

ERNESTO  
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Dear Clients and Friends:

Please be advised that the press conference of the Federal Government held on yesterday evening, March 30, 2020 announced additional preventive measures as well as the Federal Government's declaration as a health emergency due to force majeure due to the epidemic generated by the virus SARS-CoV2 (COVID-19) which was confirmed and published in the Official Gazette of the Federation last night as well. The main additional preventive measures are summarized as follows:

- 1.- The suspension of all non-essential activities is ratified and extended from March 30th thru April 30th for all public, private and social sectors; except for those considered as essentials. Essentials, for economic reasons, were not defined.
- 2.- Meetings/gathering for more than 50 people are prohibited.
- 3.- Vulnerable people are not to work even on those essential activities.
- 4.- Now people 60 years of age and over are considered vulnerable. Previously, those 65 years of age and over were the ones considered vulnerable.
- 5.- The Health, Commerce and Labor Departments are to decide on steps to be implemented to gradually return to regular activities after April the 30th.
- 6.- Apparently a resolution/decreed will be published in the Official Gazette of the Federation that may include two Exhibits that will identify as "Essential Supplies, Goods and Merchandise" and "Services Supporting Plants Producing Essential Supplies, Goods and Merchandise", which the Under Ministry of the Health Department stated will be made available as soon as possible and published in the Official Gazette of the Federation (yet not made available or published).
- 7.- The Health Department shall oversee setting forth the actions that shall correspond to other authorities of the three levels of government.
- 8.- A sanitary emergency has been finally declared, but not a "sanitary contingency" as provided by the Mexican Federal Labor Law.

The Federal government also stated that might be penalties for lack of compliance; however, no further specifics were given

With respect to labor matters, please be advised that the resolution published yesterday does not authorize employers to suspend their labor relations with their employees. Therefore, by virtue of this declaration, employers are not entitled to exercise the right provided for in the Federal Labor Law, that is, they may not suspend their labor relations through the payment of an indemnification equivalent to one day of the general minimum wage in force for each day the suspension lasts. Apparently the language used in the preventive measures is intended so that the Federal Labor Law does not apply when it relates that the 30 day period is with minimum salary.

We will keep you posted on further developments as they become available.

Sincerely,  
Ernesto Velarde Danache, Inc.