booking accommodations for foreigners as of 17 March 2020 for Luzon and 01 May 2020 for other areas;</u> b. Guests who have existing long-term bookings; c. Distressed OFWs and stranded Filipinos or foreign nationals; d. Repatriated OFWs in compliance with approved quarantine protocols; e. Non-OFWs who may be required to undergo mandatory facility-based quarantine; and f. Health care workers and other employees, whether private or public, from exempted establishments under the Revised Guidelines and applicable Memoranda from the Executive Secretary.

MGCQ Areas

In MGCQ areas, all public and private offices are allowed to resume physical work in full capacity (with alternative arrangements for persons who are aged 60 years old and above and other persons with underlying conditions and illness) except as otherwise stated below.

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Operational Capacities	Permitted Industries/Sectors in MGCQ Areas
May operate at full operational capacity	<ol style="list-style-type: none"> 1. <u>Except as otherwise provided below, all permitted establishments and activities under Category I-IV industries (as listed in the table above on industries/sectors that are allowed to operate in GCQ areas);</u> 2. Government offices; and 3. Accredited diplomatic missions and international organizations.
May operate with limitations	<ol style="list-style-type: none"> 1. <u>Barbershops, salons, and other personal care service establishments with a maximum of 50% of venue capacity;</u> 2. <u>Dine-in service in food retail establishment with a maximum of 50% seating capacity; and</u> 3. <u>Other Category IV and all other establishments not allowed to operate in GCQ areas may operate in MGCQ areas at a maximum of 50% operational capacity.</u>

Transportation restrictions

Resolution No. 38 did not amend the transportation guidelines in ECQ, MECQ, GCQ, and MGCQ areas and the guidelines relating to the movement of people across areas placed under different community quarantine areas (“**interzonal movement**”) and movement within the same community quarantine area qualification. Please refer to APAC COVID-19 FAQ Edition VIII – 22 May 2020 for the summary of the transportation restrictions in community quarantine areas.

Further, the Revised Guidelines reiterates that workers of permitted sectors shall be allowed to pass through checkpoints by presenting any of the following: IATF accreditation ID, bona fide IDs issued by establishments exempted from the strict home quarantine requirement, or RapidPass IDs. The Revised Guidelines, as amended, adds that no other IDs or passes specifically exempting persons from community quarantine shall be required of workers of permitted establishments and/or offices (without prejudice to requiring the presentation of other documents establishing the nature of their work).

As to interzonal movements, the Revised Guidelines, as amended, now provides that anyone crossing zones for work in permitted in the zone of destination, and going back home is allowed to move across quarantine zones.

Q: Please state what implications such Shut Down directives have in managing employees?

A: Establishments allowed to operate at less than full operational capacity may have to consider flexible

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work arrangements (such as rotation of workers, reduction of workdays, forced leave) or work from home arrangements where feasible. While the movement of workers of business establishments that are allowed to operate in all community quarantine areas is allowed, there are restrictions in public transportation. In ECQ and MECQ areas, public transportation is still suspended while in GCQ and MGCQ areas, public transportation may operate at a limited capacity. Due to these restrictions and limitations, business establishments are encouraged by the government to provide shuttle services to their employees.

Q: Are there any schemes to help businesses cope with the additional staff-related costs resulting from the Covid-19 situation?

A: On May 18, 2020, the DOLE also issued Labor Advisory No. 17, series of 2020 (“**Advisory No. 17**”), which provides among others that employers and employees may voluntarily agree in writing to temporarily adjust the employees’ wage and wage-related benefits as provided for in the existing employment contract, company policy or collective bargaining agreement (“**CBA**”). However, the adjustment shall not exceed six (6) months or the period agreed upon in the CBA. After such period, the employers and employees shall review their agreement and may renew the same.

In Revenue Regulation (“**RR**”) No. 12-2020 dated May 21, 2020 the Bureau of Internal Revenue clarified that it would no longer extend the deadlines provided in the RR 11-2020. Thus, taxpayers must file their returns and pay the corresponding taxes on or before the deadlines provided in the RR 11-2020.



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