

Employees

Protective Measures, Salary Treatment and Work from Home

People	Period of Stop of Work	Salary Treatment	Whether can do Work from Home	Whether can Take Annual Leave
Coronavirus patients/suspected patients	To be decided depending on the result of medical examination	Normal salary during the quarantined medical treatment period	No	No
		Sick leave salary during the normal medical treatment period		
Close contacts (people having close contact to the patients or suspected patients at the places including transportation vehicles)	Staying at home or a quarantined area for 14 days after the last contact	Normal salary	Yes. No overtime work benefits shall be provided, except if local regulations provide differently such as Shanghai.	Possible to arrange employees in Beijing to take annual leave. In other locations, companies can do so upon consulting with the employee.
Employees locked out by the quarantine or other emergency measures taken by the government ("locked-out employees")	Until the quarantine or other emergency measures have been removed by the government	Normal salary	Yes. No overtime work benefits shall be provided, except if local regulations provide differently such as Shanghai.	Possible to arrange employees in Beijing to take annual leave. In other locations, companies can do so upon consulting with the employee.
Other employees (including the close contacts or locked-out employees' whose restrictions have been removed)	Until the resumption of operation by the government, i.e. 10 February 2020 in most locations	Normal salary	Yes. But no overtime work benefits shall be provided during the working days	Yes
	Until the resumption of operation by the company	Normal salary	No	No
		Living allowance if the work is stopped for more than one month		

Employer

Obligations and Actions



Impact on Contracts

Does the Coronavirus constitute Force Majeure?

Occurrence of Force Majeure

- Failure to duly perform contracts
- Constitutes breach of contract
- Liabilities exempted in case of Force Majeure

What constitutes Force Majeure?

- Decisive: check contractual clause
- If no contractual clause – PRC statutory law: objective circumstances which are unforeseeable, unavoidable and unsurmountable
- Notice of PRC Supreme People's Court and court precedents: SARS and administrative measures to prevent SARS recognized as Force Majeure. However, decisive are details of situation, of specific contract and of specific contractual obligations

What should companies do?

- Evaluate the impact of the Coronavirus outbreak on your business and contractual obligations
- Inform your contract partners as soon as possible and in writing
- Adopt reasonable measures to mitigate losses
- Collect evidence on the occurrence of the Force Majeure event, adopted mitigation measures, incurred own losses, etc.;
- Evaluate possible consequences of the Force Majeure event and what actions are intended, e.g. termination of the contract, change of the contract with regard to deadlines and delivery dates, etc.;
- Discuss and negotiate with your contract partner on how to proceed.

! Get evidence!

CCPIT issues Force Majeure certificates for international contracts