

As the COVID-19 pandemic continues to impact business globally, Latin America has not been spared and countries in the region are taking different approaches to combat the pandemic. As part of our Latin America team, the Caribbean and Central America Desk is tracking measures implemented in the region that affect business operations, commercial operations, and employment. This alert synthesizes current events and government measures in Central American countries.

## Costa Rica

The first confirmed case of COVID-19 was reported on March 6, 2020. As of March 31, 2020, the government had reported 347 cases of COVID-19 in Costa Rica and two deaths due to COVID-19. Additional information can be found on the [website](#) of Costa Rica's Ministry of Health and the [website](#) of the US Embassy in Costa Rica.

Costa Rica has [implemented](#) a night-time vehicular curfew (with exceptions for public transport (including taxis and employee shuttles), employees going to or coming from work, and food and drug store deliveries) and has ordered the closure of bars, restaurants, and other venues where people congregate, but it has not implemented a general closure of non-essential businesses or government functions. Under Costa Rica's [declaration](#) of a state of emergency, anyone traveling to Costa Rica must self-quarantine for 14 days and, until April 12, 2020, only Costa Rican citizens, residents, those whose residency is in process, minor children of Costa Rican citizens, and foreign diplomats will be allowed to enter Costa Rica.

Costa Rica's Ministry of Labor and Social Security has issued [guidelines](#) encouraging remote working when feasible. Legislation also was [enacted](#) allowing small and mid-sized businesses to apply to reduce their employees' working hours to avoid massive layoffs.

Costa Rica also is taking several fiscal measures to combat the economic slowdown. Legislation was [enacted](#) placing a moratorium, for April 2020 to June 2020, on the payment of Value-Added Taxes (VAT), as well as partial payments of taxes on utilities, selective consumption tax and taxes to nationalize merchandise. Additionally, the government will [exempt](#) VAT on properly registered commercial leases. The National Council for the Supervision of the Financial System [announced](#) that it will allow banks to rely on a debtor's financial condition before the COVID-19 economic downturn when engaging in the restructuring of that debtor's credits. Additionally, the Central American Bank for Economic Integration [authorized](#) US\$90 million to improve state bank liquidity for its member nations, prioritizing assistance to the industrial, agricultural and service sectors.

## El Salvador

The first confirmed case of COVID-19 was reported on March 18, 2020. As of March 31, 2020, the government had reported 32 cases of COVID-19 in El Salvador and one death due to COVID-19. Additional information can be found on the [website](#) of the Government of El Salvador dedicated to COVID-19 developments and on the [website](#) of the US Embassy in El Salvador.

El Salvador is under a 30-day national [quarantine](#) that will be in effect until April 20, 2020, with all border crossings, ports and airports closed, and all inbound nationals required to undergo a 30-day quarantine at isolation centers. Under the terms of the quarantine, large gatherings are prohibited and persons over 60-years old, pregnant women and persons with health conditions must work from home. The National Assembly [extended](#) the country's state of emergency by 15 days, until April 13, 2020.

The National Assembly issued a [decree](#) eliminating import tariffs for essential food products, medicines and cleaning products. This modification will be in effect until the end of the state of emergency. The National Assembly also approved a US\$2 billion loan, with 30% to be allocated to local municipalities and 70% to be allocated by the national government to fund the country's efforts against the pandemic.

## Guatemala

The first confirmed case of COVID-19 was reported on March 13, 2020. As of March 31, 2020, the government had reported 39 cases of COVID-19 in Guatemala and one death due to COVID-19. Additional information can be found on the [website](#) of Guatemala's Ministry of Public Health and Social Assistance and the [website](#) of the US Embassy in Guatemala.

Guatemala is under a state of emergency since March 5, 2020, which was [extended](#) until May 5, 2020. Under the state of emergency, there is a nationwide daily [curfew](#) from 4 p.m. to 4 a.m. that is subject to limited exceptions. The government [closed](#) all borders, ports and airports, and foreigners (other than diplomats and permanent residents) are not allowed in the country.

Guatemala's congress [enacted](#) an emergency law to address the effects of COVID-19. Among other things, the law approves additional spending by the government, establishes an emergency fund, allows the government to set prices for certain essential goods, prohibits educational institutions from charging interest, guarantees the continuity of funds for school repairs, provides for subsidies and food assistance to low-income families and suspends administrative proceedings for three months. Also, Guatemala's tax authority [ordered](#) the exclusion of the period of March 24, 2020, through April 14, 2020, for purposes of calculating tax obligations.

## Honduras

The first confirmed case of COVID-19 was reported on March 10, 2020. As of March 31, 2020, the government had reported 172 cases of COVID-19 in Honduras and 10 deaths due to COVID-19. Additional information can be found on the [website](#) of Secretary of Health of Honduras and the [website](#) of the US Embassy in Honduras.

Honduras has [implemented](#) a nationwide daily curfew that will be in effect until at least April 12, 2020, with certain exceptions made for, among other things, obtaining food, medicine or medical attention between 9 a.m. and 3 p.m. It also has imposed limitations on the days when residents can leave their homes for the limited purposes allowed under the curfew. On the economic end, Honduras's banking and insurance regulator has [adopted](#) measures to alleviate the economic impact of the pandemic, including requests for grace periods on the payment of debts.

## Nicaragua

The first confirmed case of COVID-19 was reported on March 18, 2020. As of March 31, 2020, the government had reported three cases of COVID-19 in Nicaragua and 10 deaths due to COVID-19. Additional information can be found on the [website](#) of Nicaragua's Secretary of Health and the [website](#) of the US Embassy in Nicaragua.

The [government](#) has not mandated quarantines or implemented a curfew.

## Panama

The first confirmed case of COVID-19 was reported on March 10, 2020. As of March 31, 2020, the government had reported 1,317 cases of COVID-19 in Panama and 32 deaths due to COVID-19. Additional information can be found on the [website](#) of Panama's Ministry of Health and the [website](#) of the US Embassy in Panama.

Panama is subject to a compelled [closure](#) of non-essential business (which excludes groceries, drug stores and gas stations) since March 25, 2020, and an all-day curfew that restricts the time when residents can leave their homes to acquire essential goods and services. Under these new [measures](#), men are allowed to leave their homes on certain days and women are allowed to do so on different days. In addition, all international and domestic passenger flights have been [suspended](#).

The government of Panama has [granted](#) a 120-day grace period (starting March 20, 2020) for the payment of all taxes (including income tax, capital tax and property tax), without incurring interest, surcharges or fees. However, payroll taxes and income tax withholding for nonresidents are not included in this grace period. In addition, the government has extended the deadline to file income taxes until May 30, 2020. Administrative procedures, including procurement procedures, were [suspended](#) on March 27, 2020.

Panama's Ministry of Employment and Labor Development will [allow](#) employers to solicit a temporary suspension of employment contracts, which would be effective until the termination of the state of emergency. During the temporary suspension, employees have no obligation to work for the employer and the employer has no obligation to pay wages and salary.

**Disclaimer:** This information is intended as a summary of the measures Central American governments are taking in response to the COVID-19 pandemic. It is based on public information. It is not intended, nor should it be construed, as legal advice. Should you have specific questions, please contact your firm lawyer for more information.

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