
COVID-19: Survey of Latin America's Regulatory Response to COVID-19

June 24, 2020

Although initial reports suggested that Latin America was avoiding the brunt of the COVID-19 pandemic, recent information and case data make clear that the region faces serious health and economic challenges from the crisis.¹ Governments throughout Latin America have implemented legal and regulatory measures to address and mitigate the spread of COVID-19, but the COVID-19 landscape in Latin America remains dynamic. This Client Alert provides a snapshot of the current state of affairs, including an overview of the legal and regulatory responses undertaken by several key Latin American countries, along with their plans and actions to reopen their economies.

ARGENTINA

Argentina has taken one of the most proactive approaches in Latin America to combat the spread of COVID-19. On March 19, President Alberto Fernandez announced a shutdown of all nonessential activities, which took effect the following day.² Healthcare workers, police and the military, as well as those working in the food and medical industries and their supply chains, telecommunications, and basic services (e.g., water, gas and electricity) were considered “essential” under the decree. Furthermore, the decree suspended most public activities, allowing people to leave their homes only for basic goods such as food or medicine.

¹ <https://www.economist.com/graphic-detail/2020/06/10/coronavirus-cases-are-surg-ing-in-latin-america>; <https://www.theguardian.com/world/2020/jun/03/latin-america-coronavirus-brazil-mexico-reopening-deaths>

² <https://www.usnews.com/news/world/articles/2020-03-19/argentina-to-announce-obligatory-quarantine-to-curb-coronavirus-sources>; Aislamiento social preventivo y obligatorio. Decreto 297/2020.

<https://www.boletinoficial.gob.ar/detalleAviso/primera/227042/20200320>

Argentina has also issued one of the strictest travel bans. It closed its borders to foreign nationals prior to implementing its quarantine order and suspended the sale of commercial airline tickets for all domestic and international travel until September 1, 2020.³

Despite these efforts, Argentina is still seeing an uptick in the number of coronavirus cases, though at a much lower rate than its neighbors Chile and Brazil. On June 9, Argentina confirmed over 1,000 new COVID-19 cases for the first time since the outbreak began in early March.⁴

Reopening the Economy

The Argentinian government extended the quarantine until June 28, 2020 for the Buenos Aires Metropolitan Area and other areas with a high number of confirmed cases.⁵ However, some parts of Argentina are beginning to loosen the restrictions initially implemented. For example, some parts of the country will transition into “mandatory and preventive social distancing” (as opposed to isolation) with loosened restrictions, allowing mayors and governors to reopen certain businesses.⁶ Nevertheless, large gatherings and events, and the opening of theaters and clubs, continue to be prohibited.⁷ Economic, industrial and commercial activities will be permitted to resume only after the business establishes a protocol approved by the provincial health minister.⁸ Interjurisdictional public transportation also continues to be prohibited.⁹

BRAZIL

Brazil, Latin America’s largest country, has been the hardest hit by the pandemic, with more than a million cases of COVID-19 and the number of fatalities reaching 50,617.¹⁰ Most regional governments have implemented mitigation measures, and the Brazilian government recently extended its ban on foreign travel by air until late June (with some exemptions, including residents or immediate family members of Brazilian nationals).¹¹

³ <https://www.cnbc.com/2020/04/28/coronavirus-argentina-bans-all-commercial-flights-until-september-1.html>

⁴ <https://www.nytimes.com/reuters/2020/06/09/world/americas/09reuters-health-coronavirus-argentina.html>

⁵ <https://www.batimes.com.ar/news/argentina/lockdown-extended-until-june-28-with-two-types-of-quarantine.phtml>

⁶ <https://www.boletinoficial.gob.ar/detalleAviso/primera/230245/20200608>

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ <https://www.nytimes.com/interactive/2020/world/americas/brazil-coronavirus-cases.html>; <https://agenciabrasil.ebc.com.br/saude/noticia/2020-06/covid-19brasil-registra-mais-32913-casos-confirmados-e-1274-mortes>

¹¹ <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>; <https://br.usembassy.gov/covid-19-information/>; <https://www.aljazeera.com/news/2020/03/coronavirus-travel-restrictions-border-shutdowns-country-200318091505922.html>

Controversially, Brazil has not adopted a nationwide quarantine. However, several states, cities and municipalities have implemented their own quarantine orders and other mitigation measures. For example, the state of São Paulo declared a statewide quarantine and closed all commerce and nonessential services from March 24 to April 7, which has since been extended. On May 5, São Luis became Brazil's first major city to implement a "lockdown," prohibiting people from leaving their homes except to obtain groceries, medications or cleaning supplies.

On March 26, the Ministry of Economy, Public Banks and the Central Bank issued an economic stimulus package of US \$150 billion to combat the economic impacts of COVID-19 in Brazil. The Brazilian government also released a package of measures designed to make relations between employers and employees more flexible, including Provisional Measure No. 927, which allows employees and employers to enter into an individual written agreement in order to guarantee the permanence of the employment relationship.¹²

Accelerating Health Crisis

Brazil's response to the pandemic has been complicated by President Jair Bolsonaro's widely reported skepticism regarding COVID-19 and the departure of key cabinet members. In May, Brazil's health minister resigned after only four weeks on the job.¹³ His predecessor had been terminated by the president after advocating for stronger quarantine measures. Both were at odds with the president's insistence that the public return to work and his endorsement of the use of hydroxychloroquine to treat COVID-19. The health minister's resignation also comes three weeks after the justice minister resigned in protest of the president's firing of the federal police chief.¹⁴ The justice minister accused the president of interfering with federal investigations concerning his family.

In the past week, Brazil found itself involved in another political scandal when the Health Ministry removed from its official website the cumulative data showing the country's total confirmed COVID-19 cases and deaths.¹⁵ After a court order and political pushback, however, the government again made the totals accessible, but now displays only the daily new cases on the main website dashboard.¹⁶

¹² h1b.global/brazilian-government-response-to-covid-19-and-supportive-measures-for-business/

¹³ <https://www.nytimes.com/2020/05/15/world/americas/brazil-health-minister-bolsonaro.html>

¹⁴ <https://www.nytimes.com/2020/04/24/world/americas/brazil-bolsonaro-moro.html>

¹⁵ <https://time.com/5849959/brazil-covid-data/>

¹⁶ <https://www.theguardian.com/world/2020/jun/09/judge-orders-bolsonaro-to-resume-publishing-brazil-covid-19-data>

Additionally, the country has not been immune to the corruption scandals affecting the region during the pandemic. In Brazil, public officials from at least seven states are suspected of misusing more than \$200 million in public funds.¹⁷

Reopening the Economy

In May, Brazil's president signed an order designating gyms and salons as "essential businesses," but many governors defied this decree.¹⁸ As of June, however, São Paulo and Rio de Janeiro have begun to reopen their shops and malls even as they report a rise in COVID-19 deaths.¹⁹

CHILE

On March 18, President Sebastián Piñera declared a state of catastrophe in Chile for 90 days.²⁰ Chile subsequently closed its borders, enforcing travel restrictions with Chilean armed forces present at ports of entry.²¹

On March 19, President Piñera issued a plan containing extraordinary economic measures to address the impact of COVID-19.²² An unprecedented package of socioeconomic measures, the plan includes:

- A three-month suspension of Provisional Monthly Payments of corporate income tax. This will allow 700,000 companies to have more resources at hand for their cash flows. This entails the commitment of resources for up to US \$2.4 billion for the coming three months.
- Value added tax payments postponed for the coming three months for every company with sales lower than 350,000 Chilean pesos, allowing for payment in 12 monthly installments at an actual interest rate of 0%. This will allow for a liquidity injection of up to US \$1.5 billion for 240,000 companies during the second half of 2020.
- Corporate expenses relating to the sanitary contingency shall be considered a tax expense.
- Acceleration of payments to suppliers and vendors doing business with the Chilean government.

¹⁷ <https://www.nytimes.com/2020/06/20/world/americas/coronavirus-latin-america-corruption.html>

¹⁸ <https://www.vox.com/2020/5/21/21264956/brazil-coronavirus-bolsonaro-chloroquine>

¹⁹ <https://www.reuters.com/article/us-health-coronavirus-brazil/brazils-biggest-cities-start-reopening-as-covid-19-surges-idUSKBN23H381>

²⁰ <https://latinlawyer.com/article/1224893/chile-covid-19-information-hub>

²¹ <https://cl.usembassy.gov/covid-19-information/>

²² <https://www.carey.cl/download/filebase/newsalert/economic-measures-to-protect-chilean-families-from-the-impact-of-covid-19.pdf>

On March 22, Chile issued health and sanitation measures, which include a self-isolation and quarantine protocol as well as a daily nationwide curfew from 10 p.m. to 5 a.m. Furthermore, the country installed “sanitary customs” at all points of entry.²³

Reopening the Economy

Chile has begun relaxing some of its restrictions in an effort to reopen its economy. For example, in early May, malls began opening to the public.²⁴ People visiting malls are required to practice social distancing, wear face masks and allow their temperature to be taken. However, due to a resurgence of COVID-19 cases, the Chilean government has backtracked on its plan to reopen the economy. On June 13, Chile reported its highest daily toll of 234 deaths, prompting the country’s health minister to resign.²⁵ On June 16, Chile announced tightened lockdowns in its capital, Santiago, and extended the quarantine in Gran Santiago and other cities until June 26.²⁶ The expansion of the quarantine into other areas is a response to a spike in new cases.²⁷

COLOMBIA

On March 20—five days after closing its border to foreign nationals—Colombia announced a nationwide quarantine to begin on March 24. On May 28, Colombia announced that it will be extending the quarantine until July 1, 2020 with plans to loosen restrictions and open businesses with safety protocols.²⁸ Colombia’s total number of coronavirus cases surpassed 50,000 on June 15.

Colombia has also seen an uptick in corruption cases related to the crisis, and public officials have been accused of misappropriating funds aimed at combating the spread of COVID-19.²⁹ Colombia’s attorney general, comptroller and inspector general initiated a joint task force to combat this corruption. There have been more than 1,000 actions brought against mayors, ministers and governors for irregularities and overpricing of basic goods in at least 14 states.³⁰ Arrest warrants

²³ https://www.minsal.cl/wp-content/uploads/2020/03/1745861_web.pdf

²⁴ <https://www.voanews.com/covid-19-pandemic/chile-set-reopen-malls-it-eases-covid-19-restrictions>

²⁵ <https://www.theguardian.com/global-development/2020/jun/14/chiles-health-minister-quits-over-government-response-to-covid-19>

²⁶ <https://cl.usembassy.gov/covid-19-information/>;

<https://www.nytimes.com/reuters/2020/06/17/world/americas/17reuters-health-coronavirus-chile.html>

²⁷ <https://santiagotimes.cl/en/2020/06/04/chile-exceeds-1350-deaths-from-coronavirus-with-over-118000-cases/>

²⁸ <https://www.reuters.com/article/us-health-coronavirus-colombia/colombia-extends-national-quarantine-until-july-idUSKBN2343DT>

²⁹ <https://www.occrp.org/en/daily/12207-colombian-officials-accused-of-misusing-covid-19-funds>

³⁰ <https://www.france24.com/es/20200506-lavueltaalmundo-corrupcion-america-lataina-pandemia-covid19>; https://www.washingtonpost.com/world/the_americas/coronavirus-

have been issued for at least 10 mayors³¹ and 14 of 32 governors, along with the country's agriculture minister, in connection with investigations for crimes such as embezzlement and unlawful awarding of no-bid contracts.³² These investigations are ongoing.

Reopening the Economy

Colombia has slowly begun to reopen its economy. For example, on April 27, the construction and manufacturing sectors were permitted to resume operations.³³ Automobile and furniture manufacturing began reopening on May 11,³⁴ and additional sectors resumed on June 1. These included healthcare services unrelated to COVID-19, full operation of industrial and civil works, salons and barbershops, restaurants (in takeout form), and domestic cleaning services.³⁵ Companies authorized to reopen must follow strict biosecurity measures, such as the use of face masks, frequent handwashing, social distancing and coordination of shifts in a manner to avoid overcrowding.³⁶ Additionally, municipalities that do not have COVID-19 cases have been given the green light to evaluate the opening of churches, restaurants and even local airports.³⁷ Even large cities such as Bogotá are reopening nonessential commercial sectors with special programs such as "Pico y Cédula" that limit residents to entering nonessential stores only on designated days.³⁸ Intermunicipal public transit and domestic flights are still prohibited, and international flights are suspended through August 31, 2020.³⁹

ECUADOR

Ecuador's experience with COVID-19 is a cautionary tale for the region and for all countries medically ill-equipped to deal with large outbreaks. Ecuador's government took early steps in response to the spread of COVID-19, closing its borders on March 14, and later issuing a strict

corruption-colombia-argentina-romania-bangladesh/2020/04/26/c88a9a44-8007-11ea-84c2-0792d8591911_story.html

³¹ <https://www.reuters.com/article/us-health-coronavirus-colombia-corruptio/colombia-issues-arrest-warrants-for-10-mayors-for-alleged-graft-idUSKBN22Y00L>

³² <https://www.latimes.com/world-nation/story/2020-05-27/corruption-spreads-latin-america-alongside-coronavirus>; <https://www.riskscreen.com/kyc360/news/colombias-agriculture-minister-to-be-investigated-over-coronavirus-funds-scandal/>

³³ <https://www.portafolio.co/economia/gobierno/coronavirus-colombia-cuarentena-en-colombia-se-extiende-hasta-11-de-mayo-540066>

³⁴ https://colombia.as.com/colombia/2020/05/10/tikitakas/1589132884_537120.html

³⁵ <https://www.eltiempo.com/politica/gobierno/coronavirus-colombia-hoy-cuales-son-los-sectores-que-se-reactivan-en-junio-501026>

³⁶ https://colombia.as.com/colombia/2020/05/13/tikitakas/1589380417_643910.html

³⁷ <https://www.semana.com/nacion/articulo/gobierno-inicia-apertura-gradual-de-aeropuertos-locales-iglesias-y-restaurantes/679668>

³⁸ <https://www.eltiempo.com/bogota/coronavirus-en-bogota-las-restricciones-de-la-cuarentena-en-bogota-siguen-vigentes-507598>

³⁹ <https://www.reuters.com/article/us-health-coronavirus-latam-airlines/latin-america-must-restart-air-travel-by-july-to-avoid-bankruptcies-trade-group-idUSKBN23I3EO>

curfew starting at 2 p.m.⁴⁰ Although Ecuador’s official government death toll showed the country as one of the least affected in Latin America by COVID-19, reports on the ground painted a much grimmer picture. Footage showed bodies lining the sidewalks in Guayaquil—the country’s largest city—with reports of hospitals turning away ill patients, morgues unable to keep up with burials and family members having to store their deceased loved ones in their homes for days before authorities could respond.⁴¹ A *New York Times* article reports that Ecuador’s estimated death toll is actually 15 times higher than the government’s official count.⁴² From March 1 to April 15, Ecuador experienced 7,600 “excess” deaths over the same period last year, yet the official death toll for COVID-19 stood at 503 people on April 15.⁴³ As of June 16, the country has confirmed 4,000 deaths and more than 47,000 cases.⁴⁴

Like other countries, Ecuador is also dealing with corruption related to supply and equipment contracts aimed at curtailing the effects of the pandemic.⁴⁵ For example, in a conspiracy between a criminal ring and public health officials, body bags were sold to hospitals at 13 times their value.⁴⁶ Moreover, on June 4, prosecutors carried out 37 raids as part of an ongoing probe into corruption at a public hospital. One of the raids was performed at the home of ex-President Abdalá Bucaram, who was detained.⁴⁷

Reopening the Economy

In late May, as the number of COVID-19 cases began to decline, the country’s two largest cities, Guayaquil and Quito, began to reopen.⁴⁸ Quito reactivated its buses and industries at 50% capacity as of June 4.⁴⁹ On June 16, however, President Lenín Moreno extended until August 13 the

⁴⁰ <https://www.reuters.com/article/health-coronavirus-ecuador/ecuador-closes-borders-to-foreign-travelers-due-to-coronavirus-idUSL8N2B70XK>

⁴¹ <https://www.latimes.com/world-nation/story/2020-04-26/no-more-bodies-on-the-streets-but-coronavirus-illnesses-deaths-batter-ecuador>; <https://www.bbc.com/news/world-latin-america-52324218>

⁴² <https://www.nytimes.com/2020/04/23/world/americas/ecuador-deaths-coronavirus.html>

⁴³ *Id.*; <https://www.nytimes.com/2020/05/18/world/coronavirus-news.html>

⁴⁴ <https://news.yahoo.com/ecuador-extends-virus-state-exception-2-months-153951865.html>

⁴⁵ <https://www.batimes.com.ar/news/latin-america/ex-ecuador-president-detained-in-covid-19-corruption-raid.phtml>

⁴⁶ <https://www.nytimes.com/2020/06/20/world/americas/coronavirus-latin-america-corruption.html>

⁴⁷ *Id.*

⁴⁸ <https://www.reuters.com/article/us-health-coronavirus-ecuador-guayaquil/ecuadors-largest-city-eases-quarantine-as-covid-19-deaths-decline-idUSKBN22X00C>

⁴⁹ <https://www.eluniverso.com/noticias/2020/06/04/nota/7860942/quito-amarillo-reactivacion-industrias-buses-50-ocupacion>; <https://www.elcomercio.com/actualidad/guayaquil-semaforo-amarillo-confinamiento-coronavirus.html>

country's "state of exception," which allows the government to impose curfews and other restrictions.⁵⁰

Mexico

Because of the integration of the Mexican and United States economies and manufacturing supply chains, Mexico's response to the pandemic has been the subject of much attention both in the region and in the United States. For an in-depth analysis of Mexico's regulatory responses to COVID-19 and its plans to reopen its economy, please refer to our three prior client alerts:

- [Mexican Government Lays Out Framework for Reopening and "New Normality" \(May 29, 2020\)](#)
- ["Essential Activities" and Federal & State Enforcement Through April 29, 2020 \(April 29, 2020\)](#)
- [Federal Government of Mexico Declares State of Emergency and Suspends "Nonessential Activities" \(April 8, 2020\)](#)

PERU

Peru was one of the first countries in Latin America to implement lockdown measures in response to COVID-19. On March 16, President Martin Vizcarra announced a nationwide "state of emergency" for 15 days and closed the country's borders.⁵¹ These emergency measures have since been extended until June 30, 2020.⁵² Peru also implemented a nationwide curfew starting at 8 p.m., and as early as 4 p.m. in some sectors.⁵³ Peru has relied on its police to enforce the quarantine, with the president stating in early April that 21,000 citizens had already been arrested for violating the guidelines.⁵⁴

Officials in Peru have also been embroiled in corruption scandals. In one case, the country's police chief and interior minister resigned when diluted hand sanitizer and paper-thin masks were purchased for the police force, leaving police officers with little-to-no protection.⁵⁵ When

⁵⁰ <https://news.yahoo.com/ecuador-extends-virus-state-exception-2-months-153951865.html>

⁵¹ https://edition.cnn.com/world/live-news/coronavirus-outbreak-03-16-20-intl-hnk/h_f47cc1c572b87ddcf431f3171cd8fdf9

⁵² <https://www.reuters.com/article/us-health-coronavirus-peru/peru-extends-protracted-national-lockdown-until-end-of-june-idUSKBN22Y2XU>

⁵³ <https://www.nature.com/articles/d41586-020-00983-9>

⁵⁴ *Id.*

⁵⁵ <https://www.nytimes.com/2020/06/20/world/americas/coronavirus-latin-america-corruption.html>

prosecutors began investigating the purchase, evidence disappeared from the police's investigative headquarters.⁵⁶ Over 11,000 police officers have been infected, and there have been 200 deaths.⁵⁷

Reopening the Economy

On April 30, Peru announced a plan to reopen the economy in four phases.⁵⁸ The first phase began with the reopening of certain industries, including industries for basic chemicals, fertilizers, paper, textiles, machinery and construction. As the second-largest producer of copper, Peru aimed to have 80% of its mining sector reopened from the date of the announcement, and it has currently authorized 91% of large-scale mining operations to resume as long as companies comply with COVID-19 control and prevention measures.⁵⁹

SUMMARY

Latin America's response to the COVID-19 crisis has varied widely from country to country for a host of political, socioeconomic and health system-related reasons. As the summaries in this Client Alert show, the situation is complex and rapidly evolving.

Given this constantly changing landscape, WilmerHale is actively monitoring developments throughout the region and is in close communication with an array of first-tier law firms in key Latin American countries. Questions regarding the status of pandemic response in these particular countries can be directed to the WilmerHale lawyers below.

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ <https://larepublica.pe/economia/2020/04/30/actividades-economicas-se-reinician-entre-mayo-y-agosto-de-forma-gradual/>

⁵⁹ <https://www.reuters.com/article/us-health-coronavirus-peru-mining-exclus/exclusive-peru-mines-set-to-restart-to-hit-80-production-in-a-month-industry-official-idUSKBN22J266>; <https://es.noticias.yahoo.com/restricciones-virus-dificultan-alza-producci%c3%b3n-213106006.html>

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