

When the going gets tough, the tough get going

GBS location information in the context of COVID-19



COVID-19 is hitting the GBS locations around the world

This document is part of the regular COVID-19 newsletter, which we hope will help you to effectively take your GBS (Global Business Services) organization through these exceptionally challenging times.

COVID-19 currently impacts all geographical areas:

- ▶ US and Latin America countries are increasingly hit by the COVID-19 spread and start to have workforce issues.
- ▶ EMEA is in the middle of lockdown, with quarantines, closed stores, restaurants and schools, and production coming to a halt. GBS organizations need to manage their business, largely making use of WFH.
- ▶ The impact on GBS organizations in Asia is currently decreasing - when it comes to China. On the other hand, the crisis might still hit stronger in large GBS/SSC countries like India and the Philippines.

The focus of the first newsletter edition is on Brazil, Poland and India.

GBS location details: 1st edition with focus on Brazil, Poland and India



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The world-wide EY GBS network will help you to with further insights where required. Please reach out to us.

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Please refer to your advisors for specific advice.

Focus countries: COVID-19 country-wise details

Brazil

COVID-19 trend per country

According to Brazilian government (March 26 report), April will be critical, as the COVID-19 curve is initiating its inflection, although there is no official estimation on when the curve will reach its peak. During the month of March, the number of infected people was below initial estimates. The positive results achieved in Brazil were due to the capacity of the government to detect the issue in advance, availability of the required infrastructure to assist the population so far and anticipated actions, such as total lockdown in the most critical overpopulated states (Sao Paulo and Rio de Janeiro) since middle March. On the other hand, in the previous years, there was low level of investments on health (hospitals and labs) which increases the risk to deal with the crisis in the days to come.

Regulations and Restrictions due to COVID-19

Brazil is experiencing different guidelines between the federal government and the state determinations regarding social isolation. The government of the most populated states (São Paulo and Rio de Janeiro) anticipated federal government orientation and established total social isolation and closure of commercial establishments in mid-March, positions which were criticized by the president, although reiterated by the Ministry of Health, whose guidance was that symptomatic patients, their families and the elderly not to leave home and for the rest of the population to avoid agglomerations. The month of March ended with no due date announced for termination of social isolation. The Minister of Infrastructure is providing ways to keep food supply chain unaffected, also making sure essential services (health, drugstores and food stores) are kept open and available for the population.

Concrete client examples of recurrent issues and mitigation

- ▶ Health and employee wellbeing: A GBS organization defined a communication strategy for the crisis, leveraging leadership to promote prompt guidance and a confident, truthful and positive agenda to the delivery center, also encouraging the people to extend this behavior to the rest of the organization. Collaborative platforms were implemented to enable virtual meetings, demonstrating that it is possible to combine work and family care at home. Frequent connections among team members were done connecting as many people as possible at all levels. The company also sponsored self-study to reduce the feeling of being unproductive and enabling with that new skills at the delivery center. For functions where remote work was not a possibility, the company emphasized social distance at the office and a high hygiene routine.
- ▶ Technology enablement: To deal with the IT infrastructure risks during the rapid home-office forced adoption, the company adopted processes to prevent exposition to involuntary data leaks and intrusions, among other threads. A crisis group was created, together with the IT department, to deal with cybersecurity, taking special attention to social engineering, such as the risk of phishing (fake apps or malicious emails), reviewing Information Security protocols and data protection tools, considering company data traffic increase in non-conventional environments. The delivery center innovation function is also trying to extract some opportunities from the crisis, to adopt some new practices even after the current moment, as a "new normal", such as increasing online meetings, remote jobs and also identifying areas where robotization of manual processes can be applied. The company made a fast assessment of its technological infrastructure at the delivery center (connections, equipment and accesses) to adjusted them for remote jobs. The biggest challenge was to re-define rules and organize the use of employees' infrastructure for business continuity (bring your own device). For that, many procedures were updated, such as standards and policies related to the collection, processing, data transmission and storage of key information inside and outside the corporate network.

Legal situation for HR-related issues

Some immediate decisions have been taken by the government to make labor rules more flexible. In this sense, the Brazilian government issued the following on March 22:

- ▶ Possibility of 25% salary reductions, respecting the minimum salary already established for each region. It is important to evaluate this hypothesis carefully and its impacts.
- ▶ Specific new rules for several procedures, such as individual and collective vacation, possibility of holidays anticipations, utilization of extra hours credits and suspension social security compulsory discount (FGTS) for three months with subsequent installments.

The government also evaluates some changes in payroll charges, such as a 50% reduction in the compulsory contribution to some entities or funds (like the "S" System) for three months.

Poland

COVID-19 trend per country

- ▶ According to the Polish Minister of Health the number of infections is going to increase rapidly (up to 500 new cases a day) in the coming days
- ▶ The Infection peak is predicted to be in the middle of April with around 9,000 cases (simulation using machine learning models done by ExMetrix company)
- ▶ The speed of the curve acceleration is strongly dependent on people's disciplined conduct to adhere to the government restrictions
- ▶ There are 10.000 beds available in 21 hospitals at the moment - this pool is going to increase over the coming days. The doctors alarm though that the state of the health system is quickly deteriorating due to infections among the medical staff.

Regulations and Restrictions due to COVID-19

- ▶ Lockdown-type control measures started on 10-12 March by announcing the "state of epidemic emergency", resulting in closing all schools and university classes and cancelling mass events
- ▶ On March 20 the government announced the "state of epidemy" imposing further restrictions on the society. Lock down is imposed till at least April 13
- ▶ People are permitted to commute only for critical reasons like: work, other activities necessary for people's day to day life
- ▶ Non-essential travel is forbidden. On March 15, Poland closed its land and air borders and they will remain closed till at least April 13 only allowing Polish residents, citizens and those with immediate Polish family to enter Poland. Foreigners are not allowed to enter Poland unless they have a valid reason
- ▶ All commercial flights are cancelled, whenever possible Polish citizens returning home are advised to use road transportation
- ▶ People returning to Poland are required to be quarantined for 14 days. Government developed a mobile app that is supposed to help in monitoring quarantined people
- ▶ Only post and cargo shipments can cross Polish borders without detailed inspection and professional drivers (driving trucks) don't need to undergo quarantine
- ▶ Daily cross border commuters have to decide in which country they would like to stay for the duration of the epidemic. Those crossing the border on and after March 27 will need to quarantine for 14 days
- ▶ Polish politicians are debating over how to "resurrect" polish economy after the pandemic is finished and the content of the "antycrisis shield" ("specustawa - tarcza antykryzysowa") - the bill is stuck in Senate
- ▶ New restrictions have been communicated by the government on the March 31 at noon - starting to enter into force as of April 1 e.g.: all companies that requested their employees to work out of their office buildings are required to secure disinfectants. The police is supposed to focus more on checking the reason of people who are commuting; the scope of mandatory quarantine is increasing: people living in the same household as person sent for a mandatory quarantine are being automatically quarantined as well.

Economic situation

- ▶ According to Mercer survey 80% of the SSC companies in Poland had their Business Continuity Plans ready in the beginning of the pandemic and 70% of them were able to switch into remote working immediately
- ▶ Above 70% of surveyed companies think that coronavirus will impact their business. Most common consequences of the pandemic are project shifts
- ▶ During first days of the crisis 30% of employees in the industry decided to work from home, currently everyone who has this possibility is advised to work remotely from home

Legal situation for HR-related issues

- ▶ Expected overall drop in employment and salaries. The market is expected to shift from an employee market to employer market
- ▶ People working in industries other than logistics, related to food processing and distribution, pharma are expected to stay home Businesses that have this possibility are shifting towards remote working
- ▶ Some companies are trying to convince employees to take forced vacation during the epidemy

- ▶ The government is trying to avoid mass layoffs and commercial companies are impatiently waiting on signing the “specustawa” in order to understand if they will get sufficient support from the government in order to keep their solvency. Proposed solutions:
 - Either deferral or remission of tax payments
 - Governmental re assurance for extension of credit lines
 - Losses being the result of the pandemic, could be written off against 2019 earnings
 - The government will cover part of the salary cost of employees
- ▶ Employees working in grocery shops and discounts are moving to working in shifts, where people changing shifts are not meeting each other in order to reduce the risk of having all staff infected at a time.
- ▶ Recruitment by using digital tools (skype etc.) is becoming more popular during lockdown. Increased demand for new employees in the food industry, logistics/transportation, pharma and manufacturers of hygiene products.

India

COVID-19 trend per country

- ▶ As of 31 March 2020, according to the Ministry of Health & Family Welfare, a little over 1500 COVID-19 cases have been reported. Of these there are 53 deaths.
- ▶ 70% of the confirmed cases are from seven Indian states with Maharashtra (Mumbai and Pune located in this state) being the most affected ones.
- ▶ India has also restricted the export of about 26 active pharmaceutical ingredients & formulations, including antibiotics, vitamins and hormones.
- ▶ OEMs have stepped in to manufacture ventilators to combat the limited medical equipment supply in the country. There is active research in place to have a single ventilator to be used on multiple patients
- ▶ 20,000 Coaches of Indian Railways are being urgently refurbished as mobile intensive care units with ability to reach every part of India to meet exigencies

Regulations and Restrictions due to COVID-19

- ▶ 21-day national lockdown with effect from March 25 2020. Only the essentials services remain open
- ▶ All incoming international flights and domestic flights have been suspended
- ▶ As of March 25 and until April 15, all visas have been suspended except for diplomatic, official, UN/international organizations, employment and project visas
- ▶ COVID-19 testing originally restricted to 62 approved testing facilities but later it was extended to another 126 facilities. As of March 31 2020, the daily testing capacity is extended to 13,000 tests per day
- ▶ On March 26 2020, an economic relief package of INR 1.7 lakh crores under the PM Garib Kalyan Yojana including both cash transfer and food subsidy, was announced and is under active implementation.
- ▶ Relief measures announced relating to statutory and regulatory compliance matters in the areas of income tax, GST, customs and central excise, corporate matters, Insolvency and Bankruptcy Code (IBC), fisheries, banking sector and commerce. In particular, these initiatives included the extension of tax filing dates, waiver of minimum account balance charges and ATM withdrawal charges and easing of business rules. On the same day, a provision of INR 15,000 crores was made to strengthen India's health infrastructure.

Concrete client examples of recurrent issues and mitigation

Challenge: Limited technology infrastructure; While continuity plans are activated at company level, instances of data centre outages have been experienced

Mitigations implemented:

- ▶ Extended shifts (12-14 hours, 7 days a week) with overtime payments for employees with working laptops while remaining have remote system access
- ▶ Lumpsum allowances to employees to upgrade their WFH capabilities

Challenge: Privacy challenges being encountered in work-from-home situation; High reliability bandwidth requirement for critical functions

Mitigations implemented:

- ▶ Using Virtual Machines as a means to ensure data security
- ▶ Working with local governments for on-premise passes for critical functions
- ▶ Cross skilling of teams to use spare capacity available as demand in contact centre increases
- ▶ Prioritizing and servicing critical incident call types - such as VPN disconnects, Skype shutdowns etc.

Legal situation for HR-related issues

Recruitment

- ▶ The Ministry of Labour & Employment, Government of India advised on March 20, that all public and private organizations are to refrain from terminating the services of their employees or reducing their wages.
- ▶ Hiring freeze has been widely executed across corporates

Employee Benefits & Engagement

- ▶ 1:1 check-in calls from COVID-19 volunteering team to employees who stay alone

- ▶ Employee assistance helpline for quick help, emotional support etc.
- ▶ One-time blanket pay-out across levels to cater to any employee needs (no bills needed) - e.g. Wi-Fi, essential etc.
- ▶ For employees testing positive for COVID-19, medical insurance support along with unlimited paid leave has been provided

COVID-19 country information in alphabetical order

Argentina

COVID-19 trend per country

The infection is still in the early stages. There are currently around 800 infected and 20 dead as of March 31. The peak of infections is expected for late April / early May

Regulations and Restrictions due to COVID-19

The national frontiers are closed. All people must stay at home except for critical activities: health services, food manufacturing and distribution, supermarkets and groceries stores, security (police, army, firemen), media and newspapers, etc. This situation started on March 20 and was extended until April 13.

Concrete client examples of recurrent issues and mitigation

Not all organizations are prepared for home-office. They are trying to keep operations normal, but it's difficult to have all the resources in place to work remotely. Payments are delayed as the cash-flow situation of most companies is complex.

Legal situation for HR related issues

Labour laws protect the workers. No unpaid leave, except for "justified cause" which is very difficult to prove and doesn't apply in the COVID-19 situation. Some companies are giving vacation but it's not clear if forced vacations are legal in this context.

China

COVID-19 trend per country

The infection peak was in early to mid February. China extended the Chinese New Year Holiday, and asked people to work from home in February to achieve lower infection rates.

Regulations and Restrictions due to COVID-19

Wuhan was locked down, other cities have VERY strict control on transport but didn't lock down officially. For a certain period - they enforced people to stay at home even at compound level and enforced 14 days quarantine for people who travelled between cities. When the situation outside China deteriorated, China enforced 14 days quarantine for people who enter China from abroad with current closure of borders for all foreign travelers.

Concrete client examples of recurrent issues and mitigation

How GBS organizations currently react to the situation:

Organization and People Management

- ▶ Emergency response plan
- ▶ "Double 1-3-1" working method
- ▶ Employee health data management

Digitalization and IT

- ▶ Reliable VPNs
- ▶ Online working software
- ▶ Flexible configuration of bandwidth and server

Data Security

- ▶ Encrypted data transmission, storage and destruction

Performance and SLA

- ▶ Refined KPIs to avoid impacts on team morale
- ▶ Proactively adjusted SLA based on MTPD

Colombia

COVID-19 trend per country

Colombia has 1.100 cases with 17 deaths so far (as of April 2). The peak of infections is expected by mid-April. The Colombian government has estimated potentially 200.000 cases with 5% of total deaths.

Regulations and Restrictions due to COVID-19

Since March 20, Colombia is locked down and this situation will last (initially) until April 13. It impacts all sectors, except those which are fundamental (Food, Pharma, Utilities and Health Services). National frontiers are closed.

86% of the population has been deeply impacted by the situation. GDP forecast was 3.5% before of COVID-19, but now the best scenario is -1.5%. Unemployment will rise by 22% (forecast).

The government is permanently monitoring the frontier with Venezuela for migration issues.

Concrete client examples of recurrent issues and mitigation

Most of GBS/SSC are focused on having the lights on. Transactional processes continue to be fundamental for operations. However not many organizations are prepared for remote operations.

Many organizations are slowing down operations and are having critical cash flow situations.

In this situation, several GBS organizations are redefining priorities. Probably modernizations and digital transformation projects will be by postponed. Cost reduction initiatives will take the lead in GBS priorities.

Legal situation for HR-related issues

No official guidelines, but different actions across the GBS sector:

- ▶ Forced vacation
- ▶ Unpaid leave
- ▶ Potential salary reductions
- ▶ Slowing down in hiring new staff

Costa Rica

COVID-19 trend per country

The country has imposed several measures to contain the spread of the virus. Borders have been closed to foreigners and citizens/residents. Those who return to the country, have to comply with a 14 day quarantine which is supervised by government officials. Authorities expect a peak in late April depending on the new case trends. Private labs have been authorized to conduct tests at accessible prices to the population. The government is working to inform its citizens and to reassure hospital capacity for people who need care.

Regulations and Restrictions due to COVID-19

Entertainment venues, gyms, education centers and other establishments have been closed until April 14. This date can be extended based on new case trends. There is a strict vehicle circulation restriction at night on weekends from 8pm to 5am. Restaurants and shopping malls have to operate at a 50% maximum capacity. The government has a strict work from home policy for several employees based on positive experiences from the private sector. The government passed a law which allows businesses to suspend temporarily labor contracts in order to preserve jobs and avoid a significant spike in the unemployment rate. In addition,

a stimulus plan is expected to be approved in the following weeks to support SMEs. This plan includes: loan guarantees, tax breaks and payment deferrals, unemployment checks to people who lost jobs, amongst others.

Concrete client examples of recurrent issues and mitigation

- ▶ Work from home policy is almost fully established among most of the shared service centers;
- ▶ There were some initial challenges because not necessarily all SSC had a BPC and remote working approach implemented.
- ▶ Some of the SSC / GBS organizations have staffing issues due to the crisis.

Legal situation for HR-related issues

The Labor Ministry is handling unemployment cases, labor termination agreements and is reviewing if companies who have submitted temporary contract suspensions, qualify. Unfair job termination cases are reviewed by officials in order to determine if companies complied with the law and employees received severance payments.

Czech Republic

COVID-19 trend per country

- ▶ The infection peak is predicted to occur in the 2nd half of April. Estimates, however, vary based on compliance with established countermeasures.
- ▶ Self-imposed restrictions and other government-imposed restrictions seem to be working in favor of decreasing the infection rate.
- ▶ The growth of new cases is below the standard exponential curve as the number of new cases was the lowest in the last 6 days on March 30.

Regulations and Restrictions due to COVID-19

- ▶ Lock-down was initially imposed until April 1 but has now been extended until April 11.
- ▶ Borders are closed and it is not allowed to leave or enter the country. Air transport is very limited and is mostly focused on repatriation of Czech citizens and for the transportation of foreigners out of the country. Czech citizens returning from anywhere from abroad have to undergo a two-week self-quarantine. Ground transport is also limited for domestic services only. Free movement of people in the country is restricted. Only necessary routes (work, family, groceries related trips) are allowed.
- ▶ It is mandatory to wear a face mask while in public. Maximum of two people can gather in public.
- ▶ With effect until April 11 2020, retail services shall be prohibited, with few exceptions out of which the most important are the following: grocery stores, petrol stations, pharmacies, drugstores, animal feed and other pet supplies. All schools, universities, theaters, movie theaters, sports centers, bars, etc. are closed with no exceptions. Restaurants can operate in the form of a sales window/ delivery.
- ▶ The government explicitly recommended that employers should use as far as possible home office if employees can do it at their place of residence. If home office is not possible, employers should provide people with time off or leave - if feasible.

Concrete client examples of recurrent issues and mitigation

- ▶ Serious issues with connectivity due to an increased pressure on network bandwidth and server computer capacities, issues connecting remotely due to VPN capacity as well as Outlook issues due to over-utilization of the domain controllers by authentication requests. Mostly observed within first two weeks, IT teams are intensively working on stabilization. Large centres were dealing much better with switch to WFH routine.
- ▶ Remote working is mandated for employees at more than 80% of Czech centers already, with 96% planning to deploy home office. Strict rules apply for any required office visits. Apart from connectivity issues, many centers have managed the shift to full remote work quite well.
- ▶ Some centers are experiencing a slowdown in operations and processing requirements due to factory closures or break-downs in supply-chain. This trend is not yet translating into headcount reduction plans.
- ▶ Czech centers are in some cases also taking over some processing capacity from regions heavily impacted by lockdowns, including India.
- ▶ Many centres have started with re-evaluation of spending on temporary workers, contractors and other services and cost reductions.

- ▶ Not such a strong impact on HR area - most of the centers continue hiring and onboarding (as for now). The recruitment and onboarding training has been re-designed to a fully online experience.

Legal situation for HR-related issues

- ▶ The government calls on employers not to lay off their employees unnecessarily, so to not raise the wave of unemployment. To support this, the government has introduced the following:
 - Employers pay 60 percent of the earnings base to people in quarantine. Majority of these expenditures should be reimbursed to the employer by the Labor Office.
 - Employees of operations closed as a result of introduced government measures should receive their full average earnings according to the Labor Code. The state should pay 80 percent of it (not applicable for GBS sector, as for now)
 - Interest-free loans for SMEs to finance the damage caused by the introduction of restrictions to decrease the spread of the virus (not applicable for GBS sector)
- ▶ It is possible to agree on taking unpaid leave only if it corresponds with employee's interests. However, such condition must be an agreement of both parties. The employer cannot unilaterally order the employee to take compensatory leave.
- ▶ To allow companies to hire new employees, the government has lifted the legal requirement for a medical check and replaced it with a health declaration by the future employee.

Hungary

COVID-19 trend per country

The infection peak is expected in June/ July in Hungary.

There is a credit moratorium in place till the end of the 2020 - equally valid for companies and individuals

It was announced that the healthcare system is prepared to attend a huge number of patients. Other economic measures will be announced soon which are expected to help the economy remain stable.

Regulations and Restrictions due to COVID-19

Currently Hungary is locked down till April 11 but self-separation started earlier than the official lock down announced by the government. People are advised to go to work, groceries and pharmacies, only, however they are not restricted to go for a walk for example, but you need to keep 1.5 meters distance from strangers on the streets

Borders are locked for individual travel to leave Hungary, with an exception for people who are commuting at the Hungarian-Slovakian and Hungarian-Romanian borders. The ones who are living within 30 kilometers of these borders can still commute.

Air transport is very limited and is mostly focused on repatriation of Hungarian citizens and nationals and for the transport of foreigners from the country. Airlines started to operate flights for cargo instead of passenger travel.

Road transport is not limited though, so international trucks are allowed to enter the country.

Shops other than groceries, pharmacies, and petrol stations can only be open by 15:00. Restaurants can be open, but have to provide take-away service.

Schools went on remote teaching. Daycares are not closed though by the law, to make sure that they can deal with kids whose parents could not manage supervision for them (max group size 5)

Concrete client examples of recurrent issues and mitigation

All centers established remote work - no major issues were reported so far.

Cyber security is a concern, no reported cases though

Legal situation for HR-related issues

There is no government communication in this respect yet for the current situation. The law allows companies to limit vacation to 7 days per year that the employee can legally request, the rest could be the decision of the employer. So far it looks as if companies rather try to help the employees and do not send them on forced leave. We also see cases where even though shops had to be closed, the management allocate certain funds to pay their employees even though they cannot go to work.

Ireland

COVID-19 trend per country

Per March 31 there are 3235 cases with 71 deaths (Population 4.8 million). Social distancing measures have been in place since mid-March. Health authorities expect a surge over the next 2 weeks with a peak predicted for mid-April. In addition to restrictions, the government has taken over all private hospitals for the next 6 months to ensure enough ICU, beds, facilities, and healthcare workers.

Regulations and Restrictions due to COVID-19

Restrictions have been incremental since mid-March. Ireland had a general election in February and only has a 'caretaker government'. However, there has been cross party agreement and cooperation to pass legislation needed for this crisis.

Summary key restrictions in place until mid-April:

- (1) Only essential workers can continue to travel to work, everyone else must work from home. Non-essential services and retail closed
- (2) Only leave home to shop for food or essential items
- (3) Only essential stores (food, pharmacy) are open unless there is a delivery service
- (4) Over 70's must stay home. People can exercise only within 2km of home but only with members of same household.
- (5) Public transport restricted to essential workers only

All schools, colleges etc. closed. Childcare facilities also closed.

Air Transport still operating on a limited basis but passenger numbers down 95%. Cargo still coming in and out of the country, borders remain open.

There has been significant increase in businesses moving to a delivery model (restaurants and food providers) as

Financial Services - there is a moratorium on mortgage payments for 3 months for people who have lost their job due to COVID-19. There is also a moratorium on notices to leave rental accommodation and a moratorium on rent increases for the duration of the COVID-19 pandemic

General compliance and cooperation with population - has been no issue with food supply chains etc.

Concrete client examples of recurrent issues and mitigation

Key trends

- ▶ Many GBS organizations equipped for remote work to some degree - the challenge has been to ramp up to 100% of remote working with all employees and keep operations going
- ▶ Network capacity (and VPN access) causing issues
- ▶ As schools and childcare facilities are closed employees are trying to significantly flex working hours amidst homeschooling.

1 Client Example (Utilities Client)

- ▶ Remote access possible for staff but working from home is not the cultural or accepted norm. Additionally, employees must have their own laptop or home PC to do so. The company is trying to source additional laptops for employees who don't have home laptops (or spouses also working from home so only one in the household)
- ▶ The client organization is currently adding an FP&A CoE to its GBS centre: this project is continuing remotely, not interrupted. However, the decision on actual 'go live' will not occur remotely.
- ▶ Critical projects continue (e.g. SAP s4 upgrade). Non-critical projects being assessed on a case by case basis

GBS Client B Multinational Manufacturing Organization

- ▶ No official homeworking policy but all GBS employees set up to work from home. All infrastructure is set up online. No real technical issues as the client company is having a relatively new GBS centre
- ▶ Fully paperless, positive upside: suppliers paying by cheque have switched to EFT
- ▶ In terms of productivity, teams doing daily catch up. Work has not been interrupted.
- ▶ Month end going smoothly, people are able to work with no interruptions
- ▶ There is some Knowledge Transfer ongoing for new entity migrations which is proceeding remotely
- ▶ All GBS employees moved to a 4 day week from April onwards to counteract and manage the negative revenue effects from drop in sales.

Legal situation for HR-related issues

So far financial measures put in place amount to approx. €3.7bn for 12 weeks to ease the burden across companies and employees

- (1) Government introduced a payment of €350 per week for anyone who loses job due to COVID-19
- (2) There is a wage subsidy scheme in place to help employers keep people employed if their business has been affected, refunding fund employers up to a maximum of €410 per week per employee.
- (3) Redundancy payments cannot be claimed between the March 13 2020 to May 31 2020

Labor laws remain the same (i.e. as far as unfair dismissal etc.)

Expedited process for hiring healthcare staff (e.g. former nurses, retired doctors).

Latvia

COVID-19 trend per country

- ▶ Currently there are 446 confirmed cases (March 31): 446, no official predictions about the infection peak have been released yet.
- ▶ The Latvian government has now placed a business relief program for businesses affected by the crisis, first monetary amount mentioned around 1 billion EUR.
- ▶ An extension of tax payment terms has been agreed: 36 months, no sanctions for postponement of the payments, some sectors could have longer extensions; extended deadline for submission of annual reports: + 3 months.

Regulations and Restrictions due to COVID-19

- ▶ The state of emergency was announced on March 12 and will stay in effect until April 14. It is highly likely to be extended - per legislation it could be up to 3 months.
- ▶ All kind of international passenger travel has been halted since March 17; apart from the repatriation flights, cargo traffic is still open.
- ▶ Outer-EU-border control has been placed on the Russian and Belarus border, subsequently the border is now closed.
- ▶ Recent restrictions: 2 persons (or more if members of the same household) by 2m outside and inside, similar as in Germany and Estonia.
- ▶ Shopping centres are closed on weekends, apart from the grocery stores, construction stores, etc. Some catering places are still open, all customer-providing sites are closed (theatres, cinemas, fitness clubs etc.).

Concrete client examples of recurrent issues and mitigation

- ▶ Work from home policy is enabled, but it is not possible for all companies.
- ▶ People who have no alternatives still travel to work by public transport but by complying with the necessary physical distancing restrictions.

Legal situation for HR-related issues

- ▶ Most businesses enable remote working conditions.
- ▶ There is a downtime allowance available for the employees of businesses forced to close for the duration of the state of emergency / crisis: max 700 EUR per employee for 2 months, should comply with specific financial criteria.
- ▶ By law it is not allowed for businesses to force employees to go on unpaid vacations, however, collective lay-offs have been now submitted by multiple businesses.

Lithuania

COVID-19 trend per country

- ▶ The infection peak is predicted to be in early May, however there are some signs that the infection rate might be slowing down, which might bring the peak to occur as early as late April.
- ▶ Infection rates, hospitalization rates, death rates, etc. are similar to other European countries. The only outstanding issue is the high number of infected medics.
- ▶ Restrictions imposed by government seem to be positively affecting infection rate. Shortage of medical equipment seems to be taken care of for the most part. Lithuanian government endorsed a package of business relief measures, worth 2.5 billion euros.
- ▶ There is strong support from Lithuanian businesses: raising funds, allocating production capabilities towards medical gear, organizing hackathons, etc.

Regulations and Restrictions due to COVID-19

- ▶ Lock-down was imposed on March 14, now it has been made stricter and extended until April 13. All cafes, shops (except food stores and pharmacies), client servicing points have been closed, people are not allowed to gather in groups larger than 2 people, etc.
- ▶ Residents are not allowed to leave and foreigners are not allowed to enter Lithuania except for special cases. Residents coming back from foreign countries must self-quarantine for 14 days.
- ▶ Ground transport is not currently restricted, just highly not recommended. No areas / cities are currently closed.

Concrete client examples of recurrent issues and mitigation

- ▶ Work from home policy is almost fully realized and become a new normal; there were some initial challenges of transitioning to fully remote working, some organizations lacked equipment, but managed to cope with it in a timely manner for the most part.
- ▶ No major issues with work/productivity monitoring, however some organizations don't have the optimal tools for that.
- ▶ Utilization and speed of performing tasks seem to be mostly unaffected (productivity might be slightly decreased, but it is compensated by not having various trainings and other activities etc.)

Legal situation for HR-related issues

- ▶ Companies are strongly recommended to enable remote working whenever it is feasible to do and most businesses are following this recommendation
- ▶ Businesses are allowed to announce forced vacation for employees if conditions apply (reduced orders, stoppages, etc.) that the due to which the employer is no longer able to provide the employee with a job. The inactivity can be announced for a fixed or indefinite period. Employers, regardless of their economic activity, are able to apply for an employee's wage subsidy if they announce the downtime to employees.
- ▶ It is the duty of the employer to take common measures against the spread of the infection - disinfection of workplace areas, etc.

Malaysia

COVID-19 trend per country

- ▶ As of March 30 2020, the total number of confirmed cases is 2626. It is observed that the % average daily growth is 11.7% based on the Covid-19 statistic reported for the past 2 weeks
- ▶ Malaysia's aggressive testing strategy "test per million capita" could result in higher reported infection numbers, which might lead to milder development and mortality
- ▶ As of March 29 2020, Ministry of Health (MOH) updated that all training institutes will be prepared to be used as COVID-19 quarantine centers (an additional 19,200 beds) to house patients with mild symptoms; Hospitals would be reserved for moderate and critical cases
- ▶ As the Movement Control Order (MCO) is extended from 2 weeks to almost 1 month, the government announced that the Economic Stimulus Package (ESP) will be expanded to MYR 250b by adding MYR 230b to the MYR20b a month ago. The ESP will be channeled to preserve people's welfare, support SMEs and to strengthen the economy

Regulations and Restrictions due to COVID-19

Malaysian Government issued the Movement Control Order (MCO) effective March 18 to 31 2020, and now extended to April 14 2020

- ▶ Restriction of movement within the country: Malaysia Government announced Movement Control Order (MCO) to contain the COVID-19 outbreak, from March 18 2020 to April 14 2020
- ▶ Shutting down government and private premises: Businesses/Premises providing essential goods and services may be opened provided that the number of personnel and patrons at the premises shall be kept to the minimum
- ▶ Travel ban: Malaysians are not permitted to leave, and non-citizens are not allowed to enter the country. Malaysians overseas may return, provided that they undergo medical examinations upon their arrival and subject themselves to a 14-day quarantine. For non-citizens wanting to enter Malaysia, only those with diplomatic status, permanent residents and expatriates with working visas involved in essential services will be permitted to do so on a case-by-case basis and will also be subject to a 14-day quarantine upon entry

Concrete client examples of recurrent issues and mitigation

Example Client #1: Global body of professional accountants

- ▶ This GBS organization is digitally-enabled with modern workplace tools and previously has introduced flexible working arrangement policy in Y2019 (based on job requirements and management approval)
- ▶ One of the employee commented that the operation in GBS is as usual as most employees have been trained to work on a virtual environment and hence are more agile in adapting to Covid-19 circumstances iii. In addition, GBS team also organizes daily internal team alignment meeting (e.g., time spent on the call is equivalent to the time spent physically in office)

Example Client #2: National Power and Utility provider

- ▶ This GBS organization is heavily relying on hard-copy documentation for their daily operation tasks, hence employees find it challenging to work virtually (e.g., prefer face-to-face meetings). The poor infra/connectivity also reduces the work effectiveness/productivity
- ▶ As the client falls under "Essential Service Provider" category, the employees take turns to return to the office to perform daily and urgent tasks at the moment.

Legal situation for HR-related issues

- ▶ The Employment Guidelines (to deal with Coronavirus) that Ministry of Health (MOH) issued are not legally binding and were previously issued in respect of a quarantine order and not a movement control order (MCO). ii. Employees who are unable to work from home might experience annual leave deductions or unpaid leave during the MCO period (Note: Only if the businesses face financial difficulties and employers' last resort to prevent retrenchment)

Mexico

COVID-19 trend per country

Till March 31, there have been 1,215 positive cases and 29 deaths caused by COVID 19 in Mexico. As of March 30, the state of sanitary emergency was declared in Mexico.

Regulations and Restrictions due to COVID-19

- ▶ The suspension until April 30 of non-essential activities in the public, private and social sectors has been ordered.
- ▶ In the sectors determined as essential, meetings of more than 50 people should not be held and basic hygiene, prevention and healthy distance measures should always be applied.
- ▶ The entire population residing in Mexican territory is encouraged to comply with the co-responsible domiciliary receipt (voluntary limitation of mobility).
- ▶ Home protection is strictly applied to anyone over 60 years of age, pregnant women, or people with chronic or autoimmune diseases.
- ▶ After April 30, the Health Secretariats, in coordination with the Labor and Economy Secretariats, will issue guidelines for the gradual resumption of activities.
- ▶ All censuses and surveys are postponed until further notice.
- ▶ All measures must be applied with strict adherence and respect for human rights.

Concrete client examples of recurrent issues and mitigation

- ▶ Work from Home is being applied by some companies; the use of tools for video conferencing is easier than ever, also accessible for most companies.
- ▶ Some companies need to have critical people on-site; they do so, alternating teams on weekly basis.

Legal situation for HR-related issues

So far there are no specific guidelines for companies to apply to their workers. On March 30, the general health council instructed the labor ministry to operate the necessary measures in order to protect companies and workers during the crisis, establishing permanent communication with their representations and the application of the social support decisions agreed by the president of the Republic.

Philippines

COVID-19 trend per country

- ▶ To date, April 1, current number of COVID-positive patients are at 2,311. Total fatalities at 96 (4%) while total number of recovered patients at 50 (2%).
- ▶ New testing centers have been approved across the country vs just one in the past 2 months, and donated test kits from China and Singapore have already arrived which further accelerated identification of COVID positive patients. Despite this, there is a huge backlog of pending test results. The infection curve is still expected to rise in the next two weeks.
- ▶ Hospitals are getting full and lack of ICUs, PUI isolation rooms, and COVID-19 positive treatment rooms including critical equipment such as ventilators.
- ▶ Private sector and citizens actively involved in funding for acquisition of PPEs, supporting the unemployed and providing aid to health workers.

Regulations and Restrictions due to COVID-19

- ▶ As of March 16, the government placed the entire main island of Luzon in an Enhanced Community Quarantine (ECQ) effective March 17 until April 12 (4 weeks), in order to implement strict social distancing and stay at home policy aiming to flatten the curve early. Exempted were healthcare workers, police, military, food and basic commodities supply, banking and remittance centers, and BPOs. After a week, due to increasing cases of COVID positive patients in Cebu (Central Visayas), entire island is also placed under ECQ to avoid further community transmission. No public transportation is available. Other provinces soon followed in implementing ECQ.
- ▶ Companies not exempted are required to adapt work from home (WHF) as an alternative work arrangement in order to continue operations. BPOs (including GBS/SSCs) although were exempted initially, were only given a week of window time to enable WFH or provide lodging for those that will report on-site on skeleton workforce. They have only been allowed to travel within the same city of their office location with a distance of two kilometers. Same applies to BPOs and GBS/SSCs registered under the PEZA investment regime, they are given permission to WFH (previously this is not allowed by the investment scheme - work can only be done in PEZA-registered zones or buildings where equipment is located).
- ▶ Local Government Units (LGUs) were given power to implement and manage ECQ in their respective cities/municipalities and in providing relief goods to those impacted by ECQ. They are also required to issue one quarantine pass to the representative identified per household that will be allowed to go out to buy food and other basic commodities.
- ▶ A bill, called the Bayanihan Heal as One Act has been passed into law last week which allows the Executive branch of the government access to 275Bn PHP of funds to be used for projects related to socioeconomic aid, ease in procurement of PPE and hospital equipment, and collaboration between public and private sector as needed to support fight against COVID-19.
- ▶ In-bound international flights are limited and only allowed for returning or repatriated citizens to PH. Upon arrival, they will be put on a 14-day quarantine to further limit local transmission. No local or domestic flights/travel allowed. Out-bound international flights were initially put on hold for few days but were eventually allowed only for foreigners exiting the country.
- ▶ Checkpoints situated in every local government unit (LGU), and movement from one LGU to another only allowed if you have a pass and qualify as critical resource persons per regulation (e.g., healthcare workers, certain govt employees, bank employees, BPO employees, those involved in logistics for food and basic necessities, etc.)

Concrete client examples of recurrent issues and mitigation

- ▶ Contracts with selected clients do not allow WFH - at the moment some clients converted their offices to make-shift dormitories to allow certain employees to stay in the office during the 1 month ECQ.
- ▶ Connectivity issues - intermittent internet connection in certain areas in the country.
- ▶ Remote quarter end closing - twice a day drumbeat calls and strict monitoring of task completion to assess any potential delays in the closing. A task force is also formed composed of center operational row leads to address ad hoc issues and provide guidance
- ▶ Desktops provided to employees vs. laptops - some clients have resorted to procuring laptops and sending them from onshore to MNL, but limited cargo movement is hampering easy delivery of the laptops to their local offices or employee residences. Some have resorted to "renting" their employee's personal laptops or computers while they are still waiting for the company-provided laptop.
- ▶ Some BPOs and GBS/SSCs were not able to dispatch desktops to their resources to enable WFH during the window period. Petition for another window time (especially if the ECQ will be extended) is in discussion with PEZA and Department of Trade and Industry. Some GBS/SSCs start-ups have delayed the start date of incoming new hires because of the lockdown.
- ▶ Employee engagement - daily video calls, virtual group activities to continually engage their employees. Measurement of productivity has been a new challenge in a remote work set-up.
- ▶ Planned projects or initiatives have been postponed as this cannot be executed by WFH and performing trainings and knowledge transfer became difficult and less effective when done remotely.

Legal situation for HR-related issues

- ▶ Potential layoffs but law requires a minimum 30-day notice and depending on rank and tenure, potential provision of separation pay and pension.
- ▶ Potential issue on incoming new hires with a defined start date based on signed job offer/contract but has been deferred without a definite date.
- ▶ May not be an issue yet as many BPOs and GBS/SSCs companies ensured continuous payroll for employees during the ECQ period (even for those that were not enabled to WFH which means they are not really working). This can be a potential legal issue (especially that Philippine labor laws are pro-labor in nature) if ECQ will be further extended and a different direction will now be taken by Management regarding payroll especially to those that are not really working due to lack of equipment and internet connectivity.

Portugal

COVID-19 trend per country

- ▶ The infection peak is predicted to be in late May
- ▶ However, the curve is accelerating much slower than expected (moving average has come down from ~40% to ~20% growth in infections per day) which might bring the peak to occur as early as mid-April.
- ▶ Self-imposed restrictions and other government-imposed restrictions seem to be positively affecting infection rate progress.

Regulations and Restrictions due to COVID-19

- ▶ The country lock-down was initially imposed until April 1 - but has now been extended until April 15.
- ▶ Air transportation is very limited (is permitted only to areas where there are large Portuguese communities) and ground transportation is highly controlled, especially to and from areas where the infection is expanding at faster rates (for now there is only one city with a total lock down - no one goes in or out except emergency services).

Concrete client examples of recurrent issues and mitigation

- ▶ Work from home policy is in use in several GBS organizations. Many centers were unprepared in technology and/or faced leadership issues from headquarters
- ▶ Larger GBS have been under high pressure for continued operations delivery due to compulsory back-up for Asian locations

Legal situation for HR-related issues

- ▶ Businesses are being advised against forced vacation
- ▶ The government has facilitated access for businesses wanting to use lay-off as a measure of assisting in reducing operations and financial impact
- ▶ As total lockdown is still not in effect, many businesses are still operating. Some practical examples of measures being put into effect:
 - ▶ Shifts are being reduced in duration and in number of workers
 - ▶ Full-out sanitization is being held in equipment and shop-floor in between shifts
 - ▶ Industrial clients are keeping a % of healthy shop-floor workers at home, ready to be called in case one of the shifts has a member that becomes sick.
 - ▶ Backoffice areas are being transformed into sanitization or feeding areas.
 - ▶ Many of these examples are of businesses that are helping the urgent economy stay afloat: medical devices, food confectionery and delivery, packaging, etc.

Romania

COVID-19 trend per country

- ▶ March 30: The total number of cases since the beginning of the epidemic has reached 2109; 209 were declared healed and discharged; The number of deceased persons reached 65; 9,255 people are in institutionalized quarantine; other 126,371 people are in isolation at home under medical monitoring. The peak of the epidemic in Romania could be in mid-April. At the climax of the epidemic, it is possible that Romania has around 10,000 cases of Covid-19 infection, depending on whether restrictive measures are followed.

Regulations and Restrictions due to COVID-19

Immigration and travel

- ▶ Screening all people returning from impacted areas in order to have specific measures for 14 days self-isolation at home or quarantine since end of February
- ▶ Home isolation or quarantine for all persons entering Romania starting March 25
- ▶ Starting March 23, foreign citizens cannot enter Romania, except transit organized by agreements with neighboring states
- ▶ Flights to and from France and Germany are suspended from March 25 to April 8

Quarantine restrictions

- ▶ Lockdown in place; people can only go out for essential need

Business/school closures/ other

- ▶ All schools are closed since March 10
- ▶ State of emergency in Romania for 30 days from March 16

Spend and public policy

- ▶ On March 18, the Minister of European Funds, Marcel Boloş, announced the set of concrete measures taken to support the Romanian medical system and business environment, worth 680 million euros by the end of March
Package of measures to support the economy, requested by the European Commission

Economic measures, e.g.

- ▶ Local taxes postponed from March 3 to June 30 2020; No interest and late penalties for the tax obligations due after March 21, unpaid until May 16 2020
- ▶ Advance payments of quarterly income tax can be done at the level resulting from the calculation of the current quarterly corporate income tax
- ▶ Postponement of payment of utilities and rentals for the small and medium-sized enterprises (SMEs)
Granting guarantees for SME loans
- ▶ Clients can request certain payment facilities (free of charge / period of grace / price reduction for e.g. services of leasing, rental, storage, utilities, etc.

Concrete client examples of recurrent issues and mitigation

The shared services / GBS model is demonstrating its strength in Romania, as it is not being disrupted heavily. Following perspectives have been key for success:

- ▶ Strong BCP in place, quickly actionable
- ▶ Multi sites GBS where some centers transferred work to other locations
- ▶ Standard Operating procedures supporting autonomy of staff
- ▶ Clear SLA statements
- ▶ Work from home scale up.

These factors lead to the following:

- ▶ GBS took few days only to adapt the new paradigm from a workforce perspective (home office)
- ▶ GBS experimented no loss of access to critical tools for operations
- ▶ Junior population is able to work thanks to knowledge management policies and detailed SOP
- ▶ Young population is used to work from home

Legal situation for HR-related issues

- ▶ Technical unemployment benefits can be settled from the unemployment social security G22 up to 75% of the average gross salary (RON 5,429)
- ▶ Free days to parents for the supervision of the children, in the situation of temporary closure of the schools
- ▶ The payment of bank installments is delayed for nine months, for both companies and individuals affected by the Covid-19 crisis

Singapore

COVID-19 trend per country

- ▶ SG has reported 1,000 Covid-19 infections, with over 400 patients still in hospital and 3 deaths (as at April 1 2020).
- ▶ SG's current DORSCON level is Orange, which is just below the highest level of red.
- ▶ According to Associate Professor Alexander Cook (vice-dean for research at the NUS Saw Swee Hock School of Public Health), the outbreak would hit its peak by July, after which the number of infections here would start going down.
- ▶ SG's response to the outbreak/efforts to contain the virus has received international accolades and praises by foreign authorities (e.g. WHO)
- ▶ SG has implemented "moderate to high level precautions" with increasingly tougher measures (e.g. border controls, discouraging travel and safe distancing measures).
- ▶ SG's strategy is to slow down the infection rate and maintain it at as low a level for as long as possible. SG has been doing contact tracing particularly well through traditional detective work (interviews, tracking down contacts, piecing the story together). While this is labour intensive, it has proven effective. The Gov also recently developed TraceTogether app which is able to identify people who have been in close proximity to coronavirus patients using wireless Bluetooth technology.

Regulations and Restrictions due to COVID-19

- ▶ New COVID-19 (Temporary Measures) Bill will be introduced to protect individuals and companies who are unable to fulfil their contractual obligations because of COVID-19 pandemic (e.g., prevent landlords from terminating commercial leases due to non-payment of rent)
- ▶ Any SG resident or long-term pass holders who leaves SG from March 27 will be charged unsubsidized rates should they be hospitalized in public hospitals for COVID-19 treatment. They also will not be able to claim from MediShield Life or Integrated Shield Plans for these treatments at public or private hospitals.
- ▶ Those who breach their 14-day stay home notice (SHN) will face fines of up to S\$10,000 or jail of up to 6 months or both.

The following measures took effect from March 27 to April 30

- ▶ Bars and Entertainment venues (e.g., cinemas, night clubs and karaoke outlets) were ordered to suspend operations
- ▶ All religious services, mass events (concerts/conferences), centre-based tuition, enrichment classes to be suspended
- ▶ Gatherings outside work and school (including weddings) limited to 10 people
- ▶ F&B outlets to have at least 1m between tables and group of diners limited to 10

Concrete client examples of recurrent issues and mitigation

- ▶ Manpower Minister Josephine Teo estimates that only 40% of workers in Central Business District currently work from home. She added that MOM will be stepping up enforcement in the coming weeks.

Example Client #1: Global Power and Utility Company

- ▶ This GBS organisation had 2 confirmed cases of COVID-19. The company has closed for cleaning and disinfection and evacuated all employees from its office premises. It has also instructed mandatory work from home policy for all staff until April 30 2020. If essential trip to the office building is required, staff can only do so after April 13 with approval from HOD.
- ▶ This GBS organisation is digitally enabled with several recent upgrades in systems and workplace tools. All staff are instructed to replace all physical meetings with virtual meetings. This is a good opportunity for them to adapt to a more agile virtual working environment.

Legal situation for HR-related issues

- ▶ According to a survey conducted by Mercer, 8% of SG companies surveyed have cut or may cut salaries due to COVID-19

Safe distancing measures at the workplace

- ▶ Employers and employees must adopt safe distancing measures at the workplace (physical distancing of at least 1m).
- ▶ Employers in SG must allow staff to work from home or risk penalties - including stop-work orders and fines - for firms who fail to implement these advisories.
- ▶ For job roles or functions where employees cannot work from home, such as frontline operations and fieldwork at construction sites, shipyards or plants, employers must take precautions (e.g., staggering work hours, split team arrangements, etc.)

Leave of Absence (LOA) support for company-LOA or self-imposed LOA for workers returning to SG

- ▶ Companies are encouraged to impose a leave of absence for employees who travelled during the March school holidays
- ▶ Employers should continue with flexible work arrangements or leave arrangements, including asking employees to consume annual leave to cover the company leave of absence. Companies that do so, as well as those who are self-employed, can claim a S\$100 daily support under the Leave of Absence Support Programme (LOASP)

Slovakia

COVID-19 trend per country

- ▶ The infection peak for Slovakia is expected till the 110th day since the massive measures were taken (March 15). At that point, 3.2 percent of the population are expected to be infected.
- ▶ Early imposed restrictions seem to be positively affecting infection rate progress.

Regulations and Restrictions due to COVID-19

Doing business and legal issues:

- ▶ All ministries will identify the measures needed to secure postponement of all legal deadlines.

Generally applied measures:

- ▶ Wearing a protective face mask will be obligatory outside one's home, including in the streets. When queueing, people are required to stand at least 2 metres from each other, both indoor and outdoor.
- ▶ As of March 30, measuring temperature will be obligatory at the entrance to shops, hospitals, factories, etc.
- ▶ The ban on organizing mass events that expired on March 24 has been prolonged until further notice.

Using data from mobile phones:

- ▶ The government will pass a law on a short-tracked procedure to allow state authorities to use localization data from mobile phone operators.

Measures in health care:

- ▶ The Health Ministry will re-profile the entire hospital network with the aim to secure effective and safe COVID-19 treatment.
- ▶ There will be a drive-through testing point in front of every hospital that does the testing.

- ▶ The Health Ministry is to identify the drugs and protective materials that Slovakia needs and ban their export from the country.

Measures for pupils and students:

- ▶ Schools remain closed until further notice. Written part of the maturity secondary school leaving exams will not be held this year.

Note: Since 30.3.2020 restrictions were reduced - the state allowed further operations to be opened. These include, for example, opticians, technical and emission control stations, gardening and building materials. However, they are subject to strict hygiene regulations.

Concrete client examples of recurrent issues and mitigation

Remote work from home policy is in use in various GBS organizations:

- ▶ Some companies have home office policy implemented; employees are able to work remotely without significant impact on the business processes.
- ▶ Daily remote communication with other offices around the world continues as usual
- ▶ The majority of automotive production has stopped in the country.
- ▶ Company revenues are falling, Retail might fall about 30%

Legal situation for HR related issues

The government has approved seven measures to help companies and employees cope with these difficult times.

The primary goal is to maintain employment. These measures may need up to 1.5 billion euros, e.g. more than 1 % of GDP a month.

- ▶ The state will compensate 80 % of the employees' salaries in companies that were forced to shut down. The aid may be up to 200,000 euros per company. The state will compensate 80 percent of the gross income of up to 1,100 euros. An employee must not be in the notice period. This applies both for definite or indefinite work contracts.
- ▶ The state will provide contributions to the self-employed and employees in the companies that saw a decline in revenues. The amount will depend on the decline. The sum may be up to 800,000 euros a year.
- ▶ The state will also provide bank guarantees for loans with a volume of 500 million euros a month that commercial banks will shift to entrepreneurs under advantageous conditions.
The state will pay 55 percent of the gross salary of employees who are in quarantine and are paid sick leave or parental childcare allowance.
- ▶ Another measure is postponing the payment of insurance premiums on behalf of the employer if revenues fall by over 40 % is another measure.
- ▶ If the revenues drop by more than 40 %, advance tax payments will also be deferred.
- ▶ Companies and entrepreneurs may count in previously unused tax loss since 2014 including.

Spain

COVID-19 trend per country

- ▶ Experts in Spain are saying that we seem to be close to reaching the peak; during the last five days, we have been dealing with very high numbers of deceased people, but these seems to be stabilizing/starting to trend downwards. We may need to wait a couple of days to confirm if we are reaching its peak indeed.
- ▶ The government may have been slow in taking effective measures to confine and source in advance required material, but since early this week it seems that big purchases and donation of sanitary material have been arriving to hospitals.
- ▶ While Spanish Health professionals, and its health system, have a reputation for being amongst the best in the world, there is a critical issue in the number of infected personnel within the hospitals, as protection material has been scarce during the beginning of the contagion.
- ▶ Madrid and Barcelona have the greatest concentrations of infected people, but the government and the military have done extraordinary work in increasing the capacity of IC Units and additional hospital beds.
- ▶ Smaller provinces are now experiencing the saturation of their hospitals, but it seems the government will redistribute patients to other provinces with lower saturation levels.

Regulations and Restrictions due to COVID-19

- ▶ On March 16, the government issued a restriction on movement of its citizens across the entire geography for 15 days; only the primary sector could leave the confinement of their houses, with high police controls and a framework for issuing fines, etc.
- ▶ On March 30, it was extended and reinforced until April 11 (as of now). This revision of the initial restrictions was hardened, limiting the professional activity that can be executed during the following two weeks, to the absolute minimum required to provide supplies to the health system, and critical infrastructure, stopping industries such as construction, or metal, but not impacting Work from Home operations
- ▶ Borders have been closed since March 16, allowing only Spanish citizens or residents, as well as logistics
- ▶ Airlines, trains and ferries are operating under minimum services
- ▶ City logistics are operational, with some reduction on their frequency, and with limited capacity (ie. Buses can only take up to 20 passengers)

Concrete client examples of recurrent issues and mitigation

- ▶ Not all clients had practiced their BCP, and therefore complexity initially in structuring the work
- ▶ Not able to flex the workforce, now that volumes of activity are decreasing in some areas/sectors
- ▶ Not everyone has a corporate laptop
- ▶ Network capacity (and VPN access) complicating simultaneous access
- ▶ Team engagement and keeping the spirits high, as casualties are occurring in the close network of employees

Legal situation for HR-related issues

- ▶ Since March 10, those employees on preventive confinement as well as those with COVID-19, have been considered as Temporarily Unable, similar to a Work Accident. A 75% of its Regulatory base will be absorbed by the Social Security
- ▶ Special unpaid leave regime related to the reduction/adaptation of working hours for those taking care of family members
- ▶ Government has facilitated access to Temporary Employment Records, due to force majeure, while presenting and meeting requirements; for companies of under 50 Employees bonification of 50% of Social Security, and for those over 50, 75%.
- ▶ Unemployment benefits will be provided for all those employees impacted
- ▶ For the Tourism Sector, for companies not opting for a Temporary Employment Record, they can opt for a bonification of 50% of the Social Security quotas for common contingency

United Kingdom

COVID-19 trend per country

22,141 cases and 1,408 fatalities (as of March 30). If isolation policies are effective, the UK peak is expected in mid-April after which there should be a decline in the number of UK cases, however restrictions are expected to only be lifted gradually over a period of six months. Restrictions will be reviewed in two weeks' time - additional restrictions are unlikely until this point

Regulations and Restrictions due to COVID-19

- ▶ Nationwide lockdown in place, restricting all people from leaving their homes except to go to work if absolutely necessary and working from home isn't an option
- ▶ Those most at risk (about 1.5 million people) should not leave the house, for any reason, for 12 weeks
- ▶ All businesses and workplaces should be enabling employees to be working from home where possible
- ▶ All schools and childcare closed until further notice other than for key workers (so big impact to working parents who are now having to home school)
- ▶ Almost all offices are now closed, with the vast majority of office workers working remotely, as are non-essential shops and public venues
- ▶ All non-essential travel is banned and only key workers are advised to use public transport (public transport services have been reduced by ~50% and are operating solely for the purposes of allowing key workers (e.g., healthcare staff) to get to work)

Concrete client examples of recurrent issues and mitigation

Global Consumer Products Organization:

- ▶ 95% remote working enacted
- ▶ Key challenge is impact of school closure on staff working hours leading to need for flexible working
- ▶ Network challenges linked to VPN have led to further investment in infrastructure
- ▶ Key focus on team engagement with twice daily team calls, one at the start of the day and one at the end of the day, to maintain engagement and to support performance monitoring

UK-based Construction and Infrastructure Organization:

- ▶ Remote working enacted, unable to go to 100% as not all processes fully digitized (supplier invoices) -they have had to collect the post and install scanner's remotely
- ▶ Shortage of laptops, computer equipment shipped to employees home addresses
- ▶ Reduced capacity and productivity, they have adjusted KPI and SLA targets to create capacity to support surge in other delivery areas

Legal situation for HR related issues

Sickness and Absence Management:

- ▶ Employees can get £94.25 per week Statutory Sick Pay (SSP) if you're too ill to work. It's paid by your employer for up to 28 weeks. If the employee is staying at home because of COVID-19 they can now claim SSP. This includes individuals who are caring for people in the same household and therefore have been advised to do a household quarantine.
- ▶ The UK government has legislated for SSP to be paid from day 1, rather than day 4, of the employee's absence from work if they are absent from work due to sickness or need to stay at home due to COVID-19.
- ▶ If employees have COVID-19 or are advised to stay at home, they can get an 'isolation note' by visiting NHS 111 online, rather than visiting a doctor. For COVID-19 cases this replaces the usual need to provide a 'fit note' (sometimes called a 'sick note') after 7 days of sickness absence.

Employees are entitled to time off work to help someone who depends on them (a 'dependent') in an unexpected event or emergency. This would apply to situations related to coronavirus (COVID-19).

Furloughed Workers:

- ▶ If the employee and employer both agree, the employer might be able to keep the employee on their payroll if they're unable to operate or have no work for to do because of coronavirus (COVID-19). This is known as being 'on furlough'. The employee could get paid 80% of their wages, up to a monthly cap of £2,500.
- ▶ The Government is aiming for the scheme to be up and running before the end of April, with the first grants to be paid within weeks. It will be in place for at least three months but will be extended as needed.

United States

COVID-19 trend per country

The virus has quickly surpassed other countries with the largest number of active cases, surpassing 190,000. Over 75,000 of those cases are in New York State and over 40,000 are in New York City, the largest state and city numbers in the U.S. Over 4,000 lives have been lost thus far, of the 40,000+ deaths tracked globally. It is expected that deaths will exceed 100,000.

Regulations and Restrictions due to COVID-19

Since the virus has spread to all US states, many non-essential businesses have been closed and it has been urged that people limit their travel. The centre for Disease Control (CDC) urges residents of New York, New Jersey, and Connecticut to refrain from non-essential domestic travel for 14 days effective immediately. This Domestic Travel Advisory does not apply to employees of critical infrastructure industries, including trucking, public health professionals, financial services, and food supply.

Concrete client examples of recurrent issues and mitigation

- ▶ Issue: Maintaining operational efficiency in a remote working environment. While many outsourcers are recovering from initial challenge to transition to remote, some are lagging behind.

Mitigation: Providing additional on-shore/off-shore support (e.g., functional operations support, program mgmt., user access provisioning).

- ▶ Issue: Remote operating introduces security concerns (e.g., payroll, cyber threats)
Mitigation: Extend cyber threat capabilities (e.g., identity access management, threat detection and response).
- ▶ Issue: Most Business Continuity plans (BCPs) were not designed for a global pandemic scenario
Mitigation: 3rd party risk management (e.g., develop an automated survey so a large bank can collect and assess BCPs from its hundreds of vendors).
- ▶ Issue: Depending on the industry, shifting supply and demand of resource needs
Mitigation: PAS is developing an Employee Leasing and a Talent Trading Approach which would include Workforce Planning, Tax, Compliance and Contractual support for clients as well as partnering with certain alliance partners (SAP, Adepto etc.) to offer a technology enablement solution.

Legal situation for HR related issues

The Senate and House passed a \$2 trillion legislative package, the Coronavirus Aid, Relief and Economic Security (CARES) Act, which President Trump signed into law on Friday, March 27. The CARES Act aims at providing the health care resources needed to fight COVID-19 and preventing a severe economic downturn. The package - the largest in history - provides emergency support for the healthcare system, encourages worker retention and provides emergency liquidity for households and businesses. It also includes various tax provisions and rebate payments to US households. In addition, the Emergency Paid Sick Leave Act (employer must provide 2 weeks of paid sick leave for full-time covered employees) and the Emergency Family and Medical Leave Expansion Act (employer must provide 10 weeks of paid family and medical leave for employees) were passed.

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