



MANAGEMENT OF TAX POSTPONEMENTS STATED IN THE ROYAL DECREE-LAW, OF MARCH 12TH, ON URGENT MEASURES IN ORDER TO REACT AGAINST THE ECONOMIC IMPACT OF COVID-19

March 17th 2020

As is known, the Spanish Government, through Council of Ministers dated on March 12th 2020, has passed several urgent measures by virtue of Royal Decree-Law 7/2020, with the aim of managing the health and economic crisis caused by the COVID-19 (commonly known as Coronavirus).

Among the foresaid measures, an automatic postponement of any tax debt has been included. For these purposes, such postponements will be applicable on all tax debts¹ not exceeding 30,000 euros, accrued between March 13th 2020 and May 30th 2020, by any taxpayer except those considered "Large companies"².

However, the aforementioned regulation does not specify the particular procedure to be followed by taxpayers in order to request the postponement of their tax debts. In this regard, the State Tax Administration

Agency (AEAT) has issued, on March 16th 2020, "Provisional Instructions to request, by electronic means, the postponement of debts stated in COVID 19 Royal Decree-Law".

Once the taxpayer has logged in, through the AEAT online site, it will be necessary to enter the area named "Aplazamiento y Fraccionamiento" and click on "Presentar Solicitud". At this point, the AEAT has created a new cell named "Solicitud acogida al Real Decreto Ley 7/2020 de 12 de marzo, por el que se adoptan medidas urgentes para responder al impacto económico del COVID-19".

The aforementioned cell must only be selected if all the requirements stated in Article 14 of the Royal Decree-Law 7/2020, are met. Otherwise, the request shall be dismissed and considered as not submitted for all purposes.

¹ Including those derived from taxes to be charged, such as VAT, withholdings or payments on account, as well as Corporate Income Tax Installments.

² According to Spanish Regulations, large companies are those with a turnover, during the previous year, exceeding 6,010,121.04 euros.



Moreover, if the postponement request is derived from the filing of self-assessments, it will not be necessary to inform the assessment code. Otherwise, it will be necessary to fill the assessment code and the amount of the debt information.

In the same way, the filling of the following information will be compulsory: i) amount of the debt; ii) guarantees, selecting the option “exempt” (“*exentas*”); iii) bank account information for direct debit purposes; iv) payment terms, which shall include the code “1”; v) last day of the first payment term, coinciding with the six-month period after the last day to submit the corresponding self-assessment; and vi) reason for the request, in which “*aplazamiento RDL*” shall be selected.

Consequently, any submission of the postponement request according to the foregoing, and provided that all the requirements stated in the Royal Decree-Law 7/2020 are met, will imply the granting of postponement request. Nevertheless, the AEAT has announced that the granting will be conditioned to the prior processing of the request by the corresponding tax collection body of the Tax Authorities, in order to verify that the taxpayer complies with all the requirements stated in the Royal Decree-Law 7/2020.

In essence, although it is possible to conclude that the postponement of tax debts complying with all the requirements will be granted in any case, this new measures will not imply an automatic granting from the Tax Authorities, since the AEAT will process such request in order to verify the fulfillment of all the relevant specifications, previously mentioned.

In this regard we put our expertise dealing with postponement procedures at our clients disposal.

ONTIER SPAIN
Tax Department