

## Spain declares State of Alarm: immediate tax implications

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### Executive summary

On 14 March 2020, the Spanish Government issued Royal Decree 463/2020 (the Decree) declaring a State of Alarm (In Spanish, *Estado de Alarma*) for Spain. The Decree sets forth certain temporary measures that will apply during the current world health crisis. The duration of this State of Alarm as per the Decree is of 15 natural days (the longest this State can be declared as per the Spanish rules), but it can be extended if so approved by the Parliament.

In addition, on 13 March 2020, the Spanish Government issued Royal-Decree Law 7/2020 providing small and medium-sized companies with a deferral for payment of certain tax debts.

This Tax Alert summarizes the measures that have been introduced and their impact with respect to the Spanish tax system.

### Detailed discussion

The Royal Decree which approved the State of Alarm includes several measures aimed at containing the spread of COVID-19. Their implications for tax purposes are:



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EYG no. 001250-20Gbl

1508-1600216 NY  
ED None

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