

NEW MEASURES AS REGARDS LEASE AGREEMENTS FOR COMMERCIAL PURPOSES

In the absence of an agreement between owner and tenant in a commercial premises lease contract, Royal Decree-law 15/2020 has created an automatic moratorium for the duration of the alarm status, and its subsequent extensions, extendable monthly up to four months if the impact of the COVID19 on the activity so demands. Said rent shall be deferred, **without penalty or accrual of interest**, as of the next monthly rent payment, by means of **division into instalments within a period of two years, provided that it lies within the term of the lease contract or any of its extensions**.

In order to benefit from said moratorium, the law requires the following:

- **Subjective requirements:**
 - Owner
 - Housing public entity or company; or
 - *Gran tenedor* (great landlord), defined as a natural or legal person who owns one of the following (alternatives):
 - More than 10 urban properties, excluding garages and storage rooms; or
 - A built area over 1,500 m²
 - Tenant (alternative)
 - Meet one of the following requirements:
 - **Self-employed** and registered with Social Security before the the alarm status' entry into force; or
 - Meet the conditions to be considered an SME in accordance with Article 257.1 LSC (Spanish Law on Corporations).
- **Objective requirements (alternative):**
 - Activity suspended by virtue of the alarm status declaration.
 - To demonstrate this, certificate issued by the competent authority.
 - Activity not suspended directly, but there has been at least a 75 per cent reduction in turnover for the calendar month prior to the month in which the postponement is requested, in comparison to the previous year's average monthly turnover for that quarter.
 - To demonstrate this, a responsible statement must be submitted, and the landlord may request to see the accounting books by providing supporting justification.

Finally, under Article 5, Royal Decree Law 15/2020 lays down the consequences of the undue application of temporary and extraordinary deferment in the rent payment, which will involve the following:

- Compensation for damages.
- Bearing of the costs incurred in the application of these exceptional measures.
- Other responsibilities which may arise.