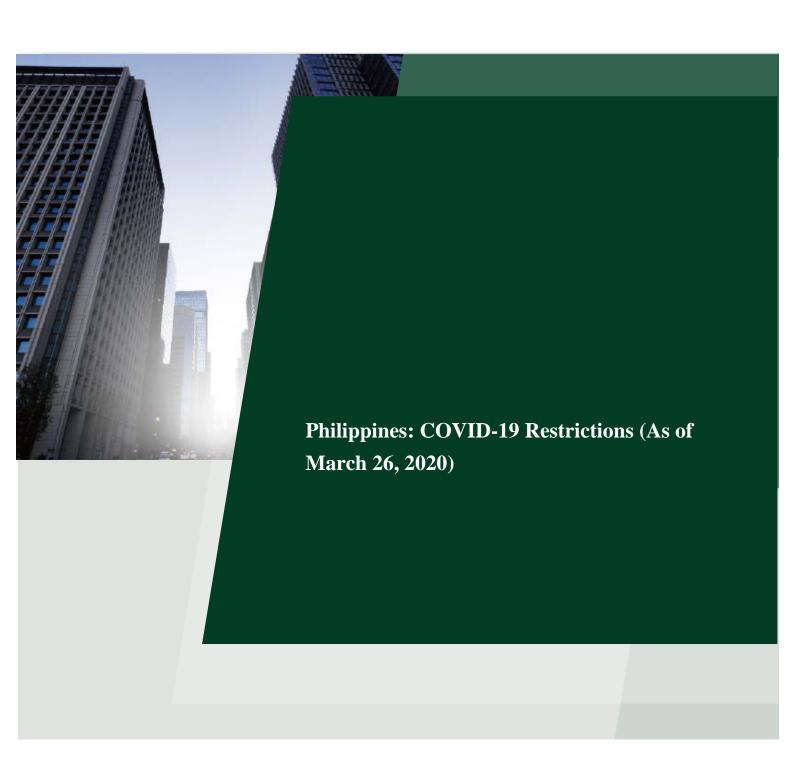
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*This article is based on the information as of March 26, 2020.

On 16 March 2020, the President declared a state of calamity throughout the Philippines for a period of six months due to the coronavirus disease ("Covid-19"), placing the entire Luzon (which includes the National Capital Region ("NCR")) on enhanced community quarantine and imposing stringent social distancing measures from 17 March 2020 to 13 April 2020.¹ The enhanced community quarantine implements a strict home quarantine in all households, suspended public transportation, regulated the provision for food and essential health services, and implemented a heightened presence of uniform personnel to enforce quarantine procedures. On 24 March 2020, the President signed into law the *Bayanihan to Heal as One Act* ("Bayanihan Act") which grants him additional powers to implement measures to fight the spread of Covid-19.

A summary in Q&A format of the latest guidelines issued by the Philippine government in response to Covid-19 follows. Since the situation is continuously evolving, we expect the Philippine government to regularly issue new guidelines or regulations which may supersede the information below.

I. GENERAL

1. Who are subject to mandatory home quarantine in Luzon?

Everyone, including foreigners, in Luzon is subject to mandatory home quarantine until 13 April. Subject to certain exceptions, all private establishments and government offices are required to close.

2. Which private establishments in Luzon are exempted from mandatory home quarantine ("Covered Enterprises")?

- a. Manufacturing and processing plants of basic food products, essential food products, medicine, and medicinal supplies:
 - i. all food,
 - ii. essential and hygiene products (soap and detergent, diapers, feminine hygiene products, tissue, wipes, toilet paper, disinfectant),
 - iii. medicine and vitamins,
 - iv. medical products such as personal protective equipment, masks, and gloves
 - v. retail establishments (groceries, supermarkets, hypermarkets, convenience stores, public markets, pharmacies, and drug stores),
 - vi. logistics service providers (cargo handling, warehousing, trucking, freight forwarding, and shipping line),
 - vii. hospitals and medical clinics,
 - viii. food preparations and water refilling stations,
 - ix. delivery services transporting only food, water, medicine, and other basic necessities,
 - x. banks and capital markets,² and
 - xi. power, energy, water, and telecommunications supplies and facilities, and waste disposal services,

¹ Presidential Proclamation No. 929 dated 16 March 2020.

² Central Bank of the Philippines, Securities and Exchange Commission, Philippine Stock Exchange, Philippine Dealing and Exchange Corporation, Philippine Securities Settlement Corporation, and Philippine Depositary and Trust Corporation.

- b. business process outsourcing establishments and export-oriented industries (e.g., Philippine Economic Zone Authority ("PEZA")-registered companies),³ and
- c. hotels or similar establishments but only to accommodate:
 - foreigners who have made booking accommodations on or before 17 March 2020 or who are in transit to leave the country,
 - ii. guests who have existing long-term leases,
 - iii. employees from exempted establishments, and
 - iv. Distressed overseas Filipino workers. 4

All Covered Enterprises are required to enforce strict social distancing measures and a skeletal workforce. Philippine offshore gaming operators (i.e. POGOs) are specifically excluded from those establishments allowed to operate for the duration of the enhanced community quarantine.

3. Are the mandatory home quarantine measures applicable outside of Luzon?

Local government units ("**LGU**") outside of Luzon are authorized to impose, and may have already implemented similar measures. We recommend checking the local regulations in the area of interest for any restrictions in place.

II. TRAVEL AND TRANSPORTATION

4. Is the movement of cargo allowed within, to, and from Luzon?

Yes. The movement of all types of cargoes (food and non-food) within, to, and from the entire Luzon is allowed. Persons moving cargo may be subject to random inspection and required to present the cargo manifest or delivery receipt indicating the destination, nature, and quantity of the loaded goods or cargoes.

5. What are the restrictions on domestic travel by persons to and from Luzon?

All domestic travel (land, air, and sea) to and from Luzon is prohibited. Travel of uniformed personnel for official business (e.g. Armed Forces of the Philippines, Philippine National Police, officials performing diplomatic functions) however are allowed.

The LGUs outside of Luzon may have imposed their own domestic travel restrictions.

6. What are the restrictions on international travel by persons to the Philippines? to Luzon?

<u>Inbound</u>

All foreign nationals are temporarily prohibited from entering the Philippines, except for (a) foreign government and international organization officials accredited to the Philippines with visas, and (b) foreign spouses and children of Filipino nationals ("Exempted Foreign Travelers"). This prohibition includes holders of both immigrant and non-immigrant visas (e.g. 9G visa (or work visa), PEZA visa) and special visa holders. This means that if a current visa holder leaves the Philippines, he/she will

³ Employers should provide personnel with temporary accommodation arrangements.

⁴ These are overseas Filipino workers who are eligible to avail of accommodation assistance from the Overseas Workers Welfare Administration (OWWA) pursuant to relevant OWWA guidelines and issuances.

not be allowed to re-enter the Philippines during the quarantine period unless he or she is an Exempted Foreign Traveler.

The Philippines has also temporarily suspended all visa issuances and visa-free privileges. All previously issued visas by the Philippine Foreign Service Post (i.e., 9A temporary visitor or tourist visa) are deemed canceled except those issued to Exempted Foreign Travelers. This however will not affect visa holders who are already in the Philippines (i.e., they may validly continue their stay in the Philippines).

Filipinos and Exempted Foreign Travelers entering Luzon must comply with the mandatory home quarantine. Those entering the Philippines outside of Luzon will have to comply with any quarantine regulations imposed by the relevant LGU.

In the absence of more stringent regulations, Filipinos and Exempted Foreign Travelers who (i) have travelled within the last 14 days to China, Hong Kong, Macau, North Gyeongsang Province, Daegu City, and Cheongdo County in South Korea, Iran, and Italy, (ii) was exposed to any person confirmed or suspected to have Covid-19, or (iii) works or has gone to a health care facility treating patients with or suspected to have Covid-19, are required to undergo home quarantine for 14 days.

Considering the evolving situation, travelers to the Philippines, especially non-Filipinos are advised to follow developments closely.

Outbound

Foreign nationals may leave the country at any time. Filipinos are not allowed to leave the country unless he or she is an overseas Filipino worker, living abroad, or a uniformed personnel travelling for official business.

Travelers leaving from a port in Luzon may be required to present proof of an international travel itinerary scheduled within 24 hours (e.g. ticket to an international flight that is scheduled to leave the Philippines in 24 hours or less).

7. Will the Bureau of Immigration renew a 9G visa (or work visa) that is expiring during the quarantine period?

The Bureau of Immigration has temporarily suspended the issuance of visas in the Philippines. A foreigner whose work visa will expire during this period, however, will be allowed to file their applications for extension within 30 days from the lifting of the quarantine period (i.e., when the Philippine government issues an order lifting the restrictions on freedom of movement and allows offices to fully reopen). In the meantime, they may remain in the Philippines.

III. WORKPLACE

8. What should the employer do if a Person Under Investigation ("PUI") is detected in the work premises?

A PUI is someone who:

- a. has traveled in the past 14 days to a country with local transmission of Covid-19, or
- b. was exposed to any person confirmed or suspected to have Covid-19, and
- c. exhibits symptoms of Covid-19.

If a workplace had a PUI, the Department of Labor and Employment ("DOLE") advises employers to:

- a. remind all employees and its personnel to practice good personal hygiene and social distancing, monitor their health including temperature checks at least twice daily, and if unwell, not to go to work, visit a healthcare professional immediately, and inform their supervisors or the Human Resources Department/administrators immediately,
- b. explore alternative work arrangements, and
- c. perform enhanced disinfection of workplace premises.

9. What happens when a confirmed case is detected in the work premises?

- a. The Department of Health ("**DOH**") will reach out to the employer,
- b. The joint DOH and LGU contact tracing team will assess who should be placed on quarantine and advise which area to vacate and cordon off,
- c. Employers are expected to cooperate and provide the necessary assistance and support to the contact tracing team, and
- d. Employers should carry out a thorough cleaning and disinfecting of the workplace premises particularly those that come in frequent contact, using 0.1% bleach.

10. What arrangements should a private employer consider for employees who are requested to stay at home or who are served a quarantine order for reasons related to Covid-19?

Employees who are requested to stay at home or serve a quarantine order due to Covid-19 may use any leave credits (e.g. service incentive leave, annual leave, sick leave, or any other leaves granted under company policy) he or she may still have. If the employees' leave credits have been used up, employers may grant a leave of absence without pay. Employers are encouraged by the DOLE to exercise flexibility and compassion in granting additional leave with pay, although this is not mandatory.

Employers and employees may also agree on other arrangements and are encouraged to explore other alternative work arrangements to cushion and mitigate the effect of the loss of income of the employees, although such mitigation arrangement is not mandatory.

11. Can a private employer reduce or suspend the work hours of its employees and their corresponding pay to cope with the current economic slowdown?

Yes. Private employers are allowed to impose flexible work arrangements as follows:

- a. reduction of workhours and/or work days wherein normal work hours or work days per week are reduced,
- b. rotation of workers wherein employees are rotated or alternately provided work within the week, or
- c. forced leave wherein employees are required to go on leave for several days or weeks utilizing their leave credits, if any.

Under the principle of "no work, no pay", an employer may proportionately reduce the salary of its employees when it reduces the number of their work hours or work days. If an employee is forced to go on leave, he or she may utilize his leave credits (e.g. service incentive leave, annual leave, sick leave, or any other leaves granted under company policy) so that he or she will continue to receive compensation for those days. If however an employee has no leave credits left, he or she will not

be entitled to pay.

12. What is the process to impose flexible work arrangements or temporary closure?

An employer should:

- a. meet with its employees to explore the adoption of flexible working arrangements,
- b. publish a copy of Labor Advisory No. 9, Series of 2020 in a conspicuous location in the workplace, and
- c. submit an Establishment Report on Covid-19 (form is attached to DOLE Labor Advisory No. 09, Series of 2020) to the DOLE as soon as possible.

The form requires the employer to provide general information about the establishment, the number of workers affected, their names, addresses, contact numbers, position, title, and salary.

13. Has the DOLE issued any assistance programs for employees in private establishments who have or will impose flexible work arrangements or temporary closure?

Yes. The DOLE has issued DOLE Department Order No. 209, Series of 2020, which implements a program ("CAMP") that offers financial support of PhP5,000.00 to employees in private establishments that have adopted flexible working arrangements as defined under DOLE Labor Advisory No. 09, Series of 2020 or temporary closure during the Covid-19 pandemic. This applies to all workers and employees, regardless of employment status.

14. What is the obligation of the employer in order for its employees to avail of the financial support under CAMP?

The private employer should submit online the following documentary requirements to the appropriate DOLE Regional Office or any of its provincial/field offices, which will then be evaluated by the DOLE:

- a. accomplished Establishment Report Form on the Covid-19 (see attached form to Labor Advisory No. 12, Series of 2020),
- b. Company payroll for the month of February 2020 or earlier (January 2020).

IV. COMMERCIAL ISSUES

15. Has the Philippine government imposed any regulations on rent relief?

Yes. Lessors and owners of business spaces are directed by the Department of Trade and Industry ("**DTI**") to waive the corresponding rental fees and charges of stores that were closed during the quarantine period. Since the relevant circular was issued prior to the declaration of an enhanced community quarantine over Luzon, it only applies specifically to establishments in the NCR.

It is unclear whether the DTI will extend the application to the entire Luzon and outside of Luzon where businesses are forced to close due to their own LGU's regulations.

The Bayanihan Act has also granted the President the authority to provide a minimum 30-day grace period on residential rents falling due within the period of the enhanced community quarantine, without incurring interests, penalties, fees, and other charges. This means that the President may

require landlords of residential properties to grant an extension on rent payment to their tenants.

16. Has the Philippine government imposed any regulations requiring the extension of loans?

Under the Bayanihan Act, the President has the power to direct all banks, quasi-banks, financing companies, lending companies, and other financial institutions whether public or private to implement a minimum 30-day grace period for the payment of all loans, including but not limited salary, personal, housing, motor vehicle loans, as well as credit card payments, falling due within the period of the enhanced community quarantine without incurring interests, penalties, fees, or other charges.

Several banks in the Philippines on their own initiative have already granted extensions on their loans and credit card payments subject to certain terms and conditions.

17. Has the Philippine government imposed a price freeze on any products?

Yes. The DOH has imposed a price freeze of essential emergency medicines due to the Covid-19 situation. This means that sellers can only sell medicine at the price prescribed by the DOH.⁵

The DTI, DOH, and Department of Agriculture ("**DA**") also imposed a price freeze on all agricultural and manufactured basic goods. Manufactured basic goods include canned fish and other marine products, locally manufactured instant noodles, bottled water, bread, processed milk, coffee, candles, laundry soap and detergent, salt. Agricultural goods include rice, corn, cooking oil, marine products, fresh eggs, fresh meat, fresh milk, fresh vegetables, root crops, sugar, and fresh fruit.

The price freeze will remain in effect until 15 May 2020. The DTI, DOH, or DA however may recommend to the President the imposition of a mandated price ceiling on basic goods if they find that the effects of Covid-19 still persist.

18. Is there a penalty for violating any price freeze measures imposed?

Yes. Companies or individuals that violate the price freeze may be subject to a fine of PhP5,000 to PhP1,000,000. Individuals responsible for the violation may be punished with imprisonment for one to ten years.

19. Does the President have the power to take over or direct the operations of any private businesses to assist in the efforts to fight Covid-19?

The Bayanihan Act only grants the President the power to direct the operation of (i) privately-owned hospitals, (ii) medical and health facilities, (iii) passenger vessels, and (iv) other establishments to house health workers, serve as quarantine areas, quarantine centers, medical relief and aid distribution locations, or other temporary medical facilities, and to ferry health, emergency and frontline personnel and other persons.

⁵ A list of the medicines and medical supplies and their minimum and maximum prices are listed in DOH Department Memorandum No. 2020-0058 and DOH Department Memorandum No. 2020-0058-A.

20. Will businesses be compensated in the event the President exercises its power to direct the operations of the private businesses for the purposes listed above?

Yes. Under the Bayanihan Act, the owners of the above enterprises will still maintain management and operation of the business. They are directed to render a full accounting to the President of the business as basis for appropriate compensation.

V. ENTERPRISES REGISTERED WITH THE PEZA

21. Are PEZA-registered enterprises restricted from operating?

PEZA-registered enterprises are generally considered export oriented enterprises, thus, they fall within the coverage of Covered Enterprises and can continue operating subject to any restrictions issued by the PEZA.

22. Can a PEZA-registered information technology enterprise ("IT Enterprise") allow its employees to operate outside of the ecozone to minimize the risk of transmission of Covid-19?

Yes, the PEZA has allowed IT Enterprises to undertake the following actions (also referred to as business continuity plans or "BCP"):

- a. work from home by certain employees who provide services identified by the IT Enterprise as critical,
- b. work from home by employees who exhibit symptoms akin to a person infected with Covid-19 but physically able to work,
- c. work from home by group/s of employees suspected of exposure to persons exhibiting symptoms of Covid-19 infection,
- d. reassignment or redistribution of employees to other PEZA-registered facilities of the IT Enterprise in other PEZA IT parks or centers,
- e. assignment of certain employees to work in facilities or buildings that are not PEZA-registered IT parks or centers, and
- f. other justifiable and reasonable courses of action to respond to Covid-19.

Within seven working days from the implementation of its BCP, the IT Enterprise should submit a letter addressed to the PEZA Director General signed by or emailed from the email account of any of its top three officials identified in the Economic Zone Monthly Performance Reports submitted by the IT Enterprise to the PEZA.

23. Can a PEZA manufacturing company operate outside of the ecozone to minimize the risk of transmission of Covid-19?

No. Unlike IT Enterprises, the PEZA has not allowed PEZA-registered manufacturing companies to undertake manufacturing operations outside their respective ecozone. Employees however who are not part of the actual manufacturing operations are encouraged to work from home when possible.

24. Has the PEZA imposed any requirements on PEZA-registered enterprises in relation to their operations within the ecozone?

All PEZA-registered enterprises are ordered to:

- a. provide shuttle buses for their workers to the workplace so that they can avoid taking public transportation and lessen their risk of exposure to Covid-19,
- b. implement thermal scanning of all incoming employees/visitors at building premises' entrances and before workers board the company-provided shuttle buses or vehicles,
- c. enforce social distancing in the workplace to reduce the risk of Covid-19 exposure,
- d. regularly disinfect their premises especially the production area where majority of workers are located,
- e. enforce a work from home arrangement when feasible, maintain a skeletal workforce on site, provide housing for workers either inside or near the ecozone, and
- f. implement measures for quarantine of registered enterprises' skeletal workforce in anticipation of the LGUs declaration of a lockdown in their respective area (if not declared already) to avoid contamination of ecozone premises and assure the continued operation of PEZA-registered enterprises.

25. Can a PEZA-registered enterprise voluntarily close their operations temporarily?

Yes. A PEZA-registered enterprise may voluntarily close their operations temporarily due to the following reasons:

- a. the lack of raw materials and importations due to closure or difficulty of receiving packages and logistics from foreign suppliers. This means that production of manufacturing or assembly-line companies in the Philippines cannot continue its operations due to the delay or stoppage of importation,
- b. shortage of workers who cannot report to work in the company located in ecozones and cannot travel due to absence of mass transportation and/or banning of public utilities by authorities.
- c. costly or not feasible for companies to provide housing facility and there is scarcity of spaces near the zones to house their workers, and
- d. some LGUs hosting ecozones or LGUs adjacent to or surrounding ecozones are inconsistent by issuing their own directives making it difficult for the PEZA-registered enterprise to operate or transport workers or cargo.

26. Can a PEZA ecozone opt to temporarily shut down?

A PEZA ecozone may temporarily shut down if there is a worker in the ecozone who tests positive for Covid-19. The ecozone however must first consult the companies located in such zone, company associations, and the PEZA.

Sources:

An Act Declaring the Existence of a National Emergency Arising from the Coronavirus Disease 2019 (Covid-19) Situation and a National Policy in connection therewith, and Authorizing the President of the Republic of the Philippines for a Limited Period and Subject to Restrictions, to Exercise Powers Necessary and Property to Carry Out the Declared National Policy and for other purposes ("Bayanihan Act")

Bureau of Immigration Advisory to the Public dated 19 March 2020

Bureau of Immigration Press Release: BI to implement DFA circular on suspension of arrivals dated 20 March 2020

Bureau of Immigration Travel Advisory: Inbound Travel Restrictions

Department of Tourism Administrative Order No. 2020-001-A dated 23 March 2020 (Amended Implementing Rules and Regulations Governing the Operation of Hotels and other Accommodation Establishments During the Period of Enhanced Community Quarantine)

DTI Memorandum Circular No. 20-04, Series of 2020 (Prescribing Implementing Guidelines for IATF Resolution No. 12 Issued by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases on Social Distancing and Business Operations ("IATF"))

DTI Memorandum Circular No. 20-08, Series of 2020 (Ensuring Unhampered Movement of Cargo and Transit of Personnel of Business Establishments Allowed to Operate During the Enhanced Community Quarantine of Luzon, amending for this purpose Memorandum Circular No. 20-06, s. 2020)

DTI Press Release: Nationwide price freeze on basic necessities in effect amid Covid-19 emergency dated 11 March 2020

DOH Circular No. 2020-0105 (Interim Guidelines on the Management of Persons under Monitoring suspected with Covid-19 for Home Quarantine)

DOH Department Memorandum No. 2020-0058 (Price Freeze of Essential Emergency Medicines Due to the Covid-19 Health Event)

DOH Department Memorandum No. 2020-0058-A (Amendment to Department Memorandum No. 2020-0058 dated 31 January 2020 Re: Price Freeze of Essential Emergency Medicines Due to the Covid-19 Health Event)

DOH Department Memorandum No. 2020-0108 (Guidelines for Management of Patients with Possible and Confirmed Covid-19)

DOLE Department Order No. 209, Series of 2020 (Guidelines on the adjustment measures program for affected workers due to Covid-19)

DOLE Labor Advisory No. 12, Series of 2020 (Guidelines on the Covid-19 Adjustment Measures Program)

DOLE Labor Advisory No. 09, Series of 2020 (Guidelines on the implementation of flexible work arrangements as remedial measure due to the ongoing outbreak of coronavirus disease 2019)

DOLE Labor Advisory No. 04, Series of 2020 (Guidelines on Covid-19 Prevention and Control at the Workplace)

Inter-Agency Task Force for the Management of Emerging Infectious Disease Resolution No. 13, Series of 2020 (17 March 2020)

Memorandum from the Executive Secretary dated 13 March 2020 imposing stringent social distancing measures and further guidelines for the management of the Covid-19 situation

Memorandum from the Executive Secretary dated 16 March 2020 imposing community quarantine over

the entire Luzon and further guidelines for the management of the Covid-19 situation

Memorandum from the Executive Secretary dated 18 March 2020 imposing additional guidelines for the community quarantine over the entire Luzon and further guidelines for the management of the Covid-19 situation

PEZA Memorandum Circular No. 2020-0016 (23 March 2020)

PEZA Memorandum Circular No. 2020-014 (16 March 2020)

PEZA Memorandum Circular No. 2020-011 (5 March 2020)

Presidential Proclamation No. 922 (Declaring a State of Public Health Emergency Throughout the Philippines)

Presidential Proclamation No. 929 (Declaring a State of Calamity Throughout the Philippines Due to Corona Virus Disease 2019)

