

Legislación Economía

COVID-19 (coronavirus) sinks the world economy in the worst recession since the Second World War

National Government introduces changes to the Income Tax Regulation

Politics: Referendum of November 3: Biden or Trump

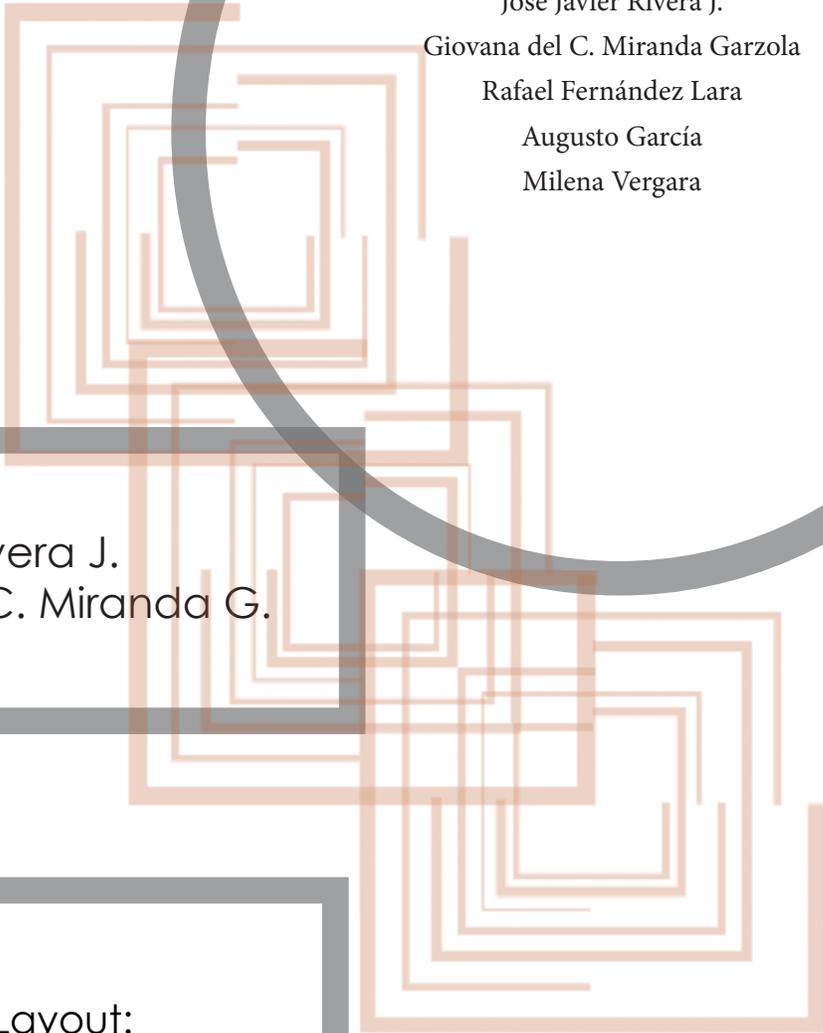
Horizontal Property Law is regulated

Some notes about the first year of government



In this edition

José Javier Rivera J.
Giovana del C. Miranda Garzola
Rafael Fernández Lara
Augusto García
Milena Vergara



José Javier Rivera J.
Giovana del C. Miranda G.

Design & Layout:
Gabriela Melgar



Rivera, Bolívar y Castañedas



@rbcabogados



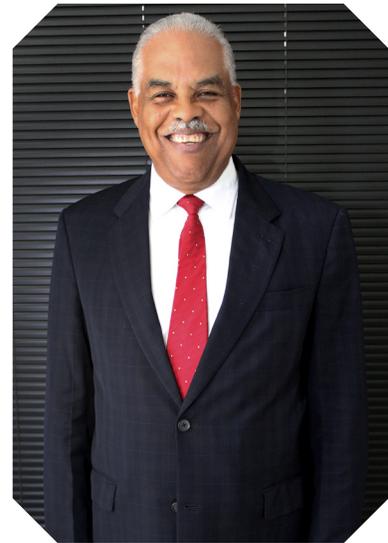
@rbcweb



JUNE 2020

Editorial

5



SOME NOTES ABOUT THE FIRST YEAR
OF GOVERNMENT

Content

26. Politics

REFERENDUM OF NOVEMBER 3: BIDEN OR TRUMP

30. Panamanian Economy

MAIN MONTHLY ECONOMIC INDICATORS: JANUARY-
APRIL 2019-20

33. World Economy

COVID-19 (CORONAVIRUS) SINKS THE WORLD
ECONOMY IN THE WORST RECESSION SINCE THE
SECOND WORLD WAR

42. Environmental Capsule

HOME GARDENS... A REINVENT IN FAVOR OF THE
ECONOMY AND HUMAN HEALTH

Invited
Writer

7

NATIONAL GOVERNMENT INTRODUCES
CHANGES TO THE INCOME TAX REGULATION

Contenido

Norms
of interest



PASSED LAW OF
MORATORIUM

12

Consult, Doctrine &
Jurisprudence

19

SUPREME COURT OF THE UNITED STATES
RECOGNIZES EQUAL CIVIL RIGHTS TO THE LGBT
COMMUNITY



José Javier Rivera - Attorney
jj.rivera@rbc.com.pa

Editorial

Some notes about the first year of government

The magazine corresponding to the month of June of this year had to wait until July 1 due to our May editorial, where we asked ourselves the question about the absence of the President of the Republic in the momentous decisions that the country has been facing.

It was then necessary to give the president the opportunity to return to the fore and present the income statement of his first twelve months in office.

We can begin the examination by mentioning that a couple of days before July 1, successful changes were made in Ministry of Health and in Ministry of Housing, the replacement of Minister of Social Development didn't seem right to me.

Regarding Ministry of Health, I consider that the

strategy to mitigate the pandemic was not logical, since keeping the four million inhabitants in their homes didn't represent a relief for the citizens in health matters, much less in what to the economic activity is concerned, as there are still more than two hundred thousand people with suspended contracts and many companies that will not have the opportunity to reopen. As if this weren't enough, it turns out that Minister of Health and Minister of Housing, in their capacity as dignitaries of the PRD, authorized a meeting of the deputies of her party, violating clear sanitary provisions and causing a rejection of citizens.

Let us now look at the president's speech: An extensive initial part was dedicated to the inheritance left him by the government of Juan Carlos Varela, a trite and inconducive topic because it is already history.

Nothing was said about a series of measures, investments, contracts, resignations of officials that have their genesis in acts of corruption that have tainted the presidential administration.

Nor was there an explanation of the meagerness of the bond that is given to thousands of citizens who have lost their jobs or who lack income to live. A team has not yet been set up to work in parallel to the economic recovery necessary to recover the job, income, income-generating activity, taxes and the social security quota that are at their worst moment in Republican history.

Although there is a list of twelve economic proposals, there is no payment source that makes this program viable.

The Pro-Panama proposal to initiate concerted action to promote the country as a suitable place to invest and that this strategic function is assigned to the Ministry of Foreign Relations, and not in the Ministry of the Presidency, is commendable.

There is a proposed emergency plan to help residents of the marginalized neighborhoods of Panama City and Colon that allows them to find decent work and provides them with income to survive.

A crucial issue for the country that has to do with the Social Security Fund was barely timidly outlined and the parameters for a rigorous topic on the subject with the participation of experts in this matter were not set.

Finally, there is an action to reduce the salary and eliminate the diets of high-profile officials, which can be complemented by the elimination of the perverse salaried licenses that benefit a large number of mayors, representatives and other conspicuous officials of this government.

After all, there is a slight hope of changes in the right direction.

It will dawn and we will see...L&E



RBC

Rivera • Bolívar • Castañedas

ATTORNEYS AT LAW

**Follow us on
Instagram:**

@rbcweb



Invited Writer



HORIZONTAL PROPERTY LAW IS REGULATED

Augusto García - Attorney
augusto.garcia@rbc.com.pa

On June 16, 2020, Executive Decree 151 was published in the Official Gazette, which regulates Law 31 of June 18, 2010, which regulates the horizontal property regime in Panama.

Said regulation comes practically ten years after its promulgation and it aims to develop the provisions contained in the Law so that the interested parties can know in detail the requirements and procedures required for the respective procedures covered under this Law.

In the words of the vice minister of land use, Arq. José Batista, it is an extensive regulation in which important elements of the PH Law are developed, such as original and derived horizontal property, multipurpose horizontal property, power of conciliation of The Horizontal Property Directorate, among other aspects, which is focused on safeguarding the property rights of real estate units subject to this regime and on the urgent need to develop some of the rules contained in the Law, given the evolution of real estate projects subject to said regime.

In this sense, in some public interventions before the media, Vice Minister Batista has commented that Law 31 of 2010 itself requires a thorough update of the rules contained therein in order to be able to adapt to the current reality of the real estate market that it regulates, however, it has recognized that this work involves a more complex procedure which will take longer.

Next, we will examine some of the most important relevant elements contained in this Law:

Special concepts contained in Executive Decree 151:

- **Components:** activities that are part of the same horizontal property, whose operation differs from one another.
- **Original Horizontal Property:** arising from the incorporation of buildings, subdivisions, subdivisions, urbanizations or any other asset that may be incorporated into the regime, whose

real estate units will be independent horizontal properties.

- **Derivative Horizontal Property:** It is the one arising from the incorporation into the Real Estate Unit Regime constituted on a property already included in the Horizontal Property Regime.

Incorporation of original and derived horizontal property:

It refers to buildings, subdivisions, subdivisions, urbanizations or another type of real estate unit built on a property already incorporated into the horizontal property regime, that is, the existence of an original horizontal property, on which a real estate unit is incorporated after the regime of as derived horizontal property.

As an example of this type of incorporation, we find real estate developments in which the original PH is the one that covers the mother estate, however, it is composed of several buildings and each building forms a PH called derivative.

This type of incorporation must meet essential minimum requirements, among which we highlight the following:

- The original co-ownership regulations must contain the table of values and original participation and they must register the values that each derivative will have on the original horizontal property.

- Both the original and derived properties will each have their own assembly of owners and board of directors.

- The president of the Board of Directors of the derived horizontal properties will be legal representative of the same and will represent the derived horizontal property in decisions of the assembly of owners of original property.

- Some of the derived horizontal properties are allowed to be dedicated exclusively to parking lots. In the event that one of the derived horizontal properties is dedicated to commercial use of parking for third parties, it must have its defined accesses independent of the other derived properties.

Multipurpose horizontal properties:

This type of incorporation refers to one or more properties in which different uses or activities converge as long as the independence of each use is clearly established.

Under this modality, each use (commercial, residential) must be clearly defined and within each use the different activities or components thereof (parking lots, warehouses, etc.), identifying the private and common assets of each horizontal property and those that correspond to each use and component.

This type of incorporation must meet essential minimum requirements, among which we highlight the following:

- The co-ownership regulations must specify the existence of an assembly of owners and a table of values that includes all the real estate units for all uses, detailing the different components of each use.

- Since it is a single horizontal property, the co-ownership regulations may only establish the existence of an assembly of owners and a board of directors. However, the formation of an administration committee for each use and component is allowed.

The processing of the incorporation of horizontal properties intended for public tourist accommodation.

Refers to the incorporation of real estate units for commercial use destined for tourist accommodation in accordance with current legislation, by means

of which the owner of the real estate units, through a contract, allocates the property to public tourist accommodation in any of its modalities.

Under this mode of incorporation, the following conditions must be met:

- The requirements of the Tourism Law must be met.
- Residential use is exclusive of tourist use, so if a horizontal property is incorporated under the multipurpose modality with a residential and tourist destination, it must comply with the multipurpose provisions, that is, identify the different uses and components and their independence.

It is requested that at the beginning of the process, essential documents such as the current certification of registration of the company in the National Tourism Registry of the Tourism Authority of Panama (ATP).

Treatment of sumptuous enhancements.

Article 33 of Law 31 establishes that in the event that any owner does not agree with the extraordinary fees because they consider them sumptuous goods (swimming pools, saunas, antennas), they will not be obliged to contribute. However, it is up to the Ministry of Housing and Land Management (Miviot) to define whether the improvements are necessary or sumptuous.

In this sense, Executive Decree 141 develops the procedure for the qualification by the Horizontal Property Directorate of MIVIOT of this type of controversy between co-owners, establishing the following procedure:

- The interested owner (s) must submit their request to the MIVIOT Horizontal Property Office through a legal representative.
- The request will be sent to the president of the Board of Directors for 5 business days in

order to present the disclaimers or reasons of the Assembly of co-owners when approving the decision to build additional improvements to the existing ones.

- Once the term described above has expired, the Horizontal Property Department will issue its decision based on the information and documentation in the file. This decision will be binding.

Conciliation Instance:

In accordance with the provisions of Law 31 of 2010, the Horizontal Property Directorate is competent to serve as an instance of guidance and conciliation in the face of conflicts that may arise before co-owners.

Through conciliation, the parties in conflict seek a solution to their disputes with the participation of an impartial facilitator, who will fall on an official of the Horizontal Property Directorate duly trained to exercise said role.

As established in this regulatory decree, the following persons may submit the request for conciliation:

- 20% of the owners of the real estate units.
- One of the owners of real estate units in conflict or jointly the owners in conflict.
- The Board of Directors through its president, providing minutes where the approval of submitting the matter for conciliation is established.

Regarding the conciliation procedure, the following rules are established:

- Once request has been submitted, Directorate will notify the rest of the parties in conflict about the submitted request and will grant them a period of 5 business days to answer whether

or not to accept the conciliation. In case of not accepting the conciliatory procedure, the file will be considered archived.

- If you accept conciliation, a date will be set for conciliation session or sessions.

- If an agreement is reached between the parties, the conciliator will record it in the minutes and as many copies as parties to the conflict will be signed. In the same way, the parties and the conciliator will sign an agreement in which the parties undertake to keep strict confidentiality regarding the matters dealt with in conciliation.

- In the event that the agreement reached is partial, the points where there was no disagreement will be recorded, stating that the parties are free to resort to ordinary justice or other alternative methods of conflict resolution.

The conciliation agreement reached through the procedure described above will be binding on the parties and may give rise to sanctions by the MIVIOT Horizontal Property Directorate in case of non-compliance.

The points developed in previous lines constitute some of the most relevant elements of Executive Decree 151 of 2020, and it sets out the different requirements for the procedures and procedures contemplated in the Law.

It is worth noting that this regulation develops matters that, although they are contemplated or mentioned in the Law, they are not explained in sufficient detail in same as to have a clear frame of reference regarding limits that Law 131 establishes to the power regulations exercised by MIVIOT through this Decree. We refer specifically to matters such as multipurpose horizontal property and original and derived horizontal property, matters that although they are mentioned in Law 131, it does not develop its basic elements and consequently these elements have been introduced and developed in the present regulation, an element that has caused some experts in the field to question the possibility that these regulations

review excesses of the regulatory authority, a vice of illegality recognized in our legislation.

Notwithstanding the foregoing, this regulation fills a gap of approximately 10 years which will help clarify the procedures and requirements that the MIVIOT through the Horizontal Property Directorate requires different real estate projects for their incorporation to the PH regime, pending that the authorities and the different unions linked to the activity manage to agree on reforms to the Law itself that allow an update of the regulatory framework in accordance with the reality of the Panamanian real estate market.

Guidelines and Recommendations for Horizontal Properties during Covid-19.

Finally, we share with you some of main guidelines issued by MIVIOT for horizontal properties during confinement phase due to the Covid-19 pandemic. The complete document with these guidelines can be downloaded from the MIVIOT website:

Use of Pools and Gyms. Following the guidelines of the Ministry of Health, the use of open and green social areas is recommended, for recreation, walks and distraction, excluding the use of swimming pools and gyms. In addition, it is recommended that hours of use of these areas, go according to the curfew schedule.

Visits and Removals Permissibility. There are no restrictions for visits or removals, however, it is recommended to comply with the biosafety protocols and parameters defined by the Ministry of Health, and horizontal properties are urged to establish the manual for access control of residents, visitors, collaborators and services attached to horizontal property and owners, in order to maintain adequate sanitary control.

Access to technical services for horizontal property or owners. If you need technical or professional services, the interested owner must notify the Board of Directors and the Administration, so that it agrees to the entry of these personnel, which must comply with the minimum biosafety measures (use of a mask, alcohol

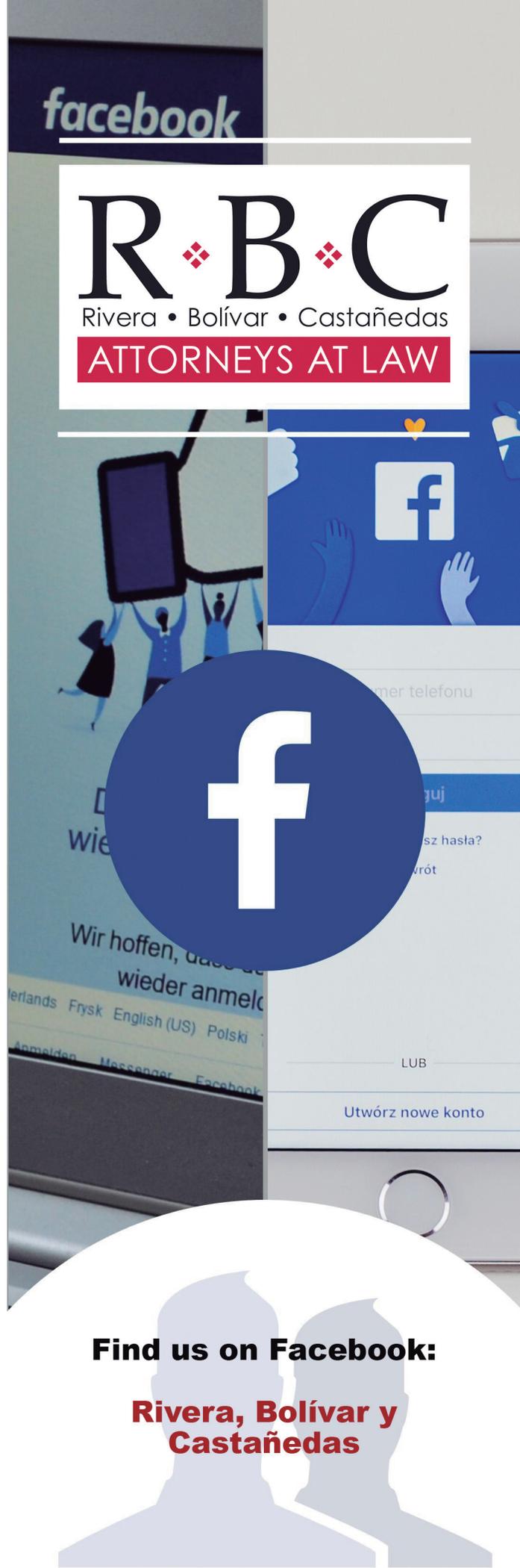
gel, alcohol) at the time of entering the horizontal property and it is the owner's responsibility to ensure compliance with these measures by his worker.

Application of fines, on issues related to decrees in a state of emergency Covid19. It is necessary to clarify that the Board of Directors or the Administration can apply those fines that have the approval of the Assembly of Owners or are previously established in their Regulation of Use.

Non-compliance with the measures established by the health entities are the responsibility of the governing body; Therefore, the power to apply fines on these measures rests solely with the health authorities; The Boards of Directors and Administrations of horizontal properties do not constitute a health authority, however, they can make the respective complaint to the competent authorities.

The payment of common expenses of the Horizontal Property is mandatory. If, it is, regulations applied so far don't contemplate any exception for horizontal properties; However, we recommend that if your income has been affected by COVID-19 (suspension or termination of the contract), approach the Board of Directors and the Administration to expose your situation and try to make a payment arrangement or some other mechanism in relation to the contribution of common expenses quotas.

The Administration must be notified if there is any positive family / person with COVID-19. Absolutely necessary to make the respective notification; The country is in a State of National Emergency and it is everyone's responsibility to contribute and support public health, not only for the purposes of traceability of the virus but for the protection of the rest of the owners of the Horizontal Property. *L&E*



R B C
Rivera • Bolívar • Castañedas
ATTORNEYS AT LAW



Find us on Facebook:

**Rivera, Bolívar y
Castañedas**

Norms of INTEREST

PASSED LAW OF MORATORIUM

Giovana del C. Miranda G. - Attorney
giovana.miranda@rbc.com.pa

Through Law 156 of June 30, 2020, economic and financial measures are enacted to counteract the effects of COVID-19 in Panama.

It establishes Law 156 in its article 1, which may benefit from the moratorium benefits on loans granted by banks, cooperatives and financial until December 31, 2020, people affected by the economic crisis caused by the COVID-19 pandemic, that is to say, to whom their labor contract has been suspended or terminated, the independent workers and merchants whose activity has been affected by the sanitary measures established by the executive body.

The rule expressly provides that people who continue to receive a fixed salary or income from their activity during the declaration of a health

emergency may not avail themselves of its benefits.

Article 2 states that the moratorium is extensive in the following cases:

- 1. Residential mortgage loans**
- 2. Personal loans**
- 3. Auto loans**
- 4. Credit cards**
- 5. Loans to small and medium-sized companies**
- 6. Business loans**
- 7. Loans granted to the transport sector**
- 8. Loans to the agricultural sector**
- 9. Consumer credits.**

On the other hand, the Law provides that in order to accredit the state of incapacity or insolvency for payment of the commitments, the natural, legal or independent

persons affected must present to the bank, financial or cooperative a sworn statement on simple paper or before a notary public, stating affectation of their income, or letter of dismissal, suspension of employment contract or reduction of working hours, for employees of the public or private sector.

Likewise, it is contemplated that, once the term of the moratorium expires, the creditors in agreement with the debtor, must establish the necessary mechanisms so that the client debtor can resume, through the refinancing or apportionment of their commitments, without that this involves the collection of surcharges for late payment or any other payment for administrative expenses, or any affectation in your credit reference.

Another aspect to highlight is that banks, cooperatives and financial entities will not be able to collect, increase applied interest rates, surcharges or any other interest for non-payment, late payment or for any other reason on the indicated loans and which are the object moratorium.

It will correspond to the Superintendency of Banks of Panama, the Panamanian Autonomous Cooperative Institute, the Ministry of Commerce and Industries will be obliged to ensure its strict compliance and will apply the established sanctions.

While the national emergency declaration lasts and until seventy days after it is lifted, the credit histories of the people, which are registered by the Panamanian Credit Association, will not be affected.

Regarding the solidarity bonus received by formal workers who have had their contracts provisionally suspended or have been terminated, or informal workers who have been affected by the pandemic crisis, it has been established that it will be determined by the Executive.

Finally, we must comment that Law 156 will be regulated by Executive Branch. *L&E*



R • B • C

Rivera • Bolívar • Castañedas

ATTORNEYS AT LAW



Follow us on Twitter:

@rbcabogados

THEY EXTEND PERCENTAGE OF MAXIMUM GROSS MARGIN THROUGHOUT MARKETING CHAIN BY UNIT IN PERSONAL TOILETRIES

Giovana del C. Miranda G. - Attorney
giovana.miranda@rbc.com.pa

The Ministry of Commerce and Industries, through Executive Decree No. 162 of June 23, 2020, extended the validity of Executive Decree No. 114 of March 13, 2020, which will enter into force 48 hours from its promulgation, with a duration maximum of six months, that is, it entered into force on June 26, 2020.

The amendment in article 1 focuses on establishing, for a term of six months in retail trade throughout the country, the percentage of maximum gross margin in the entire marketing chain per unit, over the sale price 15% disposable masks.

Meanwhile, other 10 products remain at the 23% margin (antibacterial or antimicrobial products,

alcoholic or antibacterial gels, alcohol for external use, antibacterial liquid or bar soaps, household disinfectants, disposable tissues, aerosol disinfectants, Vitamin C, disposable gloves and damp cloths. Before modification it was indicated that it was three months, whose validity expired in June.

Article 4 was modified to establish that economic agent that was inspected by ACODECO and that doesn't have the invoice document required for the effective calculation of percentage of regulated products, at the time of inspection will have a period of five working days for its due presentation by the established electronic means. Before the modification, there was no period for providing the document. *L&E*

SUB MIGRATORY CATEGORY FOR HAITI NATIONALS WAS CREATED

Giovana del C. Miranda G. - Attorney
giovana.miranda@rbc.com.pa

The Ministry of Public Security, with approval of Executive Decree No. 451 of June 24, 2020, creates migratory subcategory of Tourist Visa in Transit within the migratory category of non-resident, for foreigners of Haitian nationals who travel in transit through the Republic of Panama to another destination or their country of origin.

The referenced visa is granted for a 24-hour term and only authorizes the migrant to remain in the international transit area of the airport, in order to continue their journey and it must be requested by the foreigner before the Panamanian consulate of the country where you are at least fifteen business days before the date of their trip. *L&E*

THE WORK PERMITS ARE EXTENDED

Giovana del C. Miranda G. - Attorney
giovana.miranda@rbc.com.pa

Through Resolution No.DM-163-2020 of June 18, 2020, the Ministry of Labor and Labor Development extends the validity of the work permits that originally expired during the months of March to June 2020, as follows:

- 1. Maturity to March, they will be valid until July 21.**
- 2. Maturity to April, they will be valid until August 21.**
- 3. Expiration to May, will be valid until September 21.**

4. Expiration until June, will be valid until October 21.

Likewise, the Resolution in question establishes the public service scheme to carry out labor migration procedures in the National Directorate of Employees, highlighting that as of July 15, 2020, all procedures for initial presentation and extension of work permit will be done through the Panama Digital platform. *L&E*

NATIONAL GOVERNMENT INTRODUCES CHANGES TO THE INCOME TAX REGULATION

Augusto García - Attorney
augusto.garcia@rbc.com.pa

By means of Executive Decree No. 354 of July 9, 2020, modifications are made to Executive Decree 170 of 1993 with regard to income considered to be from a foreign source, as well as income exempt from Income Tax.

As detailed in the motivating part of this Executive Decree, these modifications seek to strengthen the competitiveness of the logistics sector in our country at the international level. Below we examine the changes introduced.

Changes introduced:

Based on the aforementioned, literal a) of article 10 of Executive Decree 170 of 1993 on income considered to be from a foreign source was amended, expressly stating the following:

Article 10.- Foreign source.

The income from the following activities is not

from a Panamanian source:

a) to invoice, from an office established in Panama, the sale of merchandise or products for a sum greater than that for which said merchandise or products have been invoiced against the office established in Panama, provided that said merchandise or products move only in abroad or touch national ports or airports in transit. For the purposes of the foregoing, goods in transit are those that arrive in the country to continue abroad, with shipping documents that indicate that they are consigned to non-residents of the Republic and merchandise that arrives in the country consigned to persons residing in the same, with shipping documents indicating that they must be sent abroad immediately after arriving.

Also included in this subsection, billing activities by legal entities not established in Panama, of goods or products that are consigned to a logistics

operator located in a free zone, special economic area, free zone, primary zone of the national airport, or primary zone or customs port or terminal enclosure granted in concession by means of a law contract; as long as said merchandise or products are subsequently shipped abroad or to other zones, areas or enclosures under customs regimes suspending import duties, without prejudice to the fact that said merchandise or products have been the object of introduction, storage operations, inventory management, classification, consolidation, deconsolidation, handover, distribution, packaging, repackaging, labeling, re-labeling, packaging, re-packaging, fractionation, refrigeration, separation, transport, assembly, assembly, transformation, adaptation, repair, restoration or its set-up. In these cases, the legal person that invoices the goods or products will not be considered to have a permanent establishment for the sole fact of carrying out any of the aforementioned operations, when these activities do not have as their final destination the customs territory of the Republic of Panama, and therefore, they are framed within the budgets and exceptions of foreign operations included in literal d) of article 701 of Fiscal Code. (highlighted text added by executive decree 354 of 2020).

In the same way, modifications are made to article 13 of Executive Decree 170 of 1993, with regard to income exempt from income tax, establishing the following:

Article 13.- Exonerated income. (according to article 9, decree 98/2010).

The following incomes are exempt from the tax:

a) from international transportation derived from freight, passages and services to passengers or cargo in transit in the territory of the Republic of Panama, as well as income derived from maritime passages and other services when obtained by international companies operating cruise ships that have your base of cruise port or home port in the Republic of Panama.

Income from logistics operations to merchandise

or products that arrive consigned to a logistics operator in a primary area of a national airport, or in a primary area or customs port area of a port or terminal granted in concession are also included in this subsection. by means of a law contract; as long as, the merchandise or products are subsequently shipped abroad or to other zones, areas or enclosures under customs regimes suspending import duties, with the exceptions provided for in the literal d) of article 701 of Tax Code. (highlighted text added by executive decree 354 of 2020).

As is clear from content of aforementioned provisions, the recognized tax benefits have as a cardinal element that they are operations related to goods in transit under customs regimes suspending import duties, and that they maintain as final destination customers located outside the territory of the Republic of Panama.

These modifications seek to expand and optimize the development of logistics services provided to foreign companies in relation to the international movement of their goods in free zones, free zones, special economic areas, airports or national ports, which will facilitate the provision of these logistics services, thus achieving increase the competitiveness and dynamism of the country, and facilitating the decision-making of foreign companies that want to move goods from our country. *L&E*

Consulta Doctrina y JURISPRUDENCIA

SUPREME COURT OF THE UNITED STATES RECOGNIZES EQUAL CIVIL RIGHTS TO THE LGBT COMMUNITY

On June 15, the United States Supreme Court with six votes in favor and three against, pronounced itself in favor of the LGBT community (Lesbians, gays, bisexuals and transgender people).

The Court decided that the Civil Rights Act of 1964, which prohibits employers from discriminating against workers because of their sexual orientation, also protects the LGBT community..

This ruling surprises many because the favorable opinion has the participation of two conservative judges and that, in addition, a judge appointed by a government of the Republican Party wrote the ruling.

Judge Neil Gorsuch, editor of the majority opinion, ***"An employer who fires an individual for being gay or transgender does so because of characteristics or actions that would not have been questioned in persons of the other sex,"*** writes Judge Neil Gorsuch in the opinion of the majority. ***"Sex plays a necessary and undeniable role in the decision,***

and that is exactly what Title VII prohibits."

Judges Samuel Alito, Brett Kavanaugh and Clarence Thomas dissented.

"The Court tries to convince readers that it is simply enforcing the terms of the statute, but that is absurd," Alito wrote in his dissenting text. "Even as it is understood today, the concept of discrimination based on 'sex' is different from discrimination based on 'sexual orientation' or 'gender identity'".

Brett Kavanaugh, opposed, considering that updating the law is the responsibility of the Legislative Power, not the Judiciary.

However, he said that beyond this "concern," the decision represents a "significant victory" for the LGBT community, noting that "they can be proud of this result."

The Court in its ruling considers three incidents

of discrimination in employment based on sexual orientation, namely: first *Bostock vs. Clayton County* case; Gerald Bostock, employed for over ten years with Clayton County in the state of Georgia, was fired after his co-workers learned that he played in a gay softball league.

In the second *Zarda vs. Altitude Express* case in New York, Donald Zarda skydiving instructor was fired after a client complained that the instructor was holding her inappropriately, but it was determined that it was normal for the instructor to hold her for the purposes of the sport in question, then the client disclosed before jumping the instructor had confessed to him that he was gay.

Third Incident; *Aimee Stevens vs R. G. & G. R. Harris Funeral*

Homes in Garden City, Michigan. Steven goes to work at the funeral home as a male individual, after 6 years and some medical diagnoses of gender dystrophy, he began his transformation. Stevens was fired after communicating to her employer her intention to attend work in women's clothing.

The government of President Trump and some Courts considered that the norm (Title VII) applied to the distinction of man / woman and not to sexual minorities.

Before the Supreme Court ruled, some states adopted specific protection mechanisms through which, in their territories, the employee could be denied promotions or dismissed because of their sexual orientation..

This decision is likely not the latest ruling by the Court on a number of issues revolving around LGBT rights, added Judge Gorsuch.

According to the Williams Institute at UCLA School of Law, there are some 11.3 million LGBT people in the country. This Supreme Court decision is estimated to have an impact on at least 8.1 million LGBT workers. *L&E*

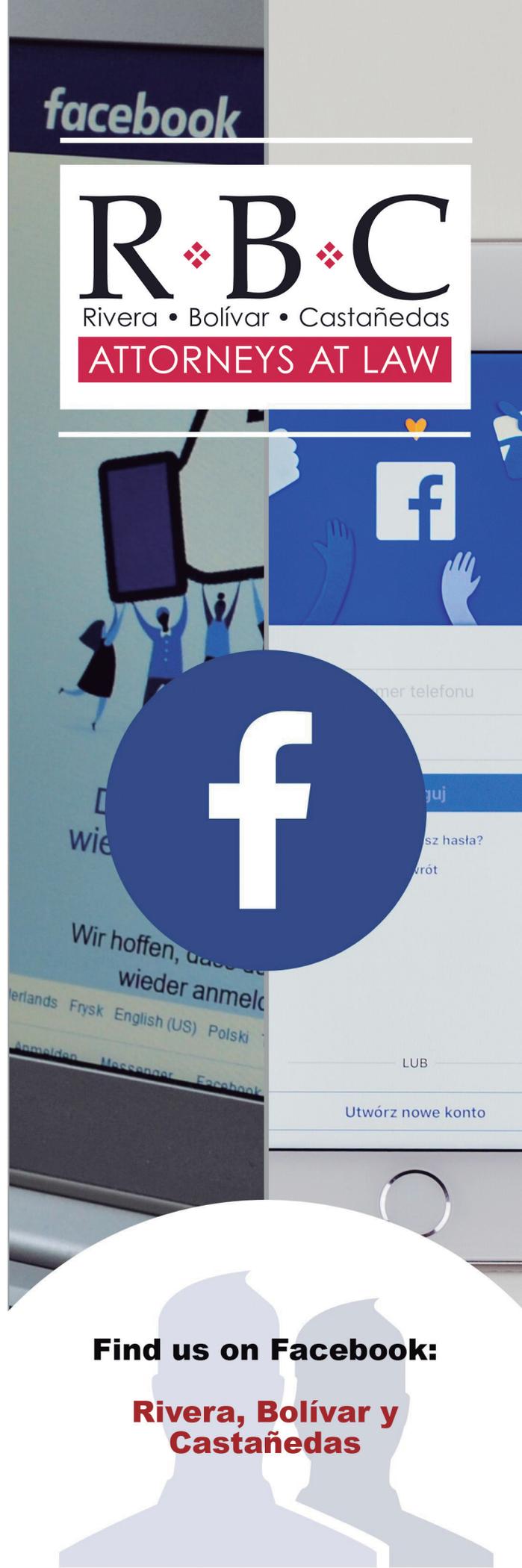




Foto: AFP via Getty Images/
FREDERIC J. BROWN

DONALD TRUMP LOSES LEGAL BATTLE IN SUPREME COURT OF JUSTICE AGAINST DREAMERS

In 2012, through an Executive Order, the Homeland Security Department (DHS) announced implementation of a deferred action program for childhood arrivals DACA, as it is popularly known. This action set a precedent for thousands of immigrants in the United States known as Dreamers. The program protects a group of undocumented foreigners, who came to the country as minors, to apply for a two-year (renewable) expulsion from the country (deportation) and are granted work permits and other federal benefits. With work permit, beneficiaries can pay for higher studies and apply for scholarships and student loans.

A person may request consideration of this deferred action if they comply with the following:

1. You are under 31 years of age as of June 15, 2012.
2. You came to the United States before your

16th birthday.

3. You have continuously resided in the United States from June 15, 2007 to present.

4. You were physically present in the United States on June 15, 2012 and at the time you filed the application with the USCIS.

5. She had no legal status on June 15.

6. You are currently in school, have graduated or obtained a certificate of completion from high school, have obtained a Certificate of General Education Development (GED), or are an honorary licensed veteran of the Coast Guard or the Forces United States Navy.

7. You have not been convicted of a felony, significant misdemeanor, or three or more

misdemeanors, nor does it pose a threat to national security or public safety.

DACA is not a right or a law, but rather an Executive Action on the procedural discretion of the immigration authority, and does not provide "legal" immigration status or a path to citizenship.

In its history, this program has encountered several obstacles.

In 2014, the Obama Administration announced the extension of the Program and included other changes, among which the age limit is eliminated and the entry date requirement is changed from 2007 to 2010.

In addition, an immigration relief program for parents of American citizens or legal residents (APA) is announced, which would provide the benefits of work permits and others, contemplated by DACA.

Before this Executive Order became effective, it is contested as a result of a lawsuit filed by the State of Texas and 25 other States before the 5th Judicial Circuit (Texas). It is alleged that in the creation of these Programs the Administrative Procedure Law and the Constitution are violated.

In this regard, a tie in the Court's decision causes the legal limbo and suspension of DAPA and the modifications of DACA.

DACA's initial program continued.

With the change of government, the Trump administration in September 2017, cancels the DACA program, alleging that it is illegal and also bases its action on the decision of the 5th Circuit Court of Texas that this ruling causes the non-entry into The DAPA program would be in force, therefore, DACA would share the same defects that the courts recognized regarding DAPA. This cancellation motivates a series of demands and partial restoration of benefits. By canceling the program, the Trump Administration

requires Congress to reach a solution within 6 months, legislation that was not presented.

After learning about the cancellation of the DACA program, beneficiaries of the program, some States in the region and other activist groups such as The National Association for Advancement of People of Color and Board of Administrators of University of California, among others, appear before Northern District Court of California to challenge the decision to cancel the DACA program.

The California Federal Court dismissed the Trump Administration's decision to cancel the program and order the Department of Homeland Security to reestablish the program as it was before the cancellation, but new applications would not be accepted..

Some of the opinions of the Court indicate that the termination was arbitrary and capricious in violation of the APA (Administrative Procedure Law) and that it violated the guarantee of equal protection of the Due Process Clause of the Fifth Amendment.

Similarly, two other courts, one in Brooklyn-New York and the other in Washington DC, spoke favorably. President Trump's government appealed to the different decisions.

The dispute before the Court is not whether DHS (Department of Homeland Security) can terminate DACA. All parties agree that it can. The dispute is primarily about the procedure the agency followed to do so.

The APA (Administrative Procedure Law) contemplates and establishes the procedures by which the federal government, agencies are responsible to the public and their actions and subject to review by the courts.

The Supreme Court of Justice listens to the arguments about the DACA program. This court will have to give an opinion as soon as the government of President Trump unduly canceled the temporary protection program by declaring it illegal. On June 18 the Federal Court (with 5

conservative judges out of the 9 that comprise it) rules against the Trump Administration and its attempt to cancel the DACA program.

The Court's Judgment with 5 votes to 4 ratified the program that protects immigrants who came to the country as minors from deportation and grants work permits and other benefits.

The Court, in its ruling, pronounces itself by clarifying that, although the Trump Administration may cancel the program, it did so inappropriately, and qualifies it as an arbitrary and capricious action. The opinion keeps intact the program and its protections for its 650,000 beneficiaries. It is unknown whether new applications were accepted from those who met the requirements during the 2-year period that new applications were not accepted.

The ruling was presented by Judge John Roberts, President of the Supreme Court of Justice, and Judges Ruth Bader Ginsburg, Stephen Breyer, Sonia Sotomayor and Elena Kagan concurring. Judge Sotomayor separately, in addition to concurring with the ruling, adds that it would allow the litigating parties to appear before the Federal Courts to claim that the cancellation of the Program would also be violating the constitution for reasons of discrimination..

On the other hand, and having Judge Clarence Thomas as principal, accompanied by judges Neil Gorsuch, Breth Kavanaugh and Samuel Alito; they disagree with Judge Roberts' pronouncement and note that it is more a political than a legal position.

According to official figures, Mexicans represent almost 80% of all DREAMERS, with some 548,000 DACA beneficiaries.

The following three countries where DREAMERS come from are also Latin American: El Salvador, Guatemala and Honduras, which have more than 10,000 nationals under this program.

The list, however, also includes a substantial number of Asian citizens, starting with arrivals from South Korea (7,310), the Philippines (3,880) or India (2,640).*L&E*



R B C

Rivera • Bolívar • Castañedas

ATTORNEYS AT LAW





Follow us on Twitter:

@rbcabogados

SUPREME COURT OF JUSTICE FORCES TRUMP TO DISCLOSE ITS TAX STATEMENTS

Fuente: INFOBAE

The highest court noted that the president must grant the request of a New York prosecutor, although he blocked a similar request from Congress. The Republican suggested that magistrates treat him differently than previous presidents.

United States President Donald Trump denounced Thursday that he was the victim of a "political prosecution" after the Supreme Court issued mixed rulings on whether the president should deliver a variety of financial documents, including his tax returns.

While the highest court said the president is not immune to a subpoena issued by a New York prosecutor, he also blocked a request from Congress to access Trump's records. Both cases were returned to lower courts for review.

"The Supreme Court returns the case to the Lower Court, arguments to continue. This is all a political prosecution. I won the Mueller witch hunt, and others, and now I have to keep fighting in a politically corrupt New York. It is not fair for this Presidency or Administration!" Trump cried on Twitter.

Trump specifically targeted the court in another tweet, suggesting that judges treat him differently than previous presidents.

"Courts in the past have given" wide deference. " BUT NOT ME!" Trump said.

Trump claimed to be a victim of double standards compared to the *"totally corrupt previous*

Administration.” “They spied on my campaign, they were discovered ... and nothing happened to them!” He said.

“Now the Supreme Court issues a ruling that would never have been given to another president,” the president tweeted.

“We caught the other side SPYING on my campaign, biggest political crime and scandal in history of the United States, and NOTHING HAPPENS,” he concluded.

The rulings of the Supreme Court in the cases of New York and the Lower House represent a tie for the president, who has resisted making his tax returns public, something that all his predecessors have done throughout history.

In the New York case, seven of the nine high court judges ruled against Trump, including Neil Gorsuch and Brett Kavanaugh, whom he himself nominated.

The ruling, written by Supreme Court President John Roberts, rejected the idea that Trump has absolute immunity from criminal investigations while in office, contrary to what Justice Department attorneys had argued..

Two hundred years ago, a great jurist in our court established that no citizen, not even the president, is categorically above the common duty to present evidence when requested in criminal proceedings, **“the court ruled, adding:” We reaffirm that principle today.”**

This case dates back to August last year, when the Manhattan District Attorney's Office required Mazars, the firm that manages the accounts of the President and the Trump Organization, to provide him with the President's personal and corporate

earnings tax returns relating to the last eight years.

The prosecution had requested the documents from Mazars as part of an investigation into secret money payments by porn actress Stormy Daniels under New York state law. In reaction to the ruling, the Manhattan prosecutor, Cy Vance, Jr., considered that it is **“a tremendous victory” for the judicial system for establishing that “nobody, not even the president, is above the law”** and advanced who will resume the investigation immediately.

“Our investigation, which was delayed for at least a year by this lawsuit, will resume, guided as always by our grand jury's obligation to solemnly follow our laws and deeds, wherever they take us,” he stated in a statement.

In the US judicial system, grand jury investigations are those in which a group of citizens led by a prosecutor examines a series of facts that are especially controversial.

However, it is still unclear how the documents will be delivered and if it will occur before the November elections, in which Trump is running for reelection.

Despite that defeat, in another case, Trump managed to at least delay the delivery of financial records to the US House of Representatives, controlled by the Democratic opposition and which wants to use them to investigate the president's finances and possible conflicts of interest.

In that case, the Supreme Court returned the litigation to lower courts, so it is not known when it will be resolved. *L&E*

Politics

REFERENDUM OF NOVEMBER 3: BIDEN OR TRUMP

Rafael Fernández Lara -Independent Lawyer
rbcweb@rbc.com.pa

Obviously, this is not a referendum, you would correct, but an election, but for many it will be a referendum on November 3, when the American people will have the opportunity to decide whether Donald John Trump, President of the United States, in power, stay or go home.

About to end his four-year presidential term, the current White House tenant will submit on the date indicated to the will of his people in front of the Democratic Party presidential candidate, Joe Biden.

Donald Trump obtained the electoral victory in 2016 not by popular vote, but through the Electoral Colleges, a system that as a candidate for the presidency he reproached and branded as rigged during his electoral campaign. This system is considered by many to be undemocratic. However, in American political history it has been six times that the president of the country has been chosen with this method, including the Trump presidency.

President Trump, as we and many others had portrayed him in 2015, has continued to show himself as a controversial character, with a conscious or involuntary predisposition to create controversies, an attitude that has brought him negative points that are far greater than the positive ones in the course of his administration.

I would venture to say that many times during the course of this government a large number of its political advisers tried to change its image and control its unfriendly way of expressing and referring contemptuously about others.

We remember when of the late John McCain said: "He is not a war hero. I prefer those who have been captured "; He called Senator Marco Rubio of Florida "little one"; and the Governor of Florida, Jeb Bush, "the weakling", despite being all Republicans.

The list includes many more from his own party and former aides, world leaders, political

opponents, and, obviously, the female sex.

Not to mention the journalists whom he does not control, whom he considers traitors to the homeland and the enemies of the people, which has caused them to have increased their criticism of his administration, constantly contradicting their misguided, ignorant and lying expressions, to the point that a report by The Washington Post indicated that "it has a database to analyze, classify, and trace every suspicious information of the president," indicating that the President of the United States,

Donald Trump, "has made 16,200 false and misleading statements since coming to power three years ago." He adds that "the lies of the US President have made some senators dismiss Trump as a pathological liar".

The President and his supporters have consistently and since the beginning of his administration said that he had created the best economic indices of all time before the pandemic.

This claim has been frequently repeated by him and his acolytes, however, some economists contradict him stating that the economy at the beginning and during the Trump government was fine, it was still growing and unemployment had fallen, but all this was happening before it arrived. Trump.

President Obama received the American economy in a deep recession. Many jobs were being lost each month. Obama implemented the economic recovery plan, rescued banks and the auto industry. Subsequently, an economy was continued that when Trump took office continued to grow steadily.

Trump received a healthy economy according to the criteria of economists. The opinion is widespread as to when the good moment that Trump repeatedly appealed about the country's economy, came from the previous government of Barack Obama. It could be then that all these statements depend "on the color of the glass with which you look."

From the very beginning of his administration, Trump was accompanied by conflicting collaborators, which degenerated into an impressive list of resignations or dismissals over time, which evidenced the lack of capacity and the deficiencies in the coordination and consolidation of his team unable to solve the serious difficulties of the government of President Trump.

The lack of credibility gave way to one of the serious suspicions that originated the investigation of possible links between the Trump campaign and Russia that helped him become president. Although for purely political reasons he was not dismissed, but was investigated due to the many indications, many assumptions and speculations generated by the investigations that were made.

Now, to justify his defeat in advance if he suffered it, Trump indicates that China "will do everything it can" to make him lose the presidential elections.

He accuses Beijing of using the pandemic against him and in favor of Joe Biden. "They will do everything they can" to make him lose his chance to be reelected as President in November.

Possibly only when Trump has been present in elections is the help of important powers of communist bloc heard in the North American presidential campaigns, which creates a lot of suspicion and leaves much to be said on this thorny issue.

Another setback of the Trump Administration occurs on November 6, 2018, in the midterm elections, in what some consider to be the first national referendum on the Trump Administration. Before then, the two legislative chambers - the House of Representatives and the Senate - were controlled by President Trump's Republican Party.

In these elections, the opposition Democratic Party regained control of the House of Representatives, not the Senate, thus leaving the legislative power of the United States divided, thus losing half of Trump's power.

President Trump's low popularity is also accentuated with the impeachment process that began against him, just as they did against few other presidents in the history of the United States.

The investigations argued that President Trump took advantage of his high office to benefit politically when he pressured Ukraine to investigate one of his possible adversaries in the 2020 presidential election, Democrat Joe Biden and his son's business, in exchange for authorize Kiev military aid and other arguments.

On December 13, 2019, the Legal Committee of the United States Congress approved the charges of abuse of power and obstruction of Congress against President Trump.

Thus began an "impeachment" against him on December 18. As expected, President Trump came out well in the Senate with the vote of the majority of Republican Senators. This republican majority vote absolved the President and was therefore not removed.

Regardless of whether individual and partisan interests of the Republican majority of Senate have acquitted President Trump, the truth is that in the opinion of a large sector, the majority, of the American population was convinced that President Trump did violate the Constitution by putting National security at risk and hindering work of Congress by refusing to collaborate with the investigation.

Likewise, many consider that President Trump was very lucky because he was not prosecuted for other reasons, such as the alleged Russian intervention and others. His image with this "impeachment", without the slightest doubt, has been affected as the protagonist of the November elections because it will carry with him the lasting mark of his political judgment.

Another of the big mistakes of the Trump government has been its lousy diplomatic strategy. The ruler, as always and in everything, self-exalts himself in his foreign policy, despite the fact that up to now he has not achieved any great performance. Almost everything has

been more promises or intentions than precise actions.

The President has hurt achievements such as the nuclear deal with Iran and the Paris climate change deal. And something very important, has diminished the faith that other nations had in the American government, whose recovery in the future will represent hard work for future governments.

The Trump government's foreign policy has undoubtedly been erratic and misguided with its traditional allies, both in Latin America and in Europe and other continents. All this shows us that unfortunately the United States of America is less strong and no longer has its many frequent allies.

He promised to "Make America Great Again", as in the 1950s, but unfortunately the reality is different. We know that the void that the United States is leaving in many parts of the world is being filled by other powers. Faith in the global leadership of the great northern power is being lost, if not already lost.

President Trump's popularity is fading by leaps and bounds five months after the election event. Unfortunately for the Republican Party, his confident presidential candidate, Donald Trump, has managed it poorly since the start of the pandemic, since he didn't take the required measures to face the coronavirus and not a few consider him responsible before the large number of Americans who have contaminated and died from this fatal epidemic that has not only affected the United States but all of humanity.

His unfortunate expressions about the coronavirus are still in memory, among others, "We have it under control", "He is just a person who came from China and we have him under control. Everything will be fine.", "Many people believe that the virus will go away in April, when the heat arrives.", And also that it was only " a flu". However, painfully the number of infected and deceased as a result

of coronavirus in the United States is increasing.

As if this were not enough, he again begins to make mistakes regarding protests over the death of the African American George Floyd. "When the looting begins, the shooting begins" - Trump's controversial phrase in the face of the protests.

Pain and anger shake some 50 US cities after the death of George Floyd. President Trump threatens to deploy the army to the streets if the unrest continues, and according to The New York Times, it is "the deepest division between civilian and military command since the Vietnam War," causing high-profile figures military rank distance themselves from the president. On the other hand, former Presidents Carter, Clinton, Bush and Obama censure President Trump for the government's response to the protests unleashed after the death of George Floyd.

All these and other facts have caused that all the polls of all the important media in the country, the internal ones, including his ally Fox News, put the president at a disadvantage before his Democratic adversary Joe Biden and has caused him to be frustrated with his advisers, whom he frequently discriminates and sometimes belittles.

In the few months until November 3, a strong and dirty campaign looms, where many investigations will emerge from both sides, some of them forgotten at the moment and control of both House of Representative and of American Senate.

Personally, approximately in the month of December 2019, through a writing in this medium, I pointed out at that time that despite the fact that many people envisioned the re-election of Donald Trump in November 2020, "I, on the contrary, included myself within a current minority that believes that President Trump will not achieve the presidential reelection in November of next year "and explained some of the reasons that supported this claim. Just five more months before the elections, I still think the same as in December 2019. The sovereign will of the American people will decide whether to stay or leave. *L&E*

R B C

Rivera • Bolívar • Castañedas

ATTORNEYS AT LAW



**Follow us on
Instagram:**

@rbcweb



Economía

PANAMEÑA

MAIN MONTHLY ECONOMIC INDICATORS: JANUARY-APRIL 2019-20

Fuente: CGRP

1. Transport:

a. Panama Canal Authority:

The total toll revenue of the Panama Canal for January-April 2020, compared to a similar one in 2019, presented a positive variation of 5.6%; of these the Neopanamax vessels in 15.4%; conversely, Panamax vessels decreased by 3.7%. Increases in net tons were recorded at 6.1% and cargo volume at 9.0%.

b. National Port System:

The movement of TEU containers (container equivalent to 20 feet) increased for the period by 16.9%. Total cargo movement increased by 25.0%, with bulk cargo standing out at 30.2%. c. Road corridors and passengers transported by the Metro and Mi Bus: Passengers transported by the Panama Metro decreased by 18.0%, compared to a similar

period in 2019. On the other hand, the capacity and income (in balboas) of the road corridors registered rates negative of 37.1% and 36.6%, respectively.

2. Foreign trade:

a. CIF value of goods imports:

The CIF value of goods imports decreased by 31.0%, of this value, consumer goods by 27.9%, intermediate goods by 21.8% and capital goods by 43.5%.

b. Net weight of goods imports:

The net weight of goods imports decreased by 16.6%, with falls in consumer goods by 27.4%, intermediate goods by 2.6% and capital goods by 30.9%.

c. FOB value of goods exports:

Data not available to date, by the source that provides

the information.

d. Weight of goods exports:

Data not available to date, by the source that provides the information.

e. Colon Free Zone:

Data not available to date, by the source that provides the information.

3. Internal trade.

a. Sale of fuels for national consumption:

The sale of fuel for national consumption decreased by 26.8%, meanwhile, gasoline by 22.6%, mainly 91 octane by 27.5%, low sulfur diesel by 22.2% and bunker C by 75.5%. For its part, liquefied petroleum gas presented a negative variation of 0.5%.

b. Sale of marine fuel in ports, according to coastline:

The sale of marine fuel (bunkering) in ports, measured in metric tons, reported a positive variation of 16.1%, registering an increase in the Pacific Coast of 13.2% and in the Atlantic of 30.9%.

c. Sale of marine fuel through barges and attended ships:

The sale of fuel (bunkering), through barges, increased by 7.2%, mainly that of the Pacific Coast by 13.1%; on the contrary, that of the Atlantic fell by 13.3%. The total number of ships served grew by 16.8%.

d. New cars registered:

The number of new cars registered in the single vehicle registry decreased by 41.5%, and specifically, regular cars fell by 40.0%, luxury cars 39.1%, SUV'S 43.2%, minivans 43.0%, dashboards 7.2%, pick ups 44.3, buses 27.9% and trucks at 44.2%.

4. Construction:

a. Construction cost registered by the main municipalities in the Republic:

Data not available to date, by the source that provides the information.

b. Construction area (m2) in the main municipalities of the Republic: Data not available to date, by the source that provides the information.

5. Financial intermediation:

a. National Banking System:

The liquid assets of the National Banking System (at the end of the period) increased by 48.4%; however, the total loan portfolio decreased by 0.4%. On the other hand, deposits rose by 4.9% and bank liquidity by 41.4%.

b. Stock indicators:

The volume traded (in thousands of balboas) by the total market of the Panama Stock Exchange (BVP), decreased by 43.0%, of this, the primary market by 62.3%. The traded volume (in thousands of balboas) of the stock market in the BVP grew by 98.6% and the number of shares by 73.7%. The BVP calculated index presented a negative rate of 8.0%.

c. Insurance:

Data not available to date, by the source that provides the information

d. Loans approved by the Banco de Desarrollo Agropecuario:

Loans approved by the Banco de Desarrollo Agropecuario decreased by 26.5%, especially those directed to agriculture by 18.7%, livestock 21.2% and other items by 39.0%. Positive

variation in fishing of 19.1% was reported.
6. Outdoor activities:

a. Gross bets:

Data not available to date, by the source that provides the information.

b. Net bets:

Data not available to date, by the source that provides the information.

7. Electricity and water:

a. Electricity offer:

The electricity supply (in kilowatt hours) registered by the Commercial Measurement System (SMEC), reflected a negative rate of 0.6%. The renewable energy generated increased by 16.6%; and of this, the hydraulics in 36.5% and the one of thermal sources fell in 18.8%. Self-generation decreased by 15.9%.

b. Electricity destination:

Electricity turnover decreased by 3.9%, mainly industrial clients by 23.1% and commercial clients by 13.5%. However, positive variation was observed in residential at 7.7% and Government at 0.2%; In this same sense, large customers showed an increase of 46.2%, generators 228.6% and exports 15.4%.

c. Water:

The turnover of drinking water (in gallons) in the Republic of Panama reported an increase of 0.2%, with a breakdown in: commercial, which decreased by 2.4%, industrial by 2.9%, and Government by 0.05%; on the other hand, the residential sector rose by 0.9%.

8. Manufacturing industries:

Data not available to date, by the source that provides the information.

9. Hotels and travelers entrance:

a. Hotels:

Data not available to date, by the source that provides the information.

b. Entry of travelers and their expenses:

Data not available to date, by the source that provides the information.

10. Public Sector Finance:

a. Central Government current revenue:

The current revenues of the Central Government decreased in 19.1%, of these the tributary ones in 23.7%, with the direct and indirect ones in 22.5% and 25.0% respectively. If in non-tax embargoes they increased by 4.0%, highlighting the profits and contributions of companies in 22.7%.

11. Others related:

a. Work contracts registered with MITRADEL:

Data not available to date, by the source that provides the information.

b. Non-horizontal and horizontal properties inscribed: Registered non-horizontal properties decreased by 25.0%, specifically, mortgages by 27.9%. For their part, horizontal properties decreased by 32.5% and of these, mortgages by 35.6%.

c. Public limited companies:

The number of companies decreased by 29.7%, stock companies by 29.4% and common companies by 39.3%. *L&E*

World ECONOMY

COVID-19 (CORONAVIRUS) SINKS THE WORLD ECONOMY IN THE WORST RECESSION SINCE THE SECOND WORLD WAR

Source: World Bank

The sudden and widespread impact of the coronavirus pandemic and the measures to suspend activities that were adopted to contain it have caused a drastic contraction in the world economy, which, according to World Bank forecasts, will decrease by 5.2% this year. According to the June 2020 edition of the Bank's World Economic Outlook report, it would be the worst recession since World War II, and the first since 1870 when so many economies would experience a decline in output per capita.

Following severe distortions to domestic supply and demand, trade and finance, economic activity in advanced economies is forecast to contract by 7% in 2020. Emerging markets and developing economies are expected to (MEED) contract 2.5% this year, their first contraction as a group in at least 60 years. The projected decline in per capita income of 3.6% will push millions of people into extreme poverty.

The effects are being particularly profound in the countries most affected by the pandemic and in

those that rely heavily on international trade, tourism, commodity exports, and external financing. While the magnitude of the shocks will vary by region, all MEEDs report vulnerabilities that are exacerbated by external shocks. Likewise, the suspension of classes and the difficulties of access to primary health care services are likely to have long-term repercussions on the development of human capital.

"The prospects give a lot to think about, as the crisis is likely to leave scars that are difficult to erase and pose complex global challenges," said Ceyla Pazarbasioglu, vice president of Equitable Growth, Finance and Institutions at the World Bank Group. ***"Our first priority is to address the global health and economic emergency. Beyond that, the world community must come together to achieve the strongest recovery possible and prevent more people from falling into poverty and unemployment".***

According to the baseline forecasts - according to

which the remission of the pandemic will allow the national mitigation measures to be lifted mid-year in the advanced economies and a little later in the MEEDs, the negative repercussions worldwide will lose intensity during the In the second half of the year and the disturbances to the financial markets will not last over time— world growth would pick up 4.2% in 2021, namely 3.9% for advanced economies and 4.6% for the MEEDs. However, the outlook is highly uncertain and there are risks that the situation will worsen, for example, the possibility that the pandemic will last longer, that there will be financial turmoil or that a drop in international trade and supply relationships. In that scenario, the world economy could contract up to 8% this year, to recover just over 1% in 2021, while the MEED product would decrease almost 5% this year.

The United States economy is expected to contract 6.1% this year as a result of shocks linked to measures to control the pandemic. As for the euro area, it is estimated that the product will fall 9.1% in 2020 due to the serious repercussions that the general outbreaks had on activity. In addition, a 6.1% retraction is expected in the Japanese economy, whose economic activity has slowed down as a result of prevention measures.

“There are no records of downward corrections as sudden and drastic in global growth forecasts as those seen today. If the past serves as a benchmark, the forecasts could worsen further, implying that policy makers must prepare for the possibility of having to take additional measures to support the activity. ”

Various key aspects of this unprecedented economic turmoil are addressed in the analytical sections

of this edition of the Global Economic Outlook.:

- **How deep will the recession caused by COVID-19 be? An investigation of 183 economies during the period from 1870 to 2021 offers a historical perspective on world recessions.**

- **Hypothesis of possible growth results: Short-term growth projections are subject to an unusual degree of uncertainty; alternative hypotheses are examined.**

- **How does informality intensify the effects of the pandemic? The health and economic consequences of the pandemic are likely to be more profound in countries where informality is widespread.**

- **Prospects for low-income countries: The pandemic is wreaking havoc on the economic and human planes in the poorest countries.**

- **Regional macroeconomic consequences: Each region has unique vulnerabilities to the pandemic and the economic slowdown it produces.**

- **Effects on global value chains: Disruptions to global value chains can exacerbate the effects of the pandemic on trade, production and financial markets.**

- **Long-term consequences of the pandemic: Deep recessions, in general, have detrimental and long-term effects on investment, they are detrimental to human capital due to unemployment that they cause and cause a withdrawal of international**

trade and supply relations. (Posted June 2).

- **The consequences of falling oil prices: Drop in oil prices generated by unprecedented decline in demand is unlikely to moderate the effects of the pandemic, although it could be positive during recovery. (Posted June 2).**

The pandemic highlights the pressing need to promote policy measures in health and economic fields, including international cooperation initiatives, in order to mitigate its effects, protect vulnerable populations and strengthen the capacity of countries to prevent similar situations in the future and face them. In view of their particular vulnerability, it is essential that MEEDs strengthen their public health systems, that they face challenges of informality and lack of safety nets, and that they promote reforms that promote firm and sustainable growth after the crisis.

MEEDs with fiscal maneuvering capacity and who can access affordable financing conditions could consider using additional incentives if the effects of the pandemic last over time. Such a strategy should be accompanied by measures that credibly restore medium-term fiscal sustainability, including those aimed at strengthening fiscal frameworks, increasing the mobilization of internal revenue and spending efficiency, and improving fiscal and fiscal transparency. debt. The transparency of all financial commitments, analogous debt instruments, and government investments is a key factor in creating an enabling environment for investment; substantial progress could be made in this regard this year. *L&E*



**Follow us on
Instagram:**
@rbcweb



UPDATING THE PERSPECTIVES OF THE WORLD ECONOMY

ACTUALIZACIÓN DE LAS PERSPECTIVAS DE LA ECONOMÍA MUNDIAL, DE ACUERDO A DATOS SUMINISTRADOS POR EL FONDO MONETARIO INTERNACIONAL

Fuente: Fondo Monetario Internacional

Últimas proyecciones de crecimiento de *Perspectivas de la economía mundial*

(PIB real, variación porcentual anual)	PROYECCIONES		
	2019	2020	2021
Producto mundial	2,9	-4,9	5,4
Economías avanzadas	1,7	-8,0	4,8
Estados Unidos	2,3	-8,0	4,5
Zona del euro	1,3	-10,2	6,0
Alemania	0,6	-7,8	5,4
Francia	1,5	-12,5	7,3
Italia	0,3	-12,8	6,3
España	2,0	-12,8	6,3
Japón	0,7	-5,8	2,4
Reino Unido	1,4	-10,2	6,3
Canadá	1,7	-8,4	4,9
Otras economías avanzadas	1,7	-4,8	4,2
Economías de mercados emergentes y en desarrollo	3,7	-3,0	5,9
Economías emergentes y en desarrollo de Asia	5,5	-0,8	7,4
China	6,1	1,0	8,2
India	4,2	-4,5	6,0
ASEAN-5	4,9	-2,0	6,2

Economías emergentes y en desarrollo de Europa	2,1	-5,8	4,3
Rusia	1,3	-6,6	4,1
América Latina y el Caribe	0,1	-9,4	3,7
Brasil	1,1	-9,1	3,6
México	-0,3	-10,5	3,3
Oriente Medio y Asia Central	1,0	-4,7	3,3
Arabia Saudita	0,3	-6,8	3,1
África subsahariana	3,1	-3,2	3,4
Nigeria	2,2	-5,4	2,6
Sudáfrica	0,2	-8,0	3,5
Países en desarrollo de bajo ingreso	5,2	-1,0	5,2

Fuente: FMI, *Actualización de Perspectivas de la economía mundial*, junio de 2020.

En el caso de India, los datos y pronósticos están basados en el ejercicio fiscal, y el ejercicio fiscal 2020/21 comienza en abril de 2020. El crecimiento de India es de -4,9% en 2020 tomando como base el año calendario.

ECLAC ANALYZES THE LINK BETWEEN TRADE AGREEMENTS, INTELLECTUAL PROPERTY AND ACCESS TO MEDICINES

Source: ECLAC

Document edited by the agency's Subregional Headquarters in Mexico indicates that the rules on intellectual property have made access to some medicines more expensive and may jeopardize the full enjoyment of the right to health, an issue that is especially relevant in the current times of the COVID pandemic -19.

The ECLAC Subregional Headquarters in Mexico recently published the document Innovation and intellectual property: the case of patents and access to medicines, which analyzes the link between trade agreements, especially between the rules that protect intellectual property, and development, through the analysis of access to medicines and the tools that States have to comply

with their international human rights obligations.

According to the report, although the right to public health has been strengthened in recent decades and the international community recognizes its importance, the rules of international trade and the practices of some private companies benefiting from the intellectual property protection system hinder their developing. Likewise, intellectual property rules have made access to some medicines more expensive and may jeopardize the full enjoyment of the right to health.

Two case studies show that, protected by trade regulations, various practices have extended the terms of protection of intellectual property and

increased the cost of medicines. It concludes that there are challenges to harmonize international law on these issues and to take advantage of the flexibilities that the agreements provide. The current COVID-19 pandemic has further demonstrated the importance of linking the right to health and the fundamental principles of development, argues ECLAC. Although the right to public health has been strengthened in recent decades, as seen in the development of various international legal instruments, as well as instruments to facilitate access to medicines and technologies, it is necessary to deepen, elucidate and move towards mechanisms that facilitate access to medicines as an indispensable element of the right to health, adds the Commission.

According to specialists from the ECLAC Subregional Headquarters in Mexico, in the context of the COVID-19 pandemic, countries and international institutions have taken actions with a view to guaranteeing the right to health and access to medicines, which underlines its importance and urgency, especially in times of health crisis. In this context, on March 23, 2020, Costa Rica asked the World Health Organization (WHO) to create a voluntary group of rights that are useful for the detection, prevention, control, and treatment of COVID-19..

On March 31, 2020 the Medicines Patent Group Board (MPP) temporarily expanded its mandate to include any health technology that can contribute to the global response to COVID-19 where licensing can facilitate innovation. and access. With the support of UNITAID (an international initiative associated with the WHO that promotes access to the treatment of diseases such as AIDS, malaria and tuberculosis in populations of developing countries), this will allow MPP to offer its experience in intellectual property and licenses to WHO to assist the global effort to tackle the COVID-19 pandemic.

On March 27, 2020, UNITAID announced an initial investment of \$ 30 million in innovative respiratory treatment, diagnosis and triage tools as part of the global response to the COVID-19 pandemic. The MPP would negotiate licenses with patent holders, and sublicensesto generic manufacturers to encourage the sale of lower-cost generic versions of drugs. Third parties would be allowed to acquire non-exclusive licenses for the intellectual property needed to develop various types of products, and their negotiations have provided generic competitive manufacturing of antiretrovirals and facilitated the development of new formulations and combinations of existing proprietary drugs..

More recently, the Government of Mexico presented a proposal to the United Nations (UN) on international cooperation to guarantee global access to medicines, vaccines and medical equipment on equal terms to confront COVID-19. Mexico's initiative led to the approval of General Assembly resolution 74/274 on April 20, 2020, in which all member states are urged to prevent speculation and provisions that hide or limit access to products necessary to contain the pandemic. It also encourages increased funding for vaccine and drug research. The initiative reaffirms the role of the United Nations system in coordinating the global response to control and contain the spread of COVID-19 and consolidates support for international cooperation and multilateralism, to face global pandemic.

The two previous actions, the analysis of international law and the cases that this work presents, show the relevance of harmonizing norms and criteria with a view to strengthening the right to health as a fundamental right, the authors of the document point out. The time is ripe for concerting efforts towards universal health coverage and sustainable financing for health, they add.*L&E*

COVID-19 CAUSES AN UNPRECEDENTED CRISIS, AND CONFINEMENT MEASURES AFFECT ALMOST ALL WORKERS AND COMPANIES

Source: ILO

According to an information note from the UN Secretary General on the world of work and COVID-19, almost all workers in the world, around 94 percent, in May 2020 lived in countries subject to some type of containment measures .

For the second quarter of 2020, a massive loss of work hours is anticipated, equivalent to 305 million full-time jobs, and 38 percent of the working population - approximately 1.25 billion workers - work in high-risk sectors.

The note indicates that small and medium-sized businesses, the engine of the global economy, are experiencing enormous difficulties and may not survive. People living in developing countries and fragile contexts face the greatest risks, in part because they are less resilient.

The information note, based on data and analysis from the International Labor Organization (ILO),

warns that many of the people who have lost their jobs and livelihoods in recent months will not be able to rejoin the labor market soon .

Women, in particular, have been severely affected: they work in the most seriously affected sectors, and are the first to lose their jobs and the last to return. Likewise, people with disabilities, who already face exclusion in the workplace, are less likely to return to work during recovery.

"The world of work cannot, and should not, remain the same after this crisis. The time has come to coordinate global, regional and national action to generate decent work for all as the foundation of an ecological, inclusive and resilient recovery."

António Guterres, UN Secretary General.

According to the information note, the worst socioeconomic consequences are suffered by those who already suffer from a precarious situation and

with less possibilities of absorbing another blow. The roughly two billion people working in the informal economy - often lacking labor rights and social protection - would have seen their incomes drop by 60 percent in the first month of the crisis alone.

Globally, more than four in ten employees in the most affected sectors are young people. This situation, in combination with the alteration of education and training, exposes them to the risk of becoming the “generation of confinement” that will suffer the consequences of this crisis for a long time.

“The COVID-19 pandemic has shaken the entire world. No worker, no company and no place in the world has been saved,” said the UN Secretary General, António Guterres.

The Secretary General called for action on three fronts:

- **First, provide immediate support to at-risk workers, companies, jobs, and earnings, to avoid closings, job losses, and falling earnings.**
- **Secondly, pay greater attention to health and economic activity after the removal of confinement measures, guaranteeing safe workplaces and the protection of the rights of all people.**
- **Third, encourage mobilization towards a human-centered, ecological, sustainable and inclusive revival that uses the potential of new technologies to create decent jobs for all people; and take advantage of the creative and positive solutions that companies and workers have developed to adapt to the new situation.**

“The world of work cannot, and should not, remain the same after this crisis. The time has come to coordinate global, regional and national action to generate decent work for all as the foundation of an ecological, inclusive and resilient recovery”, stated the Secretary General. *L&T*



R B C
Rivera • Bolívar • Castañedas
ATTORNEYS AT LAW



Follow us on Twitter:

@rbcabogados

ENVIRONMENTAL

Capsule

HOME GARDENS... A REINVENT IN FAVOR OF THE ECONOMY AND HUMAN HEALTH

Milena Vergara - Assistant
milena.vergara@rbc.com.pa

Last Saturday, June 27, the National Day of Reforestation was held, which aims more than to plant hundreds of hectares, to create awareness at the national level about the need to decrease the rate of deforestation and forest degradation. Civil society, business volunteers, public institutions and schools throughout the country must participate in this effort.

This year, because we are facing in our country and around the world the pandemic caused by COVID-19, in Panama the initiative has been taken to divide the day in the different areas of the country in a period that began on Saturday, June 27 and will spread until Friday, July 3, 2020 in which only officials from environmental entities will participate, respecting the sanitary regulations imposed by MINSA.

Likewise, we can take advantage of the quarantine opportunity to carry out reforestation in the patio of our houses, in a river, creek or some

other nearby place that you have to plant a tree.. This pandemic has shown us the damage we do by cutting down and destroying our natural resources indiscriminately and with this we cause greater vulnerability to diseases of zoonotic origin.

Like never before, COVID-19 is a wake-up call for humanity to rethink our ways in which we relate to nature. The times require us with greater pressure a new methodology to face the current crisis that is experienced in the world and with this seek better techniques to take care of our economy, food, water and soil.

In the past, there was a lot of work on home gardens and even in schools we were taught how to work in a garden and how to produce food in a healthier and cheaper way.

This quarantine is the right time to reinvent ourselves with agriculture and thus use free time to make our home gardens which will provide us with a number of

advantages to our body and the economy since we will have fresher and better quality products chemical free. When planning the garden, basically two elements must be considered: the place of the garden and the species to cultivate.

Garden place:

- **Context:** We must identify what is around our garden: nearby vegetation, winds, buildings or objects. In this way, understand the relationship with our garden and how it affects it.

The first step is to clean and adapt the selected place, protecting it from strong winds and the traffic of people and animals, fencing it with the materials that we have available.

- **Light:** Identify the direct sunlight that gives the selected space, in general a good space for our garden is where the direct sun reaches it for 5 or 6 hours a day, preferably the morning sun.

- **Water supply for the garden** remembering that we should reuse it if possible.

- **Soil:** There are two ways to establish a garden: cultivating directly in the soil, or in containers using organic substrates, placing them on patios, balconies, house roofs or when the available soil is made up of some residual construction material such as rubble, cement, bricks, wood, etc. The method to use depends on the resources we have available.

Species to cultivate:

- **Season and climate:** Consider if the species you

want to grow are adapted to the climate and the season.

- **Type of vegetables:** Preferably plant productive species, commonly used in our kitchen, nutritious and easy to grow.

- **Rotation and association:** We must take into account the tolerance between the different crops to organize their accommodation, this is called association. And consider in the future which crops are to be planted later to avoid erosion of the substrate. In other words, consider species that don't demand the same types of nutrients as the previous one, to avoid depletion of the soil or substrate).

- **Number and diversity:** How many plants am I going to plant? This will be in relation to the needs or objective of our garden. Allowing to ensure the obtaining of food throughout the year.

All this is necessary to promote a suitable environment for the development of our vegetables.



Not only those who have a patio or green area in their houses can make a vegetable garden, there are several practical and economic ways that can be implemented, even if they don't have patios.

There are two basic ways to plant:

- **Direct Sowing:** Consists of sowing in the same place where the vegetable will grow and be harvested. There are vegetables that don't like to be moved, because their roots do not recover easily after a transplant, which requires that their sowing be direct.

Direct seeding is generally recommended for large seeds such as: zucchini, cucumber, beans, watermelon, melon. However, it is important to mention that all vegetables can be planted directly.

- Indirect Sowing:
It is when it is first sown in a small space where the seeds germinate and after it has a considerable size, it is transplanted to its final place where it will grow and be harvested.

Seeds such as: tomato, chili peppers, coriander, among others, are recommended in this process. In the same way they can be sown directly as well.

For those crops that are not grown directly on the ground, make sure that containers have enough holes so that water can filter while plants are irrigating..

Irrigation process.

Irrigation is a very important task for the success of the crop. We will have to provide frequent and light watering, since, due to its shallow depth, the soil has less storage capacity. Water is depleted more easily in containers than in soil crops. The frequency of irrigation increases or decreases depending on the time of year and the development or number of plants, so we will monitor if they show symptoms of wilting and soil moisture.

The optimal time of day to irrigate is sunset, thus avoiding evaporation and favoring the infiltration of water into

the substrate. Little by little with practice we will learn that the method and consistency with irrigation will depend on the humidity that the garden shows.

Fertilization process.

Plants feed on the mineral nutrients that are in the soil and that they extract through their roots. The nutrients you need in more quantity are phosphorus, nitrogen, potassium and magnesium. These are called macronutrients. But there are other nutrients that are also necessary for plants, but in less quantity.

We can also work with organic fertilizers that provide us with better product quality and performance, as well as contribute to savings, among which we can mention some: animal manure, eggshells, crop waste, herbs, wood ash, banana peels, vinegar, coffee residues, earthworm humus, among others.

Organic fertilizers offer us advantages such as:

- They allow us to reuse organic waste.
- They increase the microbial activity of the soil.
- They recover organic matter from soil and improve ability to absorb water.
- They usually need less energy for their elaboration.



They also present us with disadvantages, for example:

- They can be sources of pathogens if they are not adequately treated.

The use of organic fertilizers is currently increasing due to the demand for organic and healthy food for human consumption, and to raise awareness about the care of the ecosystem and the environment.

It is a time to take advantage of as a family and teach our children the importance and value of home gardens and the care of nature which helps us to increase green and pleasant spaces in our homes.

Food grown in a home garden helps to consume more vitamins and minerals, necessary for the well-being of the family, which are often not consumed properly due to their availability. *L&E*



Alianzas alrededor del Mundo

Mitrani, Caballero, Rosso Alba, Francia, Ojam & Ruiz Moreno- ARGENTINA

Guevara & Gutiérrez S. C. Servicios Legales- BOLIVIA

Machado Associados Advogados e Consultores- BRASIL

DSN Consultants Inc- CANADÁ

Lewin & Wills Abogados- COLOMBIA

Rivera, Bolívar y Castañedas- PANAMÁ

Espinosa & Asociados- CHILE

Lawnetworker S.A. Asesores Legales- ECUADOR

Peter Byrne & Associates- ESTADOS UNIDOS

Machado Associados Advogados e Consultores- ESTADOS UNIDOS

Ortiz, Sosa, Ysusi y Cía., S.C.- MÉXICO

Estudio Rubio Leguía Normand & Asociados- PERU

Adsuar Muñoz Goyco Seda & Pérez-Ochoa, P.S.C.- PUERTO RICO

Pellerano & Herrera- REPÚBLICA DOMINICANA

Alvarado & Asociados- NICARAGUA

Torres, Plaz & Araujo- VENEZUELA

Facio & Cañas- COSTA RICA

