



**EQUATORIAL
GUINEA**
MANAGING THE
IMPACTS OF
COVID-19

9 April 2020

As reported in our 31 March 2020 and 6 April 2020 Flashes, a **State of Alarm for Health Reasons** has been declared in Equatorial Guinea by the President of the Republic, and several **economic measures to strengthen the national system of social protection and support to small and medium-sized companies** were enacted. The Ministry of Mines and Hydrocarbons has adopted some **temporary measures applicable to the hydrocarbons sector** during the COVID-19 confinement period as well. These measures are summarized herein below.

Economic Measures for Small and Medium-Sized Companies

On 31 March 2020, following the declaration of a State of Alarm for Health Reasons, the President of the Republic enacted Decree 43/2020, setting forth economic measures to strengthen the national system of social protection and support to small and medium-sized companies. Decree 43/2020 should be deemed in force at least since 31 March 2020. Some of the measures approved by way of Decree 43/2020 include:

- **State Budget-related measures**
 - A framework to set-off credits with the State is put in place but only applies to certain companies;
 - The Ministry of Finance, Economy and Planning (the “**Ministry of Finance**”) will revise the General State Budget for 2020 in view of the current situation, namely by:
 - Allocating additional funds to the Ministries most affected by the current situation (in particular the Ministries of Health, Social Affairs, Civil Aviation and National Security); and
 - Revising the estimated Country’s year-end results;
 - A global assessment of the impact of the pandemic will be presented by the Ministry of Finance to the Parliament when said pandemic is over, which may lead to additional revisions of the State Budget, if appropriate; and
 - The Ministry of Finance will reach out to Country’s multilateral and bilateral partners, including the IMF and the African Development Bank (BAD), to seek financial assistance to cover revenue losses/additional expenses as a consequence of the fight against COVID-19.
- **Measures related to public-private partnerships and provision of services**
 - The Ministry of Finance is charged with:
 - Setting up a Public Procurement Body;
 - Reviewing all public contracts (including supply, technical assistance, advertising and general services’ contracts) in force until the end of 2020, and of suppressing, if appropriate, contracts automatically renewable;
 - Preparing a listing of the contracts in force in Strategic Sectors (including *inter alia* Defence, Security, Mines, Energy and Telecommunications) to assess (inter alia) the level of commitments that they entail; and
 - Empowering a special unit for the promotion of public-private partnerships and basic public services (including provision of water, sanitation, power and telecommunications).
- **State revenue-related measures**
 - The Ministry of Finance will create a special filing mechanism to settle tax debts and offer special incentives to taxpayers that resort to said mechanism;
 - The Ministry of Finance will make the use of the SIDUNEA (i.e., the United Nations Automatic Customs System) mandatory in Malabo;
 - The Government will operate and manage parking at the Malabo and Bata Airports (instead of this service being carried out by private entities); and
 - The Ministry of Finance and the Ministry of Mines and Hydrocarbons must negotiate with companies carrying out activities in the oil sector the settlement of any tax debts assessed in connection with fiscal year 2019 before the end of the month of April 2020.
- **Public spending-related measures**
 - The Ministry of Finance will make a plan to limit Public Administration spending with (inter alia) power, phone, fuel, purchases and ships and aircrafts’ maintenance; and

- Taking into account the status of Public Finances, it is determined that, due to *force majeure*, the Government will reorganize its spending to avoid delays; accordingly, save for those projects that the Government declares that have maximum priority, a Certification Committee together with awarding companies will reschedule public spending obligations so that they are only due in the second semester of 2020.
- **Social protection measures**
 - The Government will make a five billion (5,000,000,000) CFA francs (approximately US\$ 8,500,000) contribution to the COVID-19 Emergency National Fund (the “COVID-19 Fund”), which is managed by the Novel Coronavirus Surveillance Technical Committee;
 - The contributions gathered by the COVID-19 Fund, as well as those coming from the State Budget, will fund the Programme of Public Social Guarantees vis-à-vis COVID-19 (the “Programme”), which will guarantee:
 - Basic food and essential products at specific places;
 - Basic personal and home hygiene kits to specific communities; and
 - Regular social support in counselling and health orientation and care;
 - A Plan to Strengthen the National Health System presented by the Ministry of Health and Welfare will be funded from the State Budget; and
 - The needs of the Public Administration (particularly of the Ministries of National Security and of Civil Aviation) to acquire materials necessary to guarantee basic health conditions at all official sites will be funded from the State Budget as well.
- **Measures to support small and medium-sized companies**
 - The following measures are adopted (but do not apply to companies that charge for the provision of services to any institution of the Public Sector):
 - The deadline to voluntarily pay minimum corporate income tax regarding 2020 is extended until June and is reduced from 3% to 1,5% until 30 September 2020; and
 - The deadline to voluntarily pay corporate income tax regarding 2019 is extended until July;
 - A new governance structure of the Partial Guarantee Fund will be put in place by the Ministry of Trade and Small and Medium-Sized Companies working with the Ministry of Finance, to guarantee the efficiency, transparency and objectivity of the allocation of this Fund’s resources;
- A strategy to reduce the costs of Small and Medium-Sized Companies with power will be put in place by the Ministry of Industry and Energy working with the Ministry of Finance and SEGESA (the national power company);
- A strategy to reduce the costs of Small and Medium-Sized Companies with internet services will be put in place by the Ministry of Transportation, Post-Offices and Telecommunications working with the Ministry of Finance and private operators;
- A strategy to repay the financial credits of Small and Medium-Sized Companies will be put in place by the Ministry of Finance working with the Professional Association of Credit Institutions and micro finance representatives;
- For the duration of the restrictions to fly over national airspace, companies that lease public trade shops at the Malabo and Bata International Airports are exempt from paying 50% of the monthly rent as established in their contracts; and
- The Ministry of Finance will attribute a 100% bonus applicable to social security quotas until 30 September 2020 to food distribution and marketing companies, as well as to those that hire new employees to comply with the measures adopted by the health authorities.

- **Measures to strengthen public finances and the banking sector**

- The Ministry of Finance will immediately repatriate all available State financial assets that are not deposited at national financial institutions; and
- The Ministry of Finance will continue working to settle all internal delays with construction companies.

- **Other relevant information on Decree 43/2000**

- We understand that a project to broaden the measures contained in Decree 43/2020 was presented by the Minister of Finance and discussed during a Council of Ministers’ meeting that took place on 7 April 2020. As far as we can determine, it has not been enacted yet, being still under review.
- We also understand that, since that same meeting, as per the proposal of the President of the Republic (as Head of the Council of Ministers), the use by all citizens of masks and gloves at public places, in large gatherings, at banks, markets and supermarkets should now be deemed mandatory.

Temporary Measures in the Hydrocarbons Sector

In accordance with information made available by Equatorial Guinea's Ministry of Information, the Minister of Mines and Hydrocarbons held a meeting on 4 April 2020 to discuss temporary-yet-necessary measures to protect the jobs of national and foreign citizens in the hydrocarbons sector during the period of confinement due to COVID-19, and the following measures/initiatives were approved:

- To protect and support national employment in the oil sector;
- To support service companies during the COVID-19 prevention period;
- To recommend to foreign operator companies to, in the absence of foreign citizens' manpower, work with national citizens (that are highly qualified to carry out activities in the oil sector);
- To exempt service companies from paying the fees due for the registration/registration renewal at the Ministry of Mines and Hydrocarbons;
- Instruct the National Content General Directorate and General Inspectorate to make an inventory of all national personnel providing services in the hydrocarbons sector affected by the confinement measures due to COVID-19;
- To implement, together with the Ministry of Health, measures to control the personnel that carries out activities at platforms;
- To support, together with the companies of the hydrocarbons sector, the Ministry of Health to equip the Baney Epidemiologic Investigation Lab with:
 - COBAS 8800 equipment to reinforce the lab's capacity;
 - Reagents for the new COBAS 8800 machine to carry out COVID-19 testing;
 - Additional testing;
 - Acquisition of personal protection equipment for Lab personnel; and
 - International specialized personnel reinforcements.

We plan to continue issuing updates on the measures put in place in the Country regularly.

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