

26 March 2020

Global Tax Alert

News from EY Americas Tax

Panama's Government temporarily closes certain establishments and imposes additional sanitary measures to reduce spread of COVID-19

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Due to the spread of COVID-19 in Panama, the Government has issued Executive Decree 489 of 2020 to establish additional and specific measures to mitigate and control the spread of the virus in Panama.

Temporary closures

The decree temporarily closes the following places:

- a. Entertainment: bars, nightclubs, canteens, pubs, casinos, party rooms, recreation areas for children, terraces, bowling, circuses, movie theaters, museums, convention centers and evening clubs, including those established in hotels, beach complexes and residential complexes, among others.
- b. Sports: gyms, soccer fields, tennis courts, swimming pools and stadiums, among others.

The decree also temporarily closes common or social areas of buildings, residential towers, houses or private homes, or properties subject to the Horizontal Property Regime. Parties or events held in those areas are prohibited.

Additionally, car washes are temporarily closed to help ration water throughout Panama. Likewise, recreational and garden activities involving water are prohibited.

Health control checkpoints

The decree establishes health control checkpoints for verifying compliance with the health standards established when the pandemic began. These health control checkpoints will be conducted by the health authorities. The health authorities may carry out the checkpoints by entering commercial and non-commercial establishments, private houses, beach houses, country houses, and properties subject to “horizontal ownership,” among others.

Supermarkets, restaurants, pharmacies and banks

Supermarkets must comply with health and hygiene safety protocols established by the Ministry of Health and protect their workers and consumers. They must place alcohol gel at specific points of the premises for public use. They also must have liquid soap and paper towels in their bathrooms.

Restaurants, pharmacies and banks should prevent crowds from forming on their premises and ensure that customers within these premises keep a meter of distance between them. Penalties will be imposed for failing to comply with this provision.

Private-sector entities

Private sector entities that must remain open because of the nature of their work activities must provide their employees with hygiene implements within their facilities. They also must display, in plain sight, banners and posters endorsed by the Ministry of Health that indicate the sanitary and preventive measures for COVID-19.

Media

The media (i.e., radio, broadcast and cable television, newspapers) should increase advertising and educational videos about sanitary measures and prevention of the virus.

Sanctions

The decree establishes that the sanctions in Law 40 of 2006 will be imposed for failing to comply with the decree’s provisions. Penalties will range from US\$10 to US\$100,000, depending on the fault and the authority imposing the penalty.

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EYG no. 001519-20Gb1

1508-1600216 NY
ED None

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