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ENTERTAINMENT

GARRIGUES

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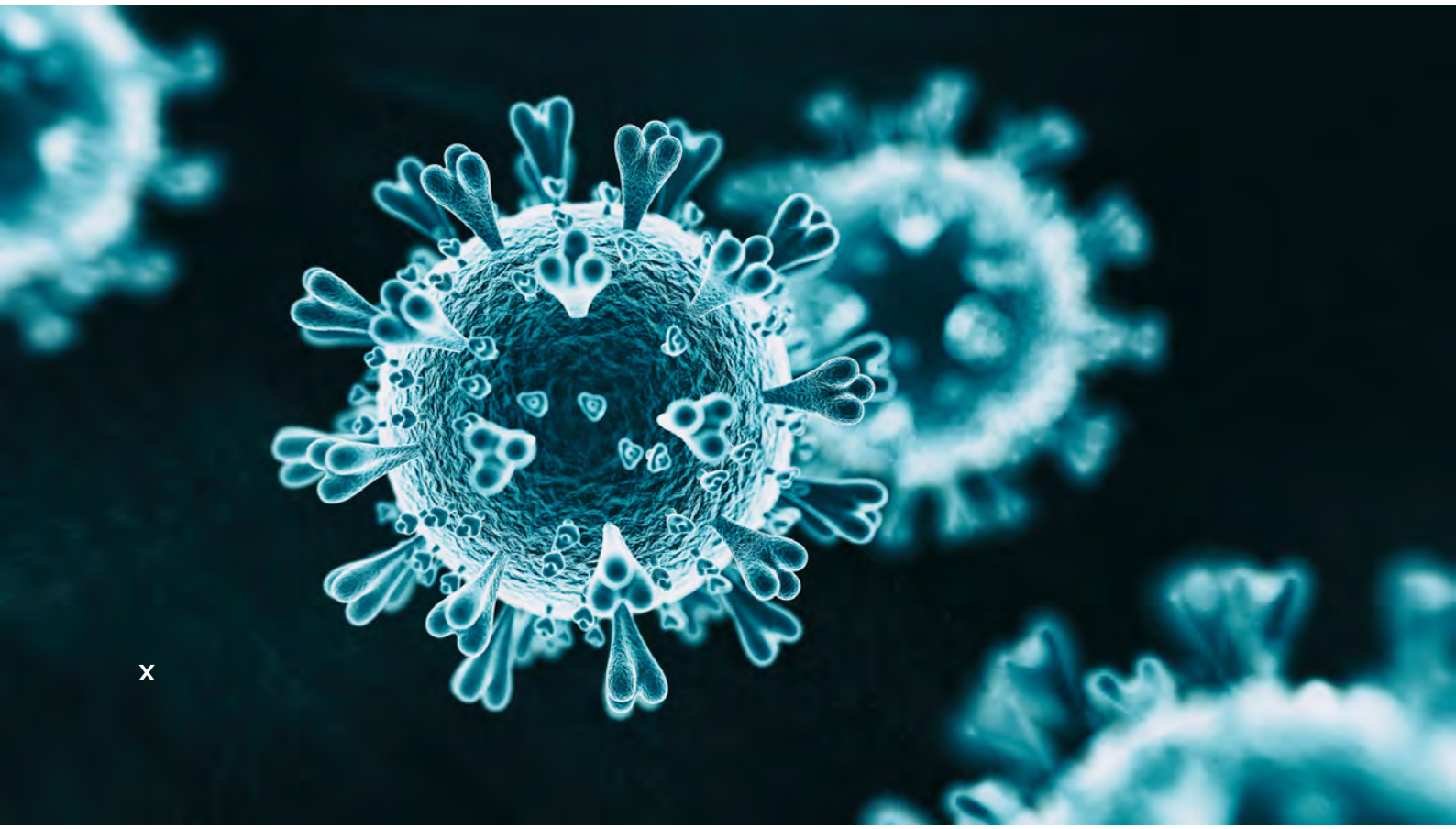


FÉLIX PLAZA ROMERO

We are experiencing the worst public health crisis in our time. COVID-19 is taking a horrific toll in lives throughout the world and pushing the health systems of many countries to their limits as they face a demand overload from patients needing hospital treatment and intensive care. A demand overload that has caught the health systems of most countries unprepared.

In a situation of the type we are experiencing, countries' authorities can adopt two types of policies against the spread of the virus, which are directly opposed to each other (with a few others that straddle the two of them):

- Policies of containment of the spread of the virus.
- Policies to suppression of the spread

The first type are directed at moderately containing the spread of the virus, by trying to allow the population to become immune, thereby making it unlikely in the long term that there will be a massive new outbreak with the same characteristics, because the population has fewer people able to be infected and to infect others.

These policies have a huge short-term repercussion on the health system, which, because of its limited care capacity, may find itself overwhelmed by the number of patents with intensive care needs, and this may result in a high mortality rate in the short term.

The second type try to eliminate or reduce as far as possible the chance of the virus spreading through the adoption of tough measures in terms of restricting rights of movement and interaction among the population. These short-term measures may enable the health system to cope with the demand for intensive cause from infected patients, and so reduce the number of deaths in the short term. In the long term, however, these measures will have prevented widespread immunity among the population and therefore they run the risk of the epidemic reoccurring with a similar impact in the medium term.

These measures do however allow governments to "buy time". Time for performing further research into the disease and how it spreads, for potentially developing vaccines, and in any case, for equipping the health system with better resources for treating the disease and providing it with greater resilience.

Now, after much dithering and probably the delayed response of someone who does not quite believe what is happening, the authorities of most countries have elected suppression policies. China, the origin of the outbreak, chose these policies, as did South Korea, and they are giving positive results. Though slower to react, Italy and Spain have both chosen them, and it appears that the United Kingdom and the United States will follow suit.

The economic consequences of this situation are clearly going to hit hard. The majority of experts are forecasting an economic recession.

Every sector of the economy is going to be affected. According to a report by consulting firm McKinsey (*McKinsey Global Report,* dated March 9, 2020) the most hard hit sectors in the long term from highest to lowest will be i) tourism and hospitality, which may be affected until the third or fourth quarter, ii) aviation which it forecasts will be affected until the third or fourth quarter, iii) the automotive industry, with a strong heavy impact estimated to last until the end of the second/beginning of the third quarter, and iv) consumer products, which it forecasts may be highly affected until the end of the second quarter.

Despite the gravity of the situation, the adopted social distancing measures have been identified as an opportunity in certain respects, such as the clear capacity for working remotely in certain sectors of activity (with all the advantages that this may bring), or the capacity for digital learning or distance education including for analysis of the model of private consumption of both goods and services and of audiovisual contents.

The report *The Economics of a Pandemic: the case of Covid-19* by professors Paolo Surico and Andrea Galleoti at London Business School, predicts that global recession is inevitable, including in emerging markets. Uncertainty, panic and measures shutting down activities to stop the pandemic will inevitably lead to a sharp fall in demand. The investment of many small and medium-sized companies or young businesses, and spending of many households depend on cash flow.

A sharp drop in demand may force these companies to close or reduce their activity which may result in layoffs or workplace restructurings which will cause a further drop in demand.

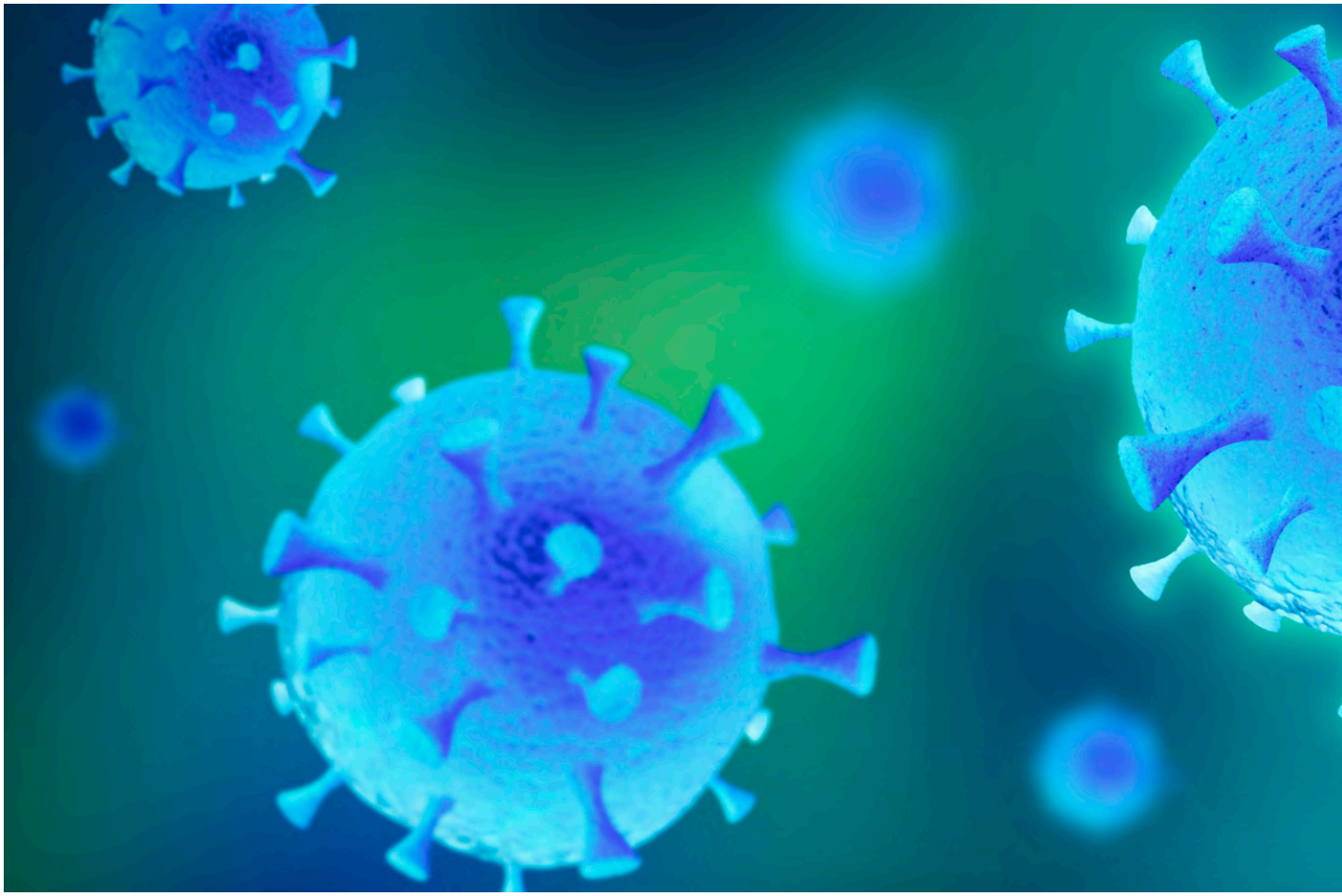
According to that report, the macroeconomic objectives for combatting or preventing that situation must be geared towards ensuring that companies generally, but mainly small and medium-sized and young companies, have enough cash flows to prevent them having to close or undertake layoffs or restructurings.

From the standpoint of households, there is a need for isolated workers or those affected by layoffs, including temporary ones, to have access to financing or economic aid and, additionally, but not less importantly, sufficient support needs be given to the financial system to stop the crisis caused by the pandemic becoming a financial crisis.

Some measures to be adopted by the authorities to prevent the situation in the direction described are: i) increasing government spending on the public health system to try and combat the virus with intense effort and quickly, ii) tax incentives, iii) ensuring the cash flows of businesses and households, iv) reducing interest rates and establishing specific loan programs.

No matter what measures must be taken at this time, they must be massive, and start by allocating funds to strengthen the health system and combat the pandemic, and follow on by providing funding to businesses and households, including important tax incentives or cuts. Proper coordination of tax and economic measures must be put in place, along with suitable backing for the financial system, and all measures require global coordination.

That London Business School report concludes that central banks should provide financial backing to



governments, not just through their own reserves but by printing money if necessary. Global shock needs global response and no country is able to stand alone.

As the experts have explained, from an economic standpoint, though suitable for stopping the pandemic, the adopted virus suppression measures may be the most costly in economic terms, and therefore cannot be prolonged over time, and the situation must gradually return, as soon possible, to how it was before the measures were implemented.

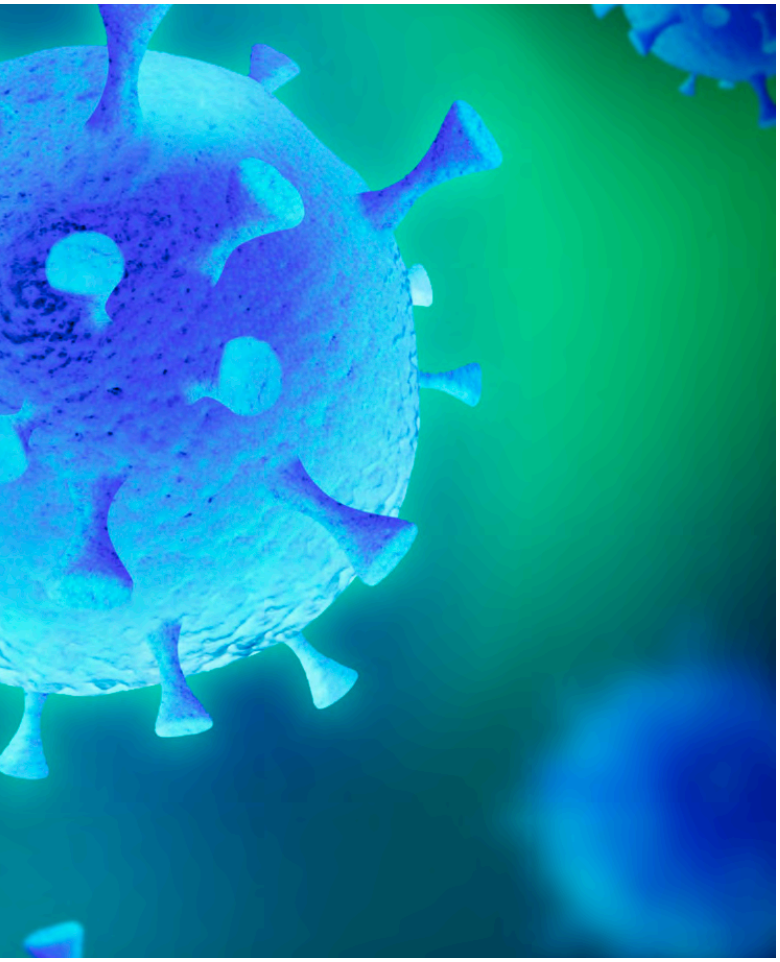
Effects for the sports industry

The sports industry has obviously not escaped this situation. The good news is that a large part of the demand for sport as an element of entertainment comes from homes.

The lifting measures that will gradually be implemented will mean that sports events, for example, will be able to return to being held, even though perhaps at the early stages they will have to be held behind closed doors for safety reasons. But this will not prevent them from being held and generating the stream of revenues needed to set back in motion most of the sector that is heavily dependent on the exploitation of audiovisual rights.

Obviously, it will be necessary to preserve, by every means, certain demand capacity at the end of the chain, through the measures mentioned, though a lot of movement in the sector may occur in the short term as the more stringent imposed measures are made more flexible, which should take place in the very near term, as soon as the country has managed to slow down transmission of the disease and suitable mechanisms have been put in place to prevent new peaks in the contagion curve.

The return of league competitions, of motor and motorcycle racing championships, and of athletics events and other sports competitions, even if initially they may be behind closed doors, will determine, due to the way these activities are consumed in most cases and the lockdown we are experiencing with the resulting need to acquire contents, a rapid relaunch of the industry and will foreseeably enable the sector



to handle a recession with better resources to come out of it more quickly.

We are experiencing an unprecedented situation in recent times, a situation that will no doubt will make us stronger as individuals and as a society, which is proving to us the immense capacity that people have for supporting each other when needed, showing that there are still people who are willing to risk their own lives to help others when needed. Every member of our health system, and of our law enforcement agencies, and every worker that is enabling supplies to reach us to satisfy our needs at this time, all make our society better and make us better people. To all of them, thank you.

And from sport, which has always been a guarantor and conveyer of every value associated with supportiveness, effort, working in a team, equality and unity, the only thing we can do, each in relation to their own responsibilities, is to try and return to society a little of the positivity, the passion, the energy and the fighting spirit that only sport is able to convey. That is what we have to strive to achieve now more than ever

We are experiencing an unprecedented situation in recent times, a situation that will no doubt will make us stronger as individuals and as a society, which is proving to us the immense capacity that people have for supporting each other when needed

Music and copyright in the time of coronavirus

ANTONIO MUÑOZ VICO

Composers looking out of their windows for inspiration; concerts and festivals postponed or cancelled; musicians thrown into disarray by an uncertain future, and a population in lockdown and connected to the internet as the only way of communicating with the exterior. Like other entertainment sectors, the music industry has been hit hard by the pandemic. And it has turned to the networks to try to dodge its effects. Manager Franchejo Blázquez has become a pioneer organizer of online festivals in response to coronavirus and the #stayhome hashtag, and many musicians are sharing videos from their homes, in which they dig out the classics or reinterpret modern songs to stay active.

But, are these performances legal? Can an artist who has signed with a record company take part without anything to worry about in the new live videos on Instagram or on YouTube? What are the legal implications of sharing covers online? From a legal standpoint, we have the following types of cases:

1 Artists with a record deal

For anyone who has signed with a company, the key will always lie in the contract: it will depend on the terms that have been specified.

Generally, the idea underlying record contracts is that the company will spend large sums of money to launch the artist's career and in return is authorized to have a share in all revenues the artist obtains. So they often sign so-called "360 record contracts" which in addition to the recording of an album, also specify terms on live performances, including on social media: the label also provides management services for the musician, and ensures that it participates in all the artistic facets of the managed artist.

Generally, the artist gives the company exclusive rights in any performances of music recorded on the album in addition to the right to determine any other musical renditions or performances that the musician will make over the term of the contract. It is not unusual for artists to agree in these contracts not to rerecord the songs on the album, even for a period after the contract has ended. But, can online live videos be classed as "recordings" exactly? Are those performances recorded? Or do they disappear when the curtain falls and the lights are out? The answers to these questions and the small print in their contracts will provide us with an x-ray of the rights and obligations of every artist. Generally, if these digital initiatives are recorded, they will require the company's authorization. Many contracts also contain exclusivity undertakings in which the artist expressly undertakes not to record live performances in "temporary audiovisual formats", which may serve to reinforce the record company's capacity to authorize or prohibit the artist's participation in the new online festivals.

If artists neglect their obligations, they will incur breach of contract and the record company will be entitled to bring them into line: demand performance, or terminate the contract, and, in both cases, seek the damages incurred.

2 Covers of popular songs

It is also common in these days of lockdown to see on social media amateur musicians sharing their own renditions of well-known songs on their profiles. Although there are no contracts involved, the musician is performing songs protected by copyright owned not by the performer, but by composers and lyricists, by their heirs and, often, by their publishing houses. Do they have to seek permission from the copyright holders before clicking and uploading their cover online?

If they do not transform the original music or lyrics or make a "synchronization" (by inserting the original music in an audiovisual work –e.g., in a video clip, advertisement, a film or a series–), they are allowed to make a cover version and share it on social media. The fact that they do not expressly seek permission from the author or publisher does not mean that authors cease to collect or that these performances remain outside the control of copyright holders: it will be the collecting societies (the SGAE in Spain, for example) who receive fair compensation for public communication of the works and then redistribute it among authors and their publishing houses. Most platforms have blanket licenses with collecting societies (according to Spanish daily La Vanguardia, this is the case of Spotify and iTunes and of video platforms). After that, each platform has its own terms and conditions for use and their own copyright policy that users must observe.

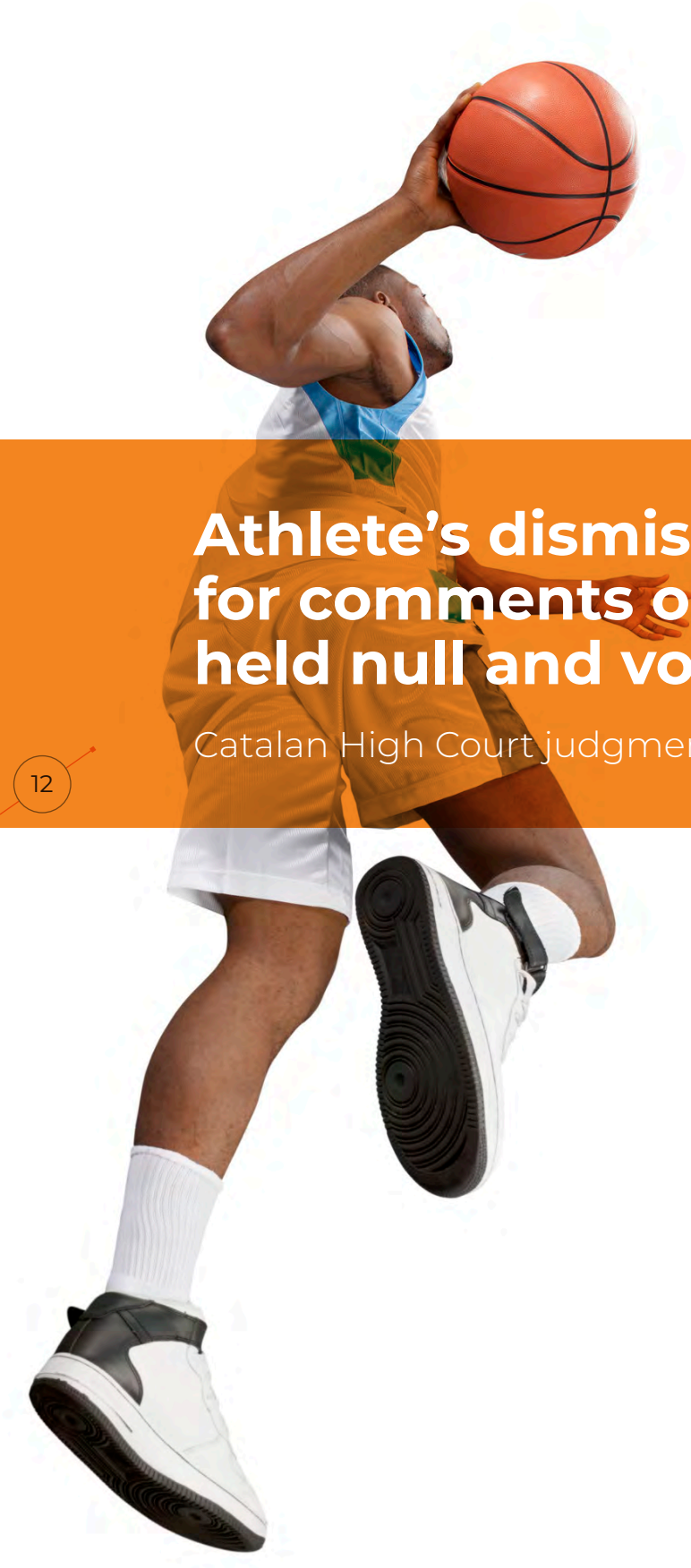
3

Fiddler on the roof: songs, recordings and chants from balconies

A third case discussed during the lockdown –in which famous songs like "Resistiré" by Dúo Dinámico have become popular chants– is whether singing or playing music out of windows could amount to a copyright infringement. Although various media and experts have published diverging opinions, the truth is that the SGAE and jurists close to its circle have accepted that, because those songs and reproductions take place in a domestic environment (article 20.1, p. 2 of the Spanish Copyright Law), without gathering a large audience (*Del Corso* case law) and are not performed for profit, there is no act of exploitation of the work strictly speaking (communication to the public) and therefore no obligation to pay or seek permission. The doctrine of harmless use would also have to be pleaded in these cases, an argument that has exceptionally been used by the Spanish supreme court where the alleged infringement has no real impact on the authors' rights and interests (*Megakini* case law).

> **In these exceptional circumstances, the music industry has taken on board the first principle of Roman public law: "salus populi, suprema lex est" (public health is the supreme law) and has understood that music and culture are essential elements in our lives and help reduce the anxiety caused by lockdown**

In any case, legal considerations aside, the various representatives of the music word are supporting the holding of online festivals and people's spontaneous cultural expressions. Displays of support are appearing in sequence: Spotify has launched a range of initiatives to support artists, a few collecting societies have postponed collection in the worst hit sectors and even sport wanted to join music in a concert against coronavirus. In these exceptional circumstances, the music industry has taken on board the first principle of Roman public law: "salus populi, suprema lex est" (public health is the supreme law) and has understood that music and culture are essential elements in our lives and help reduce the anxiety caused by lockdown. It is hard to see how these performances will end up in court. The main thing now, what really matters, is that public institutions adopt urgent measures to protect our artists and creators from the ravages of the crisis



The labor courts concluded that the fundamental right of expression had been harmed in the case of a player who had published comments on his poor sports performance stating he had been wrongly diagnosed by the club's medical services, and therefore held that his dismissal had to be rendered null and void.

Athlete's dismissal for comments on social media held null and void

Catalan High Court judgment of September 9, 2019

ÁNGEL OLMEDO JIMÉNEZ

Issue under debate

The Catalan high court judgment delivered a decision on the classification that must be given to termination of employment, ordered by the club, as a result of comments by one of its players, on social media (Instagram), related to his sports performance and mentioning that the club's medical services had not diagnosed an injury properly.

Facts of interest

The professional basketball player had a contract with a club, for two seasons.

The player published on one of his social media accounts a message in which he said that: "*Let me get things straight. Last year I twisted my ankle in the Euroleague play-off against Lokomotiv. The team doctor told me it was only a sprain so they pushed me to try and play again. They didn't tell me until it was too late that I had an edema causing swelling in my foot and that my season was over. This season is proving to be the hardest in my career because I am trying to play with an injury and I cannot play to the*

best of my abilities. Yes, at times in the season I have been prepared to leave a match because my injury was affecting my game and my mind. I didn't give up because my team did not let me sit down until I was healthy (...) I am saying this to thank my fans for their messages to keep my spirits up, without your words I might have given up, but I have been working hard day and night to help this team be a contender again (...)".

Offended by the contents of the message, the club served notice of dismissal on him.

The player was familiar with both the Internal Regulations of the first basketball team, and with the rules on social media use for the 2016/2017 season. Additionally, there was a contractual clause imposing that "*any declaration or expression of a view made by the player to the media (including on social media and websites) shall be made with due respect for the Club, its managers, members, trainers, players, employees, etc., avoiding any comments on technical or sport-related matters or of a social nature that reasonably may be considered private or imply an attitude that may be discriminatory or racist towards third parties, regardless of whether they are members of the club*".

Before that, the player had been cautioned on up to twenty occasions.

After being dismissed, the player filed a claim for the dismissal to be held null and void, with immediate reinstatement, payment of his salary for the period between the date of dismissal and the date of reinstatement in his position and emotional distress or "moral" damages and, secondarily, a finding of unjustified dismissal.

After his dismissal, the player signed with a Turkish club for the rest of the season.

The lower court's judgment held that the dismissal was null and void and ordered the club to pay the player €25,000 euros, in respect of emotional distress or "moral" damages.

Judicial interpretation

The court that heard the appeal confirmed the lower court's judgment, and upheld the decision finding the dismissal null and void.

In this respect, the court provided an analysis of the fundamental right to freedom of expression, and in particular, the specific effects of that right in the case of professional athletes, stating that Royal Decree 1006/1985 recognizes that players can exercise that right with the restrictions placed in the collective labor agreement, which, in this case, in article 4.12 of Annex III, classes as serious misconduct: "*The making of unjustified and seriously false, defamatory or malicious statements against the ACB (Spanish Basketball Club Association) and the club or SAD, or against their sponsors, managers, trainers or players, with protection at all times of the right to freedom of expression enshrined in the Spanish Constitution*".

Having established that, the judgment found that the only possible consequence of the dismissal is to render it null and void because:

a) The player has a constitutional right to exercise his freedom of expression, within the limits explained above. These are special limits where athletes are involved, due to the media exposure of professional athletes, although this may not mean having to obtain the club's prior authorization.

b) After considering the player's statements, it was held that they cannot be classed as "unjustified and seriously false, defamatory or malicious", within the meaning of the collective labor agreement, with respect to the club or its medical services, or that they attack the honor or reputation of those people.

   The tribunal reasoned that the comments may be seen as critical of the medical services, but, because it has not been evidenced by the club that what the player said about the diagnosis of his injury was not true, the statements cannot be classed as false.

   Therefore, the judgment held that the message is protected by freedom of expression.

c) Since the only ground for dismissal was publication of that message, the dismissal resulted from a decision harming the fundamental right of freedom of expression and therefore must be regarded null and void, confirming the club's obligation to reinstate the player, pay him the salary he should have earned between the date of dismissal and his actual reinstatement, plus emotional distress or "moral" damages, amounting to €25,000.

New conflicts concerning the tax treatment of footballers' severance payments

JOSÉ MARÍA COBOS GÓMEZ

General remarks

The taxation of footballers' severance payments has always been a source of contention. As you may recall, the position that the tax authorities have taken for many years was that the exemption provided generally in article 7 of the Personal Income Tax Law for severance payments was not applicable for professional athletes with employment contracts, due to considering that Royal Decree 1006/1985 did not place any mandatory, lower or upper, limit for these scenarios. The issue was settled following the Supreme Court judgment of November 18, 2009, which held that article 15 of that Royal Decree 1006/1985 did place a lower limit on the severance guaranteed to the athlete, and this limit serves to recognize the exemption for personal income tax purposes. Later, the Directorate General for Taxes adapted its interpretation to the Supreme Court's case law and now it is a settled principle that the severance payments of professional athletes can benefit from

the tax exemption, up to a limit of 2 monthly payments per year of service, without exceeding under any circumstances the maximum threshold of €180,000 currently set out in article 7 of the Personal Income Tax Law.

But, now that front has been closed, the TEAC decisions of July 10, 2019 and June 11, 2019 have dealt with a new discussion in relation to the eligibility for the exemption of professional athletes' severance payments, and transferred to the sports field a new approach that has been applied in other sectors for years. The source of this new discussion lies in the tax auditors' view that, in the examined cases, we do not have proper dismissals as such, but rather terminations of employment by mutual agreement, which would prevent the exemption from applying.

Background

The TEAC decision of July 10, 2019 examined the termination of an employment contract made by sending a disciplinary-dismissal letter referring to a clear, voluntary and continued decline in performance of ordinary work or work specified in the employment contract. Moreover, it was stated in the letter that, in view of the difficulty with providing proof that the described activity entailed, the company acknowledged there and then that the dismissal was unjustified and made available to the football player a sum of €425,000, net, in respect of a severance payment for unjustified dismissal. On the same day, club and player signed a termination document for the employment contract, specifying a severance payment in that amount. It needs to be mentioned that at that time the labor legislation allowed the employer to recognize that a dismissal was unjustified without needing to seek a prior conciliation hearing or a subsequent lawsuit ("fast-track dismissal").

The auditors took the view that it was a termination by mutual agreement, because the severance payment that the player was entitled to receive under Royal Decree 1006/1985 should have been €776,250. The player, however, agreed to receive only €425,000 and besides did so the same day the dismissal was notified to him. As a result of that circumstance, and considering also that, if the circumstances able to found dismissal on disciplinary grounds actually did exist, the Workers' Statute does not provide for any severance, the auditors concluded that the termination of employment had already been agreed by both parties in advance.

For its part, the TEAC decision on June 11, 2019 examines a case where a football player was served notice of termination of his employment contract on economic and organizational grounds, and offered a severance payment amounting to €1,246,251.08 under article 53.1.b) of the Workers' Statute. Because the player disagreed with this, at the conciliation hearing the club acknowledged that the dismissal on objective grounds was justified and offered the player a sum of €1,446,251,08, net, which the player accepted.

The auditors highlighted that the severance payment that the player was entitled to receive, in the event of unjustified dismissal, was €3,790,680.37, under article 15 of Royal Decree 1006/1985, and therefore the acceptance at the conciliation hearing of an amount considerably lower than the sum he was entitled to receive (€1,446,251.08), evidenced an agreement by mutual agreement to terminate his employment. It was regarded, additionally, as an indication of the existence of a decision by mutual agreement that, on the date he left the club, the player was 35 and, according to various statements reported in the press, he was thinking about leaving the club with which he only had one season left in this contract, which would open the door to being signed abroad to end his career as an elite athlete.

In both cases, the club pleaded that its acknowledgement that the dismissal was unjustified and the agreement over the amount of the severance payment do not invalidate the actual existence of the dismissal, and are simply a way to avoid the uncertainty of a lawsuit for both parties. The decisive factor is that termination of the employment contract was carried out against the employee's wishes, irrespective of any terms specified to benefit both parties.

TEAC's conclusion

TEAC confirmed the auditors' interpretation by arguing that article 7 of the Personal Income Tax Law requires that a dismissal must have actually taken place, and terminations by mutual agreement that have been given the appearance of dismissals cannot qualify for the provisions in that article. For these purposes, the importance of the classification work to be done by the tax authorities is notable, in that they have the power to examine the real legal nature of the decision to determine whether they are real dismissals by reference to the contents of the terms and the circumstances of the case, to the economic consequences and to their reasonableness. For these purposes, the classification as an unjustified dismissal by the parties or their confirmation

as such in an agreement signed at the SMAC (Mediation, Arbitration and Conciliation Service) are not determining factors for the tax classification of the severance payments.

On the basis of these general considerations, TEAC examined the particular circumstances in each case. Namely, in the case associated with the decision of July 10, 2019, in which the termination was carried out as a dismissal on disciplinary grounds subsequently recognized as an unjustified dismissal, it highlighted the following:

a) The simultaneous occurrence of the notice of dismissal alleging disciplinary grounds and the recognition that the dismissal was unjustified with the offer of severance, which the worker accepted immediately without allowing a minimum period for reflection to adopt the decision.

b) The vagueness and ambiguity in the way the ground for dismissal on disciplinary grounds is supported, without producing any decisive items of proof for the termination of employment, beyond a general finding of clear, voluntary and continued decline in the worker's performance.

c) The sum paid is lower than the amount that should have been paid under labor legislation for unjustified dismissal. This situation does not have any logical explanation and does not make sense unless it is placed in the context of an agreement between employer and worker, because, besides not taking the case to court, the worker accepted the offered sum immediately and voluntarily waived his rights, despite the considerable economic loss it implied for him.

d) The amount of severance, according to the statements added in the termination document for the employment contract, was agreed in net terms, which suggests that the agreement between the parties included giving the payment the outward appearance of severance to claim the tax exemption.

Regarding the case associated with the judgment of June 11, 2019, in which the termination was carried out as a dismissal on objective grounds, TEAC highlighted the following circumstances:

a) The worker's consent was obtained when unjustified dismissal was acknowledged and €200,000 additional severance was offered to

him, which makes it clear that an agreement has taken place over the economic amount and the classification of the dismissal.

b) The paid amount of severance is lower than the amount he would have been entitled to receive for unjustified dismissal and yet, besides not taking the case to court, the worker accepted the offered sum and voluntarily waived his economic rights.

c) Moreover, the worker's age (35) is a relevant factor together with the fact that he publicly stated his wish to leave the club, despite having a year remaining in his contract, which opened the door to contracts abroad with which to end his career as an elite athlete.

TEAC also rejected the argument that there was no agreement over the termination of employment, only over the amount of severance, which had been adjusted based on the respective expectations and perceptions of risk of each party. In TEAC's opinion, "severance only qualifies for the exemption if it compensates the worker for forfeiture of the right to work". In the examined cases, however, the auditor's conclusions have not been invalidated regarding the existence of an agreement for termination of employment, benefiting both the player (who receives exempt severance) and the employer (which has no withholding tax to pay, has lower expenses than it would have had to incur if the athlete had stayed until the end of the contract, and also avoided claims being filed with the labor courts).

In short, in TEAC's opinion, the combined assessment of all these items of evidence point, in both cases, to termination of employment by mutual agreement between the parties, in which the amounts paid as severance are not aimed at compensating forfeiture of their jobs, but instead must be treated as rewards for leaving their jobs voluntarily under a predefined agreement with the club, which is signed to the detriment of the public purse by treating the received severance as exempt income.

Lastly, TEAC explained that, because they were amounts paid by the club as a result of the termination by mutual accord of the athlete's employment and they are reported in one and the same tax period, they should be treated as clearly multiyear salary income and, as a result, the reduction is applicable (at that time, 40%, now 30%) under article 18 of the Personal Income Tax Law and article 11 of the Personal Income Tax Regulations.

NEWS

TALK ON EVENT MARKS FOR "MAGISTER LVCENTINVS" INTELLECTUAL PROPERTY MASTER PROGRAM

On February 10, Carolina Pina, partner in the Garrigues intellectual property department, gave a talk on event marks for the "Magister Lvcentinvs" master program.
The talk touched on the subjects of marks in the sports world, ambush marketing, and the particular case of the Olympic symbol or the elaboration of ad hoc laws.

LECTURES ON TAXATION IN SPORT FOR THE MASTER IN SPORTS LAW APPLIED TO PROFESSIONAL FOOTBALL, ORGANIZED BY LALIGA BUSINESS SCHOOL

On January 24 and January 25 lectures on taxation in sport took place at LaLiga Business School as part of the Master in Sports Law Applied to Professional Football.

Gonzalo Rincón de Pablo, partner in the tax department, and other Garrigues tax professionals, gave those lectures on the international taxation of professional football players, on the taxation of rights of publicity, and on the taxation of international transfers of professional football players.

INTERNATIONAL CONFERENCE: 2020 EUROPE CONFERENCE BRANDS, SPORTS AND ESPORTS

2020 Europe Conference Brands, Sports, and eSports: A Brand (R)evolution, an international conference organized by International Trade Mark Association took place on February 18.

Carolina Pina, partner in the Garrigues intellectual property department, took part as speaker on the subject of: Sports-Related Hot Topics and IP Cases: Looking Back and Looking Forward. The participants focused on recent case law on traditional sports and shared their views on i) exercise and competitions - their rising popularity, legal issues (issue of copyright associated with the music), ii) contractual issues, in particular sponsorship agreements and advertising campaigns and iii) radiobroadcasting rights.

GARRIGUES SPORTS & ENTERTAINMENT DEPARTMENT RECOGNIZED ONCE AGAIN BY THE TOP DIRECTORIES

For another year running, Garrigues Sports & Entertainment appeared among the law firms recognized by the Chambers Europe directory, which singled out its sports law practice for high-profile athletes.

As a personal commendation, Félix Plaza, co-head of Garrigues Sports & Entertainment, and Carolina Pina, partner in the intellectual property department, appear among the lawyers recognized by that directory, and by international directories Best Lawyers and Who's Who Legal, which recognized Félix Plaza and Carolina Pina as sports law experts.

INSTITUTIONAL NEWS

TOKYO 2020 OLYMPIC GAMES RESCHEDULED

On March 24, 2020 the International Olympic Committee published on its website a joint statement with the Tokyo 2020 organizing committee announcing the rescheduling of the Tokyo 2020 Olympic Games (which were going to be held in June and July) to a date beyond 2020 but not later than summer 2021, to safeguard the health of the athletes, everybody involved in the Olympic Games, and the international community, as a result of the emergency created by COVID-19. The games will stay in Japan and keep the name Olympic and Paralympic Games Tokyo 2020.

UEFA POSTPONES EURO 2020 FOR 12 MONTHS

On March 17, 2020, UEFA published a statement on its website, informing of the postponement of UEFA EURO 2020 (which was going to be played out in June and July) to 2021 as a result of the emergency created by COVID-19. The health of everyone involved in organizing the championship is the priority, as well as to avoid placing any unnecessary pressure on public services in staging countries. Moreover, the postponement will mean that domestic sports competitions, also on hold due to the virus, can be completed.

LALIGA SUSPENDS PROFESSIONAL FOOTBALL COMPETITIONS

On March 23, 2020 LaLiga published a statement on its website, informing of the suspension of professional football competitions. The Monitoring Committee envisaged in the Coordination Agreement in effect between RFEF (Spanish Football Association) and LaLiga decided to suspend professional football competitions until the competent Spanish executive government and public administration authorities consider that they may be resumed and this does not imply any risk to health.

Judgments

1 Differences between business and professional activity in motorcycle racing

Catalan High Court judgment of September 17, 2019

The plaintiff appealed the regional economic administrative tribunal's (TEAR) decision to uphold the tax inspectors' position, according to which the activity carried on by the taxpayer should be classed under the tax on economic activities caption for "Motorcycle and Automobile Racers, Coaches and Trainers", which is a professional activity, instead of under the business activity for which the appellant was registered.

In the appellant's opinion, his activity meets the requirements for treatment as a business activity, which is contrary to the inspectors' position (as a result of his age and the inability for him to carry out a professional activity). Nonetheless, according to the tribunal, because the appellant's activity (consisting of the provision of motorcycle racing training services) does not require premises; because the appellant does not have or need hired staff; and, lastly, because the appellant does not bear the risks associated with traders, the tribunal had no choice but to treat the activity as a professional activity. The tribunal also took the view that, by itself, the fact that no books or accounts are kept does not automatically mean that the indirect assessment method is more appropriate than the direct assessment method.

2 Within the scope of the legislation on doping sanctions, athlete's right to be presumed innocent must be protected

National Appellate Court judgment of October 7, 2019

The National Appellate Court set aside the penalty imposed on a cyclist who tested positive for a banned substance in an anti-doping test. As a result of deficiencies detected in the transport and chain of custody of the urine sample, doubts arose as to the reliability of the test results obtained, because within the scope of the administrative sanctioning law, priority needs to be given to the principle of the presumption of innocence.

In the court's opinion, the test results can only be taken to be reliable if samples are transported correctly. So, a statement that everything was correct when the samples were taken cannot take the place of the obligation to ensure safe packaging of samples, because that statement relates to a point before and a different time from when they were transported.

In short, the court ruled that, in connection with the legislation on penalties, emphasis must be given to the safeguards that make it possible to sanction an athlete for adverse results obtained from a biological sample, meaning that any irregularity able to jeopardize the reliability and safety of the test results obtained must result in protection of the sanctioned athlete's right to be presumed innocent.

3 There is currently no law covering the imposition of sanctions for equine doping

National Appellate Court judgment of October 17, 2019

The plaintiff filed an appeal against a decision of the Spanish Disciplinary Committee for Sports, in which that committee held that there is insufficient coverage by the law to impose a penalty for equine doping.

Although it is true that, over time, there have been regulations dealing with this matter, it is also true that the only regulation currently in force that covers the imposition of sanctions for administering prohibited substances to animals (horses, in this case) in the area of sport, does not have sufficient authority to cover the sanction the appellant seeks to impose. In fact, although there is a regulation with the authority of organic law that stipulates, in one of its additional provisions, that the government has the obligation to prepare the related bill, because the government has not yet done so, the legislation sanctions for doping in humans cannot be applied to doping in animals.

4 The right to reputation of a player who utters insults is not undermined by being reported on the radio, if the information had already been made public

Santander Provincial Appellate Court judgment of November 13, 2019

A radio commentator appealed the lower court's judgment sentencing him for undermining the reputation of a handball player who uttered racist insults against a player on the opposing team.

Because the information reported by the appellant in a radio broadcast was protected by the right to freedom of information and, in relation to the plaintiff's right to reputation, added nothing that had not previously appeared in the administrative complaint or in the information appearing in the press, both published in the preceding two days, no right whatsoever had been undermined. This is true regardless of the absolute factual truth over who uttered the expressions at issue. The circumstance overriding what could otherwise be regarded as encroachment on that

person's right to reputation is therefore, in the opinion of the court, the prior existence of information.

5 Well-known football player acquitted from tax offense accusations

Madrid Provincial Appellate Court judgment of November 25, 2019

As a result of the licensing of a football player's rights of publicity to certain companies, both the player himself and his agents were accused of a tax offense, it was alleged that the only purpose of the web of companies under examination was to avoid the tax burden that would otherwise have been payable.

It was alleged on this subject that the company's rights amounted to absolute simulation. Nonetheless, after examining the facts (over which there was no dispute), Madrid Provincial Appellate Court took the view that the key factor in these types of cases is to determine whether a licensee allegedly with no infrastructure is purely a formal instrument for receipts and payments that plays no role whatsoever in making commercial use of the publicity rights of the accused and therefore is used only to avoid the payment of tax because, in short, the licensing of the publicity rights is false.

The court concluded that, given the existence of three fundamental circumstances, i.e.: (i) the actual licensing of the publicity rights (the price set in the agreement reflects the market value of a transaction of this nature) to an entity that does, in fact, use them; (ii) an employment relationship between the player and a sports entity that obtains the right to use the right of publicity; and (iii) an amount paid as salary income exceeding 85% of the total amount paid for both items, the facts cannot be deemed to amount to an offense.

6 Television networks will be able to broadcast informative summaries of Liga de Fútbol Profesional matches, lasting 90 seconds per match, for no consideration

Supreme Court judgment of December 20, 2019

The Supreme Court ruled on an appeal against the national appellate court judgment finding in favor of the view of the Spanish Markets and Competition Commission regarding the option to broadcast on television 90-second summaries of each match for no consideration whatsoever.

The Supreme Court, by interpreting the applicable legislation on audiovisual communications, allowed the broadcast of summaries lasting no longer than 90 seconds for no consideration, thereby confirming the interpretation of both the Spanish Markets and Competition Commission and the National Appellate Court, consisting of this obligation having to be treated as referring to each one of the matches played in a Liga day rather than to all of them in the aggregate.
It based its decision, first, on the fact that any interpretation otherwise would mean accepting a length of time incompatible with reporting on the events of each match, especially in view of the social importance of professional football. It therefore did not allow a broad interpretation of the right to information. Furthermore, in the court's opinion, this position does not harm the right to private ownership and free enterprise, given the general interest in public access to the information and the media's right to give a minimum report on the events of each match.

7 Supreme Court overthrows requirement to be member of Spanish Footballers' Association for football player to be insured by Footballers' Savings Plan

Supreme Court judgment of January 8, 2020

As a result of the claim that a rule was null and void due to requiring membership of the AFE (Spanish Footballers' Association) for a football player to be actively insured under the Footballers' Savings Plan, the Supreme Court examined the cassation appeal brought against the judgment that actually held that rule void.

The Supreme Court found that it should confirm the National Appellate Court's interpretation that stipulating membership in particular union as a requirement for the receipt of a specific benefit undermined freedom of association. This, in the court's opinion, would be a clear case of the inequality prohibited by the Spanish protection of freedom of association and, accordingly, the decision to void the rules challenged at the lower court must be upheld, and the cassation appeal dismissed.

8 Termination of an elite football player's employment contract due to expiration of its term also entitles the player to receive severance

Supreme Court judgment of January 23, 2020

A first division football club appealed the lower court decision allowing severance for the end of a contract to be granted to a player whose employment contract had ended due to expiration.

In fact, the Supreme Court acknowledged that the extinguishment of the contract due to expiration entitled the player to receive the severance stipulated in general

labor legislation, applicable on a secondary basis to the specific provisions on the special employment relationship of elite athletes. Doing otherwise would create unjustified discrimination between ordinary temporary workers and special temporary workers, and, contrary to what was claimed by the appellant, the athlete's remuneration level, or the fact that the athlete immediately joined another sports entity, is irrelevant.

9 The CSD (National Sports Council) has the authority to monitor agreements of the ACB via administrative appeal

Supreme Court judgment of February 19, 2020

The ACB (Spanish Basketball Club Association) lodged a cassation appeal against the decision of the National Appellate Court confirming the National Sports Council's authority to deliver a decision on the requirements that must be met by basketball clubs in order to be registered in professional competitions.

Although it is true that professional sports leagues and sports associations have a range of powers when it comes to granting or refusing the licenses required to participate in the competitions they organize, the court deemed that the National Sports Council has the authority to monitor, via administrative appeal, the agreements of professional leagues regarding the membership of professional basketball clubs. This is based on the treatment of professional leagues, in relation to their participation in the endorsement of licenses as part of the public functions attributed to them by statutory delegation, as agents of the public administration whose actions can be monitored via administrative channels by the National Sports Council.

10 The combination of a non-advertising spot related to a health problem with the telepromotion of products aimed at combating that problem amounts to surreptitious advertising

Supreme Court judgment of November 11, 2019

A major media group appealed the National Appellate Court decision imposing a sanction on the group for the commission of an infringement consisting of the broadcasting of surreptitious advertising during a television program on one of its networks.
The Supreme Court upheld the position adopted by the lower court, by finding that the television broadcast of a micro-spot on health, involving a doctor explaining the body's need for antioxidant products, followed an hour later by the host's telepromotion of two antioxidant products from a specific laboratory, amounted to surreptitious advertising.

By contrast, the court did allow the position of the appellant when it acknowledged that the broadcast on two different days of this combination of apparently non-advertising content and a telepromotion spot would entail a single ongoing infringement rather than two separate infringements.

11 The insults uttered on a well-known celebrity program cannot be protected as freedom of speech

Supreme Court judgment of December 18, 2019

The appellant, a family member of a famous bullfighter who often appears on celebrity programs, asked to have certain statements broadcast on television, in which she was pegged as an alcoholic, recognized as an unlawful invasion of her privacy. She also claimed that the insults aimed at her on the same program by persons related to her were unjustified and could not be protected as freedom of speech. Lastly, she considered that her right of personal portrayal had been undermined by the television program.

The Supreme Court held that only the second claim could be allowed, in that allusions to the consumption of alcoholic beverages lack sufficient intensity to be deemed an invasion, given the evidence that the appellant adopted patterns of behavior showing that she had no special interest in being sheltered from public opinion. In the same way, the court did not allow the undermining of her right of personal portrayal, given that the images in question were taken with her consent, in a public place, or were ancillary to the comments made. Nonetheless, it did allow the appellant's position in connection with the insults received, taking the view that they could not be protected as freedom of speech and overstepped the limit of what is admissible on this type of program.

12 Special temporary contracts of performing artists are also subject to general objective limitations

Supreme Court judgment of January 15, 2020

The National Institute of Performing Arts and Music appealed the decision of the Madrid High Court in which the Court deemed the objective limitation on temporary nature imposed under general employment legislation to apply to the performing artists' special employment relationship.

The court upheld the position of the lower chamber, deeming that the regime limiting temporary nature is none other than the transposition into Spanish law of provisions laid down in European law. The court took the view that

more than one temporary contract entered into successively could not be used for conducting permanent and structural activities at the employer, as was the case of a chain of up to ten temporary contracts, each having a subject-matter consisting of carrying on, for the Spanish National Ballet, activities associated the job category of Corps de Ballet Ballerina, participating not only in specifically programmed annual performances, but also in activities related to the maintenance and preservation of repertoire.

Ruling requests

1 Tax obligations of organizer of tournaments with online betting

DGT resolution V2857-19 of October 15, 2019

The requesting taxpayer asked what formal and substantive tax obligations would be imposed on the activity of setting up an individual enterprise that was to organize a tournament in which various persons were to participate, with one winner, on which there was to be online betting.

Because this is a business or professional activity, application must be made for registration on the list of traders, professionals and withholding agents. Furthermore, because the activity does not fall under a specific heading, it must be registered for the tax on business activities under "Organization and Holding of Sports Betting, Lotteries and other Gambling", although it is important to note that it will be necessary to observe the specific gambling legislation in addition to the tax legislation.

On the other hand, in connection with VAT, the DGT classified the activity as "electronically supplied services" and, under the place-of-supply rules, those services are taxable if the customers are not traders or professionals and are established (as well as those established in another Member State, if the amount of the services does not exceed 10,000 euros in a single calendar year). The rate will be the standard 21%.

Lastly, the revenues obtained will amount to income from economic activities for personal income tax purposes; accordingly the direct assessment method will apply and the revenue and expense matching principle must be observed if the expenses are to be deductible.

2 Tax treatment of mileage expenses incurred by referees

DGT resolution V3403-19 of December 12, 2019

The request concerned whether the economic compensation received by referees for mileage expenses is tax exempt, assuming that arbitrators do not have an employment contract or contract for services with the respective sports associations that pay them.

The DGT explained that, although it is true that these amounts are not subject to the rules on per diems and emoluments for travel expenses specific to salary income, they may be treated as an "expense for the account of a third party" –the sports association– if certain requirements are met. Income will not exist for the sports referees if the respective sports association provides them with the means to travel to the place where they are to carry out their activities. Income will exist, however, if the association reimburses the sports referees for the expenses incurred, and they fail to evidence the offset of such expenses, or if the arbitrators are paid an amount which may be used as they freely decide, in which case it will be treated as salary income.

3 The withholding rate applicable to football players hired by a club depends on the nature of their employment relationship

DGT resolution V3484-19 of December 20, 2019

The request concerned the applicable withholding rate for football players hired by a sports club under part-time temporary employment contracts for the official football season.

Because the players and the club have a special employment relationship, the applicable withholding rate will be determined using the standard procedure, bearing in mind that it cannot be less than 15%.

The standard procedure will also be used to determine the rate if the relationship is not special, although that 15% minimum will not apply. The standard 2% rate will apply if the contracts have a term below one year.

4 Special regime for partially exempt entities – association that promotes solidarity by organizing sports activities

DGT resolution V3539-19 of December 26, 2019

The request concerned whether the special regime for partially exempt entities would apply to a not-for-profit association whose purpose is to promote awareness and solidarity by organizing school sports activities.

The DGT took the view that, because it was not mentioned that the association had been granted public benefit status, it assumed that Law 49/2002 would not apply, but that, because it is a not-for-profit entity, it would be treated as a partially exempt entity subject to the related special rules. The income obtained by the association is exempt if it comes from the performance of its purpose and does not arise from an economic activity.

Lastly, provided that i) the total revenues do not exceed 75,000 euros; ii) the revenues relating to non-exempt

income do not exceed 2,000 euros; and iii) all non-exempt income is subject to withholding, the association will be under no obligation to file a corporate income tax return.

5 VAT treatment of the activity carried on by a sports club

DGT resolution V0067-20 of July 15, 2020

The request concerned the VAT treatment of the activity, reported as tax exempt, carried on by a sports club that was to organize archery courses for members and non-members, accepting sponsorship services in exchange for the payment of a price by the brand in question.

The DGT ruled that, in order to qualify for the exemption, the club's activity must first consist of a supply of services (not of goods); those services must be directly related to the performance of a sport or physical education by an individual (many examples are given); and, thirdly, the sports club must be treated as having a social nature. This means that the club must use its income for the activity constituting its purpose, rather than distributing it, and its directors must not be compensated for their services. If these requirements are not met, the applicable tax rate would be the standard 21% rate.

The sponsorship services will be treated as an advertising service subject to and not exempt from VAT, taxed at the standard 21% rate, under the place-of-supply rules in the VAT Law.

6 VAT treatment of amounts received by an amateur basketball club for cooperation agreements

DGT resolution V0111-20 of January 21, 2020

The request concerned whether amounts received by an amateur basketball club that planned to execute various cooperation agreements and was financed with contributions from members and public subsidies would be subject to VAT.

If the amateur basketball club meets the requirements for treatment as an entity eligible for the special regime under Law 49/2002 on the tax regime for not-for-profit entities and tax incentives for patronage, the amount it receives under cooperation agreements, used for purposes of general interest, will not constitute a supply of services for VAT purposes, will not form part of the taxable amount and will not be included in the calculation of the deductible percentage. Otherwise, amounts received for patronage should be treated as supplies of services subject to and not exempt from VAT and should be taxed at the general 21% rate.

7 VAT treatment of a virtual platform of online skill games

DGT resolution V3256-19 of November 27, 2019

A number of issues were submitted regarding the VAT treatment and the various VAT obligations of an entity established in the Spanish VAT territory, which had developed a computer platform that permitted access to various games in which users competed with each other after paying a deposit used, in part, by the entity itself and, in part, for prizes for the winners.

The DGT considered this to be a case of electronically supplied services and that the place of supply was the Spanish VAT territory, provided that the customer (not a trader or professional) was established in the Spanish VAT territory or met the requirements in article 70.One.8 of the VAT Law. In turn, the taxable amount would be the amount of the deposits, less the part used for prizes and the amount related to VAT. The tax would generally become payable at the time the game or tournament commenced, but in this case would become payable early at the time the deposits were paid by each player.

Lastly, the taxable person should issue an invoice for the services supplied, although it could do so in simplified form if the amount does not exceed 400 euros.

8 The provision of services to third parties by recording one's own voice on the internet is a professional activity for the purpose of the tax on economic activities

DGT resolution V2673-19 of June 30, 2019

The request concerned the treatment, for the purpose of the tax on economic activities, of the recording of the taxpayer's own voice from her home studio, for the online sale of the service to various companies with diverse contents (advertising, informative or aimed at raising awareness).

The DGT took the view that the activity constituted a provision of online services to third parties. Not being an activity specified in the classifications of the tax, it should be classified provisionally in the group or under the heading used for activities not otherwise classified, of a similar type. In particular, the activity consisting of providing services to third parties by recording one's own voice for use in various formats and with diverse contents is classified in group 899 of section two "Other Professionals Related to the Services to which this Division Refers".

9 A public subsidy for the cinematographic production of short films is not exempt from personal income tax

DGT resolution V2750-19 of October 8, 2019

The DGT analyzed the possible exemption from personal income tax of the subsidy received by the taxpayer from the Department of Culture, Tourism and Sports of an autonomous community, as aid for the cinematographic production of short films.

According to the DGT, the personal income tax regulations do not contemplate any case of exemption or of non-submission referring to subsidies for the cinematographic production of short films and, accordingly, the aid obtained constituted income subject to and not exempt from personal income tax. It added that, because it was a subsidy whose beneficiaries should be the owners of companies that meet certain requirements, the subsidy received would be characterized as income from economic activities.

10 The income obtained for granting interviews to gossip magazines constitutes income from economic activities

DGT resolution V3074-19 of November 4, 2019

The request concerned the tax treatment given to the activity of granting interviews to gossip magazines and various private networks to talk about the requesting taxpayer's personal life, for which the taxpayer received certain revenues.

DGT considered this to be an activity for which the requesting taxpayer should be registered for the tax on economic activities, under the heading "Other Activities related to Cinema, Theater and the Circus". It also held that the human factor represented by the commercial exploitation of the taxpayer's own personal and family life constituted a significant production resource that made the taxpayer a trader or professional for VAT purposes since, in this particular, case, the DGT deemed that it could not be treated as a merely one-off and isolated activity, given the frequency with which the activity was pursued (subject to the standard 21% rate).

Lastly, the income received for the described activity would constitute income from economic activities for personal income tax purposes, which would be subject to a 15% withholding rate.

Legislation and decisions

1 Royal Decree 463/2020, of March 14, 2020, declaring a state of emergency to manage the COVID-19 public health crisis

Article 10 lays down containment measures in relation to commercial activities, cultural facilities, leisure establishments and activities, hospitality and restaurant activities, and other additional measures.

In subarticle three it suspends the opening to the public of premises and establishments where public shows, or the sporting and leisure activities indicated in the annex to the royal decree are held. Among them, football, rugby, baseball pitches, basketball or tennis courts and similar premises, permanent motorcycle, automobile circuits, and similar premises, athletics tracks, or stadiums, among many others.

2 Royal Decree-Law 8/2020 of March 17, 2020 on urgent extraordinary measures to confront the economic and social impact of COVID-19 (RDL 8/2020)

Key corporate law issues

- Financial statements: RDL 8/2020 suspends the three month time period running from the end of the previous fiscal year for preparing the financial statements, which will re-start for a further three months after the end of the state of emergency.

- Audits: in the case of financial statements that had already been prepared on the date of declaration of the state of emergency, the period for their verification by auditors, where they are subject to statutory audit, is extended until two months after the end of the state of emergency.

- Annual shareholders' meeting: RDL 8/2020 has deferred the time periods for calling and holding annual meetings (in the case of non-listed companies the rules on remote attendance are not so clear).

- Moratoriums: RDL 8/2020 allows applications for moratoriums (or "holidays") on mortgage loan payments.

Key tax issues

- Various measures are adopted aimed at extending and suspending the time periods for tax procedures. The suspension of time limits and interruption of time periods (i) will not be applicable to tax time periods, or (ii) affect the time periods for filing tax returns and self-assessments.

  - Extension of time periods in administrative procedures: they are extended until April 30, 2020 -for time periods that started running before the entry into force of the royal decree-law- or until May 20, 2020 -for time periods that started running after the entry into force of the royal decree-law- i) the time periods for payment in the voluntary period of tax debts arising from assessments by the tax authorities, ii) the payment periods after the enforcement period has started running and the order initiating enforced collection procedures has been notified, iii) the expiry dates for time periods and split payments under deferred and split payment agreements that had already been granted, iv) certain time periods related to auctions and allocation of property, v) the time periods for fulfilling requests, attachment procedures and requests for information with tax implications, as well as the time periods for submitting pleadings in certain types of tax procedures, vi) the time periods for the foreclosure of security interests in real estate in the context of administrative enforced collection proceedings and vii) the time periods for fulfilling demands and requests for information from the Directorate General of the Cadaster.

  - Calculation of the maximum length of procedures for application of taxes and of the statute of limitations period: the period between the entry into force of the royal decree-law and April 30, 2020 will not be included for the purpose of calculating the maximum length of any procedures for application of taxes, penalty and review procedures conducted by AEAT; or of any procedures commenced by the Directorate General of the Cadaster. They will not be included for calculating statute of limitations periods either.

- Transfer and stamp tax exemption for contractual novations of mortgage loans and credit facilities carried out under the royal decree-law.

Key labor and social security issues

- With respect to temporary layoffs (regulaciones temporales de empleo or ERTEs) due to force majeure:

  - These will be understood to be temporary layoffs having as their direct cause a loss of activity as a result of COVID-19, including the declaration of the state of emergency, which entails the suspension or cancellation of activities, the temporary closure of premises where people gather, restrictions on public transport and, in general, on the movement of persons and/or goods, a lack of supplies that seriously impedes

the ordinary conduct of activities from continuing, or urgent and extraordinary situations due to the infection of the workforce or the adoption of preventive isolation measures decreed by the health authorities, which are duly evidenced. The specific provisions set out in the royal decree-law will apply to them.

- The Social Security General Treasury will exempt the employer completely from payment of the employer's contribution, and from the contributions relating to jointly collected items, while the temporary layoff is in place (if the company has 50 or more workers, the exemption from the obligation to pay contributions will amount to 75 % of the employer's contribution).

- In temporary layoffs based on the extraordinary circumstances defined in the royal decree-law, the right to the contributory unemployment benefit will be recognized even if workers have not met the minimum contribution period required for that purpose. The time during which the contributory unemployment benefit is received for these reasons will not be included for the purposes of determining completion of the established maximum periods for receiving benefits.

- The extraordinary employment-related measures are subject to the company's obligation to maintain employment for a period of six months following the date of resumption of operations.

- Encouragement of teleworking

- Adaptation of timetable and reduction of working hours:

3 2020 Tax and Customs Control Plan

Decision of January 21, 2020, by the Directorate-General of the State Tax Agency, approving the general guidelines for the 2020 Annual Tax and Customs Control Plan.

In 2020 the income obtained by artists and athletes performing activities in Spain will be more closely monitored. Spain is a venue for international sport events and for the organization of artistic events of various types. Nonresident professionals take part in these activities, individually or in groups, and they can obtain substantial amounts of income for their participation, which in many cases should be subject to nonresident income tax.

The income that will be monitored goes beyond the income received for their professional activities by artists or athletes and includes other types of income closely linked to their participation in Spain.

The monitoring activities will include obtaining information on events organized in Spain to gather information on their promoters, organizers and participants. In view of the wide range of activities that may be included in this field, coordinated activities will be carried out among AEAT's departments with monitoring powers, with the cooperation of the National Office of International Taxation and the National Office of Tax Management.

More information here.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