

GMS Flash Alert

2020-161 | April 8, 2020



Peru – COVID-19: Additional Fiscal Measures and Controls on Freedom of Movement

Due to the State of Emergency Peru is facing, several urgent decrees¹ have been published over the past few days establishing extraordinary measures concerning economic and financial matters, as well as more stringent rules around movement of individuals (including curfews) in order to:

- mitigate the negative economic effects of the crisis related to the pandemic; and
- prevent and control further spread of the coronavirus and COVID-19.

(For related coverage, see GMS [Flash Alert 2020-062](#), March 16, 2020.)

WHY THIS MATTERS

The decrees contain measures that are expected to bring some fiscal relief to companies, small businesses, and individuals facing financial difficulties due to the COVID-19 crisis. With the promulgation of these decrees, individuals can more readily access funds, earlier than would otherwise be possible, in their pension funds and CTS bank accounts and employers should see their and their employees' burdens lightened with a temporary suspension of their private pension fund withholding and payment remitting obligations.

The government has also introduced more restrictions on movement with the imposition of curfews and managed outings by individuals for purposes of shopping for essential supplies like food, medicine, and emergency supplies, etc.

Measures on Subsidies, Employment, Private Pension Fund Contributions, and Facilitating Access to Funds

Please find below the main measures adopted by Peru's government by means of these decrees:

Release of CTS (Complementary Annual Salary)	During the state of emergency, employees are entitled to withdraw up to PEN 2,400 from their CTS bank accounts.
Suspension of the Private Pension Fund Contribution (Peru social security)	The obligation to withhold and pay the mandatory contribution (10%) related to the private pension fund for the period April 2020 will be suspended for employers, without generating any penalties or fines.
Withdrawals of / Distributions from Social Security Funds	Individuals not included in a Peruvian payroll during the last six months are entitled to withdraw up to PEN 2,000 from their private pension funds.
Subsidy for payroll payments	Employers will receive an exceptional subsidy for each employee generating employment income related to the period January 2020. The limit will be up to PEN 1,500 per employee. For each employer, the subsidy will not be higher than 35% of the total monthly remuneration of their employees. Some requirements must be met.

[PEN (Peruvian sol) 1 = USD 0.299 | PEN 1 = EUR 0.275 | PEN 1 = CAD 0.420]

Social Measures; Curfews, Managed Outings, Face-Masks

In addition, as from April 3, 2020, only one person per family is allowed to go out to buy essential food and emergency supplies, according to the following schedule:

- Monday, Wednesday, and Friday: Only male individuals.
- Tuesday, Thursday, and Saturday: Only female individuals.
- Sunday: Isolation is mandatory for all individuals for the entire day.

For Lima, there is a curfew in place that goes from 6:00 pm until 5:00 am. In other regions such as Tumbes, Piura, Lambayeque, La Libertad, and Loreto, the curfew starts at 4:00 pm.

Finally, Supreme Decree No. 057-2020-PCM also establishes the mandatory use of face masks.

FOOTNOTE:

1 Some of the relevant decrees (in Spanish) are noted below:

Supreme Decree No. 057-2020-PCM (*Decreto Supremo N° 057-2020-PCM* at: https://cdn.www.gob.pe/uploads/document/file/574872/DS_057-2020-PCM.pdf).

Urgency Decree No. 034-2020 (*Decreto de Urgencia N° 034-2020* at: https://cdn.www.gob.pe/uploads/document/file/574665/DU_034-2020.pdf).

Urgency Decree No. 033-2020 (*Decreto de Urgencia N° 033-2020* at: https://cdn.www.gob.pe/uploads/document/file/572106/DU033_2020.pdf).

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Thought Leadership from KPMG

KPMG LLP (U.K.) Is Holding a COVID-19 Webinar Series: Tax & Legal Considerations

As businesses work through the government support measures available and adapt to the implications of COVID-19, a raft of issues are facing tax teams and business leaders. Businesses need to make sure they enhance the support available through tax, and that short-term measures taken today don't cause long-term tax or legal risks

Date: Thursday, April 09, 2020

Time: 12:00 PM BST

To register and for more information, click [here](#).

Please Take Our COVID-19 Spot Survey – Implications on Total Rewards Programs

As the challenges of COVID-19 continue, multinational organizations must evaluate their total rewards programs and identify both temporary and longer-term responses for their employees. KPMG has developed a 5-minute survey on the impact of COVID-19 on total rewards programs. Take the [COVID-19 Spot Survey – Implications on Total Rewards Programs](#)

Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Peru:



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