

In order to cope with the economic crisis that has followed the spread of the Coronavirus (Covid-19), which has officially infected 822 people in Tunisia as of today, the Parliament has enabled the Head of Government to legislate urgently through ordinances for a period of two months starting from April 12th, 2020.

Several ordinances have therefore been adopted in order to limit the economic and social impact of the crisis and to accompany companies during this period. The broad outlines of those measures are introduced in this note.

We remain committed to provide you with all the necessary assistance during this exceptional time.

Measures to protect employment and support businesses

Suspension of the possibility to terminate employment contracts due to force majeure or fortuitous event

In the event of an impediment to the performance of an employment contract resulting from a fortuitous event or force majeure, Article 14 of the Labour Code provides that a fixed-term or permanent employment contract may be terminated.

These provisions have been suspended starting from April 14th, 2020 and until the date of the lifting of the general lockdown. Dismissals due to force majeure or fortuitous events are therefore suspended during this period.

Consequently, economic layoffs that would take place for this reason without prior approval from the (regional or central) Commission of Layoffs' Control during this period would be considered as abusive.

(Ordinance n° 2020-2 of April 14th, 2020, Art. 1 and 2)

Extending the period during which unused working hours can be recovered

Initially, Article 92 of the Labour Code allows the employer to recover working hours that are unused as a result of collective interruption of work in an establishment or part of an establishment, within a period of 2 months.

Exceptionally, this period has been extended to 6 months.

This measure will allow companies impacted by the general lockdown measures to smooth the recovery of unworked hours over a longer period after the end of the lockdown.

(Ordinance n° 2020-2 of April 14th, 2020, Art. 3)

Greater flexibility in granting annual leave

It is now possible for employers to grant annual leave outside the period originally provided for by Article 117 of the Labour Code (June 1 to October

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31) without seeking the opinion of the Enterprise Advisory Committee or staff representatives.

This may concern leave balance from the past year or from the current year.

This measure, which applies until the general lockdown is lifted, is intended to encourage companies to put their employees on annual leave during the lockdown period instead of taking more radical measures.

(Ordinance n° 2020-2 of April 14th, 2020, Art. 4)

Government support to the payment of salaries for employees impacted by the general lockdown measures

The Government has announced that it would grant an exceptional and provisional allowance of 200 dinars per month to employees on permanent or fixed-term employment contracts as of April 14th, 2020, in order to support part of the employment costs.

This compensation will be paid to employees during the period of total or partial interruption of the company's activity, upon request by the employer, after prior acceptance of his file by the labour inspection or the General Directorate of Labour Inspection, and upon justification that one of the following measures at least has been taken:

- All employees or part of them must have exhausted their 2019 annual leave balance or their annual leave for the current year;
- Employer must have borne all or part of the wages during the period of interruption of the activity.

The employer should be previously affiliated with the National Social Security Fund (CNSS) and wage contributions must have been paid for the last quarter of 2019 or the first quarter of 2020. He should also prove economic difficulties and the recession of his activity, and also maintain all the company's jobs.

The steps can be taken online:

<https://helpentreprise.social.tn>.

It should be noted that only companies whose activity has been completely or partially discontinued due to the implementation of general lockdown measures can benefit from this measure.

(Ordinance n° 2020-4 of April 14th, 2020 and Government Decree n° 2020-164 of April 14th, 2020)

Exceptional tax contribution to finance the emergency measures

In order to finance the economic and social measures announced by the Government, an exceptional contribution of one day of income has been decided.

This contribution affects individuals among Tunisian employees and retirees who are tax residents in Tunisia.

It takes the form of a one-day deduction on wages and pensions for April 2020 under the same mechanisms as withholding tax.

Employees of companies benefiting from the support measures following the interruption of their activity are not subject to this contribution. The same applies to individuals whose net income does not exceed 5,000 dinars after the usual tax deductions.

Relevant companies will therefore have to consider this exceptional contribution when setting up the April 2020 payslips.

(Ordinance n° 2020-5 of April 14th, 2020)

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