



# CORONAVIRUS ECONOMIC MEASURES ANNOUNCED BY THE GOVERNMENT

## UPDATE - ORDINANCES 7820 AND 7821

Due to the effects of the Corona Virus pandemic on the Brazilian economic activity, significantly affecting the companies' cash flow, the Attorney General of the National Treasury – PGFN published two normative acts in the Official Gazette to suspend the deadlines for the practice of administrative acts of debt collection and to facilitate the renegotiation of tax debts.

Among the measures, **we highlight the suspension, for 90 days, of the deadlines for the following acts:**

- presentation of administrative challenges in collection procedures under the PGFN that deal with administrative procedures for recognition of tax liability (PARR), request for revision of debt enrolled in the federal government's debt register (PRDI), and exclusion from the PERT, among others

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- forwarding of certificates of tax debts to protest offices

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- implementation of procedures for the exclusion of overdue installments

In addition, the PGFN also provided facilitated conditions for the renegotiation of debts, with the reduction of the first installment to up to 1% of its value and deferral of payment of the remaining installments for 90 days, observing the other terms and conditions established in Provisional Measure 899/2019.

Thus, Ordinance PGFN 7820, of 03/18/20, establish conditions for the **extraordinary transaction** for collection of collectible debts of the Federal Government due to the effects of COVID-19, which has as object the debts registered and managed by the PGFN. It is intended, therefore, that the transitory situation of economic and financial crisis of debtors, resulting from the pandemic, be overcome, maintaining the source of income and the maintenance of jobs.

The transaction must be made by adhering to the PGFN proposal by accessing the REGULARIZE.

The debts may be paid in installments with the down payment corresponding to 1% of the total amount of debts to be transacted, divided into **three (3) equal and successive installments**.

#### **The balance will be divided into:**

- up to eighty-one (81) monthly installments, with the payment of the first installment deferred to the last working day of June 2020, for cases in general

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- up to fifty-seven (57) monthly installment in the case of social security contributions

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- up to ninety-seven (97) monthly installments for individuals, individual entrepreneurs, and micro and small businesses

In the case of debts already being paid in installments, it will be possible to join the extraordinary transaction provided that the installment in progress is withdrawn and upon the down payment of 2% of the consolidated value of the collectible debts, object of the transaction.

#### **The deadline to join the extraordinary transaction is March 25, 2020.**

The above measures were transmitted by means of Ordinances 7820 and 7821, both published in the Official Gazette of 03/18/20.

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