



Building a better
working world

Regulatory risk management for responding to COVID-19 pandemic

Compliance levers for enterprise
resilience for managing COVID-19 in India

The better the question. The better the answer.
The better the world works.

100+ countries
have issued **350+
regulatory**
notifications to
deal with COVID-19

7 state governments
and the Central
Government of India have
invoked powers and
provisions under **The
Epidemics Act, 1897**

**22 notifications/
9 advisories**
issued in India by
MoHFW with daily
updates

**150+
compliance**
obligations may
arise because of
COVID-19

How these regulatory changes will impact enterprises?

Key industries impacted:

Travel, logistics, technology, banking, insurance, hospitality, pharma, essential goods manufacturers and distributors, retailers and entertainment

Key compliance areas impacted

Corporate governance and disclosures, workplace health and safety, employment, data privacy, supply chain and working capital

Key regulatory implications of non compliance:

- ▶ Trade restrictions resulting in loss of business
- ▶ Additional cost of operations
- ▶ Forceful shutdown of business operations along with fines and penalties levied by the regulators
- ▶ Reputation loss due to negative media reports on failure to adopt preventive or detective measures
- ▶ Damages and compensation to be paid to impacted individuals for not adopting adequate measures
- ▶ Criminal prosecutions against key managerial personnel and/or board members

This publication covers the following topics:

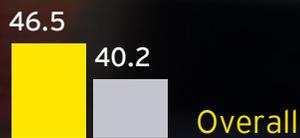
1. An overview of the legal framework in India for responding to pandemic or epidemic
2. Key compliance considerations and obligations which may arise due to various notifications issued till date
3. EY's approach to compliance resilience for responding to pandemic situation

Overview

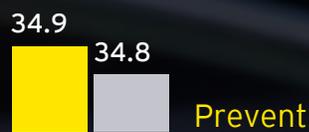
With the recent declaration of COVID-19 as a pandemic by the World Health Organization (WHO), many countries have invoked public health laws dealing with pandemics and epidemics. The WHO has laid down an international regulatory framework to deal with public health emergencies in the International Health Regulation, 2005. While national governments are required to build legal capabilities to enact and effectively implement public health laws, are government agencies, businesses and the communities at large, prepared to deal with the impact of pandemic situations?

The Global Health Security (GHS) Index (a project of the Nuclear Threat Initiative (NTI) and the Johns Hopkins Center for Health Security (JHU)), is the first comprehensive assessment and benchmarking of health security and related capabilities across 195 countries that measures health security and international capability to address infectious disease outbreaks that can lead to international epidemics and pandemics. Overall, the GHS Index identifies severe weaknesses in a country's abilities to prevent, detect, and respond to health emergencies; major gaps in health systems; vulnerabilities to political, socioeconomic, and environmental risks that can confound outbreak preparedness and response; and a lack of adherence to international norms.

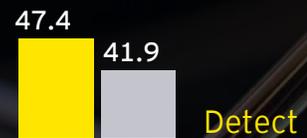
Global health security index



The average overall GHS Index score among all 195 countries assessed is 40.2 of a possible score of 100. India ranked at 57th with a GHS index score of 46.5. Many countries were found to be under-prepared to prevent, detect and respond rapidly to such pandemic events



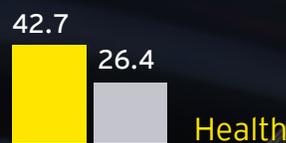
While fewer than 7% of the countries score in the highest tier for the ability to prevent the emergence or release of pathogens, India scored a GHS index of 34.9 which was slightly higher than average GHS score for this tier.



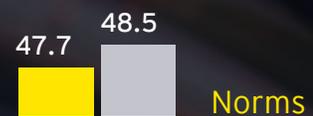
Only 19% of countries received top marks for detection and reporting. India scored 47.4 which is higher than the average score. However, globally, data integration and preparedness for real time surveillance and reporting was found to be weak.



India scored 52.4 for its ability to respond by restricting trade, travel and being able to enforce a response plan. The score was significantly above the average score of 38.4.



The average score for global health system indicators is 26.4 of 100, making it the lowest-scoring category. However India scored a GHS index of 42.7 indicating lesser preparedness to deploy medical countermeasures and medical personnel to deal with emergency.



On compliance with international norms, India scored 47.7 which was slightly below the average score of 48.5. Cross border agreements with public health emergency response was found to be an area of improvement.

■ India ■ Global Average for 195 countries

'The average overall GHS Index score is 40.2 out of a possible 100. While high-income countries report an average score of 51.9, the Index shows that collectively, international preparedness for epidemics and pandemics remains very weak.'

Overview

It is very evident from the GHS index that among other countries, India is underprepared to prevent, detect and respond to pandemics. One of the important factors to evaluate during an emergency is the legal framework which can delineate the scope of the government's responses to public health emergencies and also, the duties and rights of corporates and citizens.

India does not have a single comprehensive law that lays down comprehensive protocol during any public health emergency such as COVID-19. There are 124 regulations that focus on perils arising out biological, chemical or nuclear hazards. However, the Central and state governments are empowered to legislate on health-related matters under the century old Epidemic Diseases Act, 1897 (the Act). This Act empowers the Central and State Governments to take measures necessary to control the further spread of disease as may be necessary. The Act also allows state governments to issue regulations to contain any epidemic outbreak.

The Act was passed in 1897 with the aim of preventing the spread of - "dangerous epidemic diseases." It was formulated to tackle the bubonic plague that broke out in the Bombay state at the time. The Governor General of colonial India conferred special powers upon the local authorities to implement the measures necessary for the control of epidemics.

The Act is one of the shortest legislations in India, comprising just four sections. The first section explains the title and the extent, while the second gives powers to the state and Central governments to take special measures and formulate regulations that are to be observed by the people to contain the spread of diseases. The third section describes penalties for violating the regulations, in accordance with Section 188 of the Indian Penal Code. The fourth deals with legal protection to the implementing officers acting under the Act.

On March 12, 2020, the Central government invoked the Act to take appropriate measures to contain the COVID-19 outbreak. It advised all the states and union territories to invoke the provisions of Section 2 of the Act, which empowers the government to take special measures to "prescribe regulations as to dangerous epidemic diseases." It also added that the powers held by the Home Ministry under the Disaster Management Act shall be "delegated" to the Health Ministry to prepare India against the outbreak.

Based on the power confirmed by this Act, six states (Karnataka, Delhi, Haryana, Rajasthan, Himachal Pradesh, Uttar Pradesh, and Maharashtra) have invoked the Act to manage the emergency faced by these states due to the outbreak of COVID-19.

There are various legal and compliance considerations, for a commercial organisation to evaluate and prepare itself to respond to this emergency, which may be triggered by any of the following three categories of laws and regulations:

- ▶ Specific laws and regulations applicable to pandemics and emergency responses
- ▶ Laws which may provide rights to various stakeholders (employees, clients, vendors, lenders, shareholders, and other partners) under such circumstances
- ▶ Contractual obligations which may arise due to such *force majeure* events

Organizations which have not analysed the impact and risks associated with critical compliance obligations arising out of these laws and regulations may not only face challenges in continuing business operations and in managing the cost of operations, but also face the risk of criminal prosecution for its key executives, shutdown of business in the event of major non-compliance, and enforcement action by the regulators. The key themes which need to be evaluated from a legal and compliance perspective to enable organisations to respond to an everchanging and complex environment, are provided in following sections.

Corporate governance and disclosures

Disclosures under listing obligations

The Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 entrusts management bodies of the company such as the Board, Audit Committee and Risk Management Committee (where applicable) to have organization level controls for the identification of risk, disclosure and mitigation. Further, these regulations mandate compulsory reporting of threats, risks and concerns, among other things, that would impact business performance and financial outlook. In light of the current COVID-19 situation, companies should assess the risk of COVID-19 to their business and make necessary disclosures in the financial reports and annual reports. Listed entities are additionally mandated by the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 to make immediate disclosure to stock exchanges of defined critical events which impact the company at a financial, operational and economic level which are self-assessed by the company through its event materiality policy.

Disclosures by US listed companies

The US SEC requirements have provided an immediate relief on account of COVID-19 outbreak by extending filing deadlines of certain returns. The regulatory requirements mandate annual reporting in Form 10-K, wherein the MD&A section highlights business reporting of risks, business impact and future outlook. Listed companies are required to assess the disclosures which need to be made with respect to the impact of the COVID-19 outbreak. SEC through recent communications guided companies to avoid disclosing selective risks and disseminate information broadly related to the COVID-19 outbreak material to its investors and refrain from engaging in securities transactions with the public. Further steps are advised to prevent directors and officers from initiating such transactions until investors have been appropriately informed about the risk.

Board and shareholders meetings and incapacitation of board members/KMPs

Board and Shareholder Meetings : While there is no defined roadmap on how corporate resolutions would be passed through meetings in case directors/KMP/shareholders are affected by COVID-19, in order to ensure seamless decision making, there should be an adequate representation on the board as well as adoption of effective means of decision making by suitably using the flexible provisions of the law. Execution of board/shareholder resolutions should be adopted either through meetings conducted through video conferencing/circular resolutions/utilizing e-voting facilities. Resolutions requiring physical presence should be avoided or if necessary in cases of approval of financial statements and board report, should be conducted through adequate safeguards in terms of a quick screening/self-declaration for attending members. There is also a need to plan for contingencies where physical meetings may not be feasible due to lack of quorum due to incapacitation of board members/KMP due to government orders, self quarantine/isolations measures or where the board members/KMPs are symptomatic or tested positive. It is also imperative to identify deputies or second line activation in case KMPs are not able to perform their duties due to temporary or permanent incapacitation or there are sudden vacancies at the board level due to fatality.

Key considerations

Have you analysed the likely impact on the company's financial results due to COVID-19 and have you performed risk assessment to ascertain if any material disclosures would be required to regulators or stock exchange?

Does a company need to update its risk factors prior to filing its next Form 10-Q due to developments that have occurred after the filing of its Form 10-K?

Does the company have the ability to reschedule, delay or exclude symptomatic persons or tested positive from a physical meeting which are mandatory by law?

What steps can companies take to prepare for the possibility of shareholder activism in the event their stock price drops?

Have you done succession and back up planning to make sure that there is adequate coverage available to carry on operations of the company in the event of incapacitation of Board Members or KMP?

Do companies need to review their insider-trading norms and window?

Workplace health and safety

Preventive care made mandatory

The Ministry of Health and Family Affairs (MoHFW) has released various notifications regarding COVID-19, which include hygiene guidelines and training materials. Organizations should carry out awareness campaigns and can use the training materials provided on MoHFW's website. For any situation which is not addressed by the MoHFW, organizations can also rely on the WHO's training materials.

Biometric devices not to be used at workplace

The Centre and some state governments have suspended the use of biometrics for employees. States are yet to notify this, but many organizations have already exempted their employees from biometric checks and have implemented manual attendance processes until the outbreak is contained. Telangana is also working with IT companies to come up with a Standard Procedure Protocol (SOP) on how to handle matters if they have a suspected COVID-19 case.

Health care units and workers

The Healthcare workers are at the forefront of any epidemic. There are detailed compliance guidelines, laid by MoHFW, on surveillance for human infection with 2019-nCoV; how to prevent infection in Healthcare facilities; guidance for sample collection and transportation; and discharge policy for suspected or confirmed novel Coronavirus cases.

Airlines to enforce preventive and detective measures

The airline industry needs to comply with the health and safety guidelines released by the Directorate General of Civil Aviation (DGCA). Among other things, it also lays out that all ground handling staff entering inbound and outbound international flights shall be provided with personnel protective equipment (PPEs) and such PPEs shall be disposed of appropriately after each flight.

Hospitality and tourism to adopt preventive and detective measures

There are compliance guidelines, released by the Ministry of Tourism, for the hotel industry which requires them to adequately train their staff on hand hygiene, respiratory hygiene and protocols to be followed if a guest develops some symptoms. They are also required to follow the protocols on recording the travel history of guests and with respect to personal protective equipment (PPE). Further, the Delhi Government has advised that hotels should not deny check-in to tourists from any affected country.

Communications

Karnataka, Haryana, and Delhi have imposed restrictions on publishing of any COVID-19 related information (electronic or print) without prior permission from the respective state health departments. This is to avoid the spread of rumours or un-authenticated information about COVID-19.

Key considerations

Have you reviewed your current facility setup from a health and safety perspective and ensured that it meets both regulatory requirements prescribed through various notifications and applicable requirements in the event of a pandemic?

Have you formed a crisis management team and have you assessed preparedness of this team and your partners to respond in case of emergency at your work site?

Have you assessed the need for your employees to work from office premises depending upon their nature of work?

Have you made suitable arrangements for quarantining affected individuals or groups to prevent further spread of the disease?

Have you established appropriate communication channels for disseminating regulatory announcements or government advisories?

Have you set up a mechanism to obtain declarations from employees if they have travelled to affected areas/countries or been in physical contact with/proximity to infected individuals?

Have you made suitable business continuity plans in the event of outbreak within company premises?

Have you adopted preventive measures for specific areas of your worksite which are likely to have higher density and flow of employees/visitors?

Employment

Immigration to and from certain countries

The Bureau of Immigration has temporarily suspended all tourist visas and issued travel advisories. Basis the Ministry of Health and Family Welfare advisory, an employer is required to monitor the travel of employees. Employer may restrict an employee from coming to office if the employee has recently travelled to COVID-19 affected countries. The US Embassy, Consulates in India cancelled all visa appointments from March 16 which may impact pending work permit petitions requiring visa stamping and impair technology companies to re-deploy these resources back in USA. Some of the countries have also barred travellers from India.

Mobile workforce deployed in impacted countries

Various organisations have a large number of employees deputed to foreign countries, including high risk COVID-19 countries, like China, Italy, Japan, Korea, France, Spain, and Germany. In such cases, an employer has to rely on the deputation contract and employment law of the country where the employee is deputed. In case an employee wants to return to India, the employee can end the deputation contract and return to India subject to government travel advisories and restrictions.

Employer liability and employee benefits

IRDAI has directed insurance companies to settle medical treatment claims of COVID-19 as per insurance policies. However, with WHO and Central Government declaring COVID-19 as a pandemic, claims might not be payable as such claims are excluded under many health insurance policies. Though there are no notifications from the Ministry of Labour with respect to this matter, it is likely that employers will be liable to cover medical expenses and secure benefits to employees impacted by COVID-19.

Work from Home

In case an employee, who is not a patient, undergoes a self-quarantine, which is not imposed by the government, the employer may ask the employee to take paid leave/sick leave/work-from-home. For employers operating out of Special Economic Zones ('SEZ'), compliance is required with respect to SEZ and Department of Telecom ('DoT') regulations on work-from-home. DoT has relaxed norms for other service providers ('OSPs') - IT and ITeS companies - as well as the need for prior permission from offering facility.

Leave provisions

The State of Karnataka has notified 28 additional days of leave for employees who are infected with COVID-19. In the absence of state-specific notifications for the remaining States, employer should follow the existing regulations.

Medical screening

While medical screening has been mandated only for the hotel and airline industries, many employers are implementing medical screening facilities in their workplace. Though employers may conduct these, they should be cautious with the protection of personal information collected during the course of such activity, and report to the authority in case any incidents are noted.

Key considerations

Have you reviewed your employment handbook, contracts and health insurance coverage to ensure compliance with regulatory requirements as well as contractual obligations towards employees?

Have you tracked your mobile workforce and assessed country and state specific ban for movements for immigration and safety regulations?

Have you instituted appropriate modes for employees, contractors and consultants to provide self declaration, full disclosure and acceptance of liability in case of non-adherence to company and government regulatory requirements?

Have you assessed the impact on new employees or candidates in the process of joining your organisation?

Have you considered postponing the date of joining for such candidates and assessed the regulatory impact in terms of payment of wages for such employees?

Have you reviewed your protocol and measures to respond to COVID-19 from a regulatory perspective and confirmed that those procedures are not in contravention with data privacy, employment rights, human rights and other employment contract terms?

Have you identified reporting requirements under various regulations for employees tested positive?

Have you assessed impact on benefit cost due to emergence of this event and how funding will be done to self funded health care plans?

Have you checked on employees who have come to India to complete visa stamping but are unable to get re-deployed because of cancelled operations of visa embassies?

Supply chain

Review contractual clauses and obligations

The supply chain operations of a company could be adversely impacted due to non-operations of logistics and stalling of inter-trade between locations due to quarantine notifications issued by the government. Legal heads should review client and vendor contracts to determine each party's rights and obligations, including specific impacted terms, such as representations and warranties, covenants, most favoured/preferred customer provisions, exclusivity, payment rights, liquidated damages, minimum production amounts, schedule and delivery, allocation rights, force majeure clauses, termination rights, and insurance or indemnity.

Cross border and internal contracts

Private and cross border contracts will need to be evaluated considering country-specific law on force majeure. The law governing the contract and the parties' relationship can materially affect how a company addresses any issues. Therefore, before taking action a company should identify if the contract has defined any choice of law or venue. It will be important to assess how the relevant jurisdiction's law will impact the agreement's key terms or imply terms under common law, including frustration of purpose, hardship, impracticability, impossibility, material adverse change, duty of good faith and fair dealing, and force majeure.

Government contracts

The Ministry of Finance has released an office memorandum to the central procurement department that COVID-19 should be considered as a case of natural calamity and will be covered under the force majeure clause. Force majeure is an "Act of God" and can be defined as an unforeseeable circumstance that prevents someone from fulfilling a contract. Under the Indian Contract Act, force majeure gives a party more time to perform its contractual obligations for things beyond its control.

Export control and trade restrictions

It also needs to be evaluated if contracts for the sale of goods and services need to comply with other statutes and regulations related to export, trade, competition and price controls. The Central Government has prohibited the export of 26 APIs (Active Pharmaceutical Ingredients) and formulations made from such APIs, including includes APIs like paracetamol, Vitamin B1, B6 and B12. There is ban on the export of personal protection equipment including clothing and N-95 masks. Masks and sanitizers have been include in the list of essential commodities.

Key considerations

Have you conducted a country-by-country impact assessment from a supply and demand perspective for your global operations?

Have you analysed your contractual rights and obligations under events which are beyond your controls and considered as force majeure?

In case the supply of materials, goods or services is time critical and you are required to cancel the contract or resort to an alternative, have you analysed your rights and obligation in case of such cancellation?

Have you analysed your rights and obligations in case of your failure to deliver goods or services?

Have you reviewed any trade restriction on the materials which you use for production or on the finished goods which could be restricted for international or intra-state trade?

Have you reviewed any pricing or competition related restriction which may apply to your products or services?

Have you reviewed your cross border contracts and transactions and the impact of regulatory changes in other countries?

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Data privacy

Privacy obligations for Indian employees

Employers also have an obligation to maintain the privacy of their employees based in India. The medical records and history of a person are classified as sensitive personal information under the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011 and the employer must comply with the data privacy requirements as laid down by the rules. This means that such data can be shared with any third party only with prior permission from the individual unless such consent is already a part of the employment contract.

Privacy obligations for foreign employees

Additionally, employers also have an obligations to maintain the privacy of their foreign employees as per the local laws of the countries where the employees are resident. For example, GDPR requirements will have to be adhered to when processing personal data (collection, disclosure and sharing) related to COVID-19 of employees based in the European Union. Globally, the emerging trend is that general principles for collecting personal or sensitive data which require data minimisation, purpose limitation, proportionality, transparency will have to followed. Specifically, some of the local Data Protection Authorities in the European Union have issued guidance allowing processing of personal data processing in relation to COVID-19 with certain conditions (UK, Denmark, Ireland, Luxembourg) whereas others have imposed restrictions (Italy and France).

Key considerations

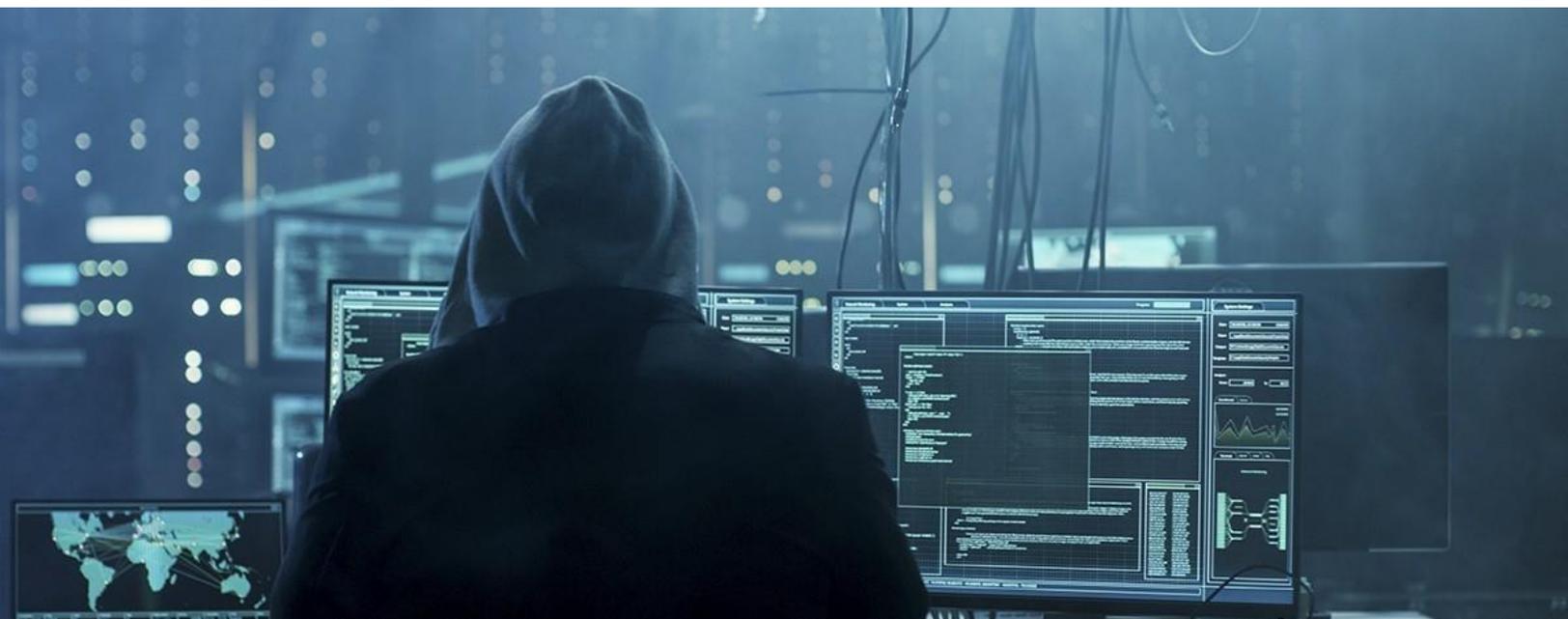
What information can companies require from their employees and other parties visiting their worksite about their health status and symptoms, travel plans and history, exposure of family members, non-work activities and possible risk of exposure?

Can an enterprise measure the body temperature of employees' and other third parties' or collect other health-related data directly or indirectly?

Are there statutory, regulatory or contractual restrictions on any data collection, processing or dissemination contemplated to address COVID-19 risks? What are the risks of these activities?

Is a privacy impact assessment, or a security risk assessment, required or advisable for any new data-related activities?

What confidentiality or other privacy considerations should be kept in mind while identifying the names of the infected or exposed to other employees, third parties, the public or governmental authorities?



Working Capital

Lending agreements

Loan agreements usually contain a 'material adverse change' (MAC) clause which includes include material adverse change due to "business, operations, property, condition or prospects of the borrower" or "on the ability of the borrower to perform its obligations under the lending agreement. Impacted organization need to review the MAC clause and enter into negotiation with lenders to avoid triggering an event of default.

Measures to support the financial system

As a reaction to COVID-19 and its impact on the financial system, globally, central banks have taken a two-pronged approach by - interest rate cuts and easing of liquidity norms. U.S. has announced a interest rate cut to near zero, a dramatic move not seen since 2008. Before the outbreak, the RBI released liquidity measures to bring down interest rates and hence are waiting to introduce any further interest cuts because of COVID-19. However, the RBI has decided to undertake 6-month US Dollar sell/buy swaps, for \$2 billion, to provide ease of availability of US dollars and provide liquidity to the Foreign Exchange market. This will impact Authorised Dealers (ADs) Category 1 banks and they will be able to participate in the auction. These banks will be exempted from the ISDA requirements for these swaps.

The U.S. Small Business Administration is offering low-interest federal disaster loans for working capital to small businesses suffering economic injury as a result of the Coronavirus (COVID-19) , However, there are no specific measures announced vis-à-vis MSMEs in India.

Key considerations

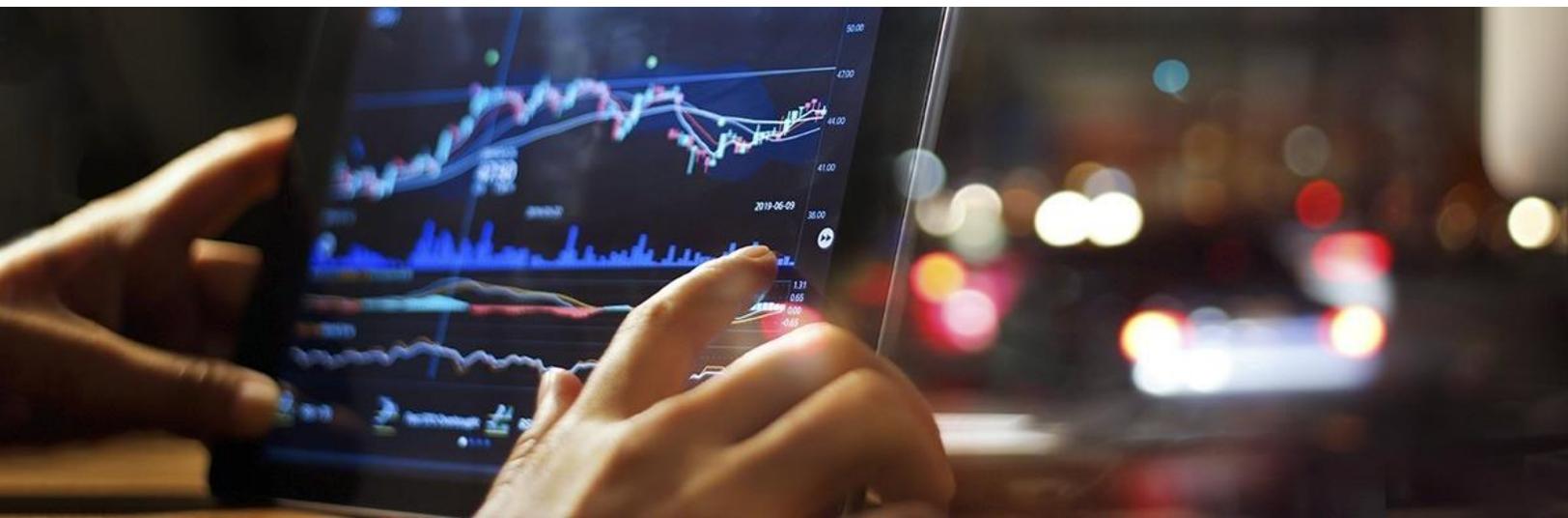
Have you analysed your company's liquidity position owing to stretched receivables and arranged for contingency funding?

Have you assessed the impact of credit downgrading due to any default in meeting your debt obligations?

Have you explored the re-negotiation of payment terms with your suppliers considering delayed collections?

Have you analysed loan agreements covenants for potential breaches and triggering of any events of default?

What kinds of protections can companies negotiating acquisitions or in need of debt financing expect its lenders to ask for against COVID-19 risk in the context of their lending commitments?



Annexure - major notifications released by ministries

The Indian government has released multiple advisories impacting several areas and sectors. These are still evolving and updated by the Ministry after assessing the ground situation.

Epidemics Act- COVID Regulations 2020

- ▶ All existing visas to enter India, except diplomatic, official, UN/International Organizations, employment, project visas, stand suspended till 15th April 2020. This came into effect from 1200 GMT on 13th March 2020 at the port of departure.
- ▶ 7 states have invoked the Epidemic Act which empowers states with wide-ranging powers to take measures to contain the outbreak and restricts unauthorised use of print or electronic media for reporting COVID-19.

Travel advisory

- ▶ All existing visas to enter India, except diplomatic, official, UN/International Organizations, employment, project visas, stand suspended till 15th April 2020. This came into effect from 1200 GMT on 13th March 2020 at the port of departure
- ▶ Incoming travellers, including Indian nationals, are advised to avoid non-essential travel and are informed that they can be quarantined for a minimum of 14 days on their arrival in India.
- ▶ Visa free travel facility granted to OCI card holders is kept in abeyance until April 15, 2020. This came into effect from 1200 GMT on 13th March 2020 at the port of departure.
- ▶ All incoming travellers (foreign and Indian) arriving from or having visited China, Italy, Iran, Republic of Korea, France, Spain or Germany will undergo a 14 days quarantine. This came into effect from 12 GMT on March 13, 2020.¹

Health and safety workplace advisory

- ▶ The MoHFW has advised all employers to provide work-from-home for at least 14 days for home quarantine of employees who have travel history of China, Hong Kong, Republic of Korea, Japan, Italy, Thailand, Singapore, Iran, Malaysia, France, Spain and Germany.
- ▶ The Department of Technology exempted security deposit and agreement for work-from-home facility for OSPs.²
- ▶ The Central Government has issued a notification to all Ministries and Departments to temporarily exempt their employees from biometric attendance.³ Delhi has also issued similar notification.⁴ Other states are following suit.
- ▶ States have been advised to avoid or postpone mass gatherings. Karnataka has notified 28 days of additional leave for employees infected with COVID-19. Delhi is moving in similar lines to provide paid leaves to all contacts of cases who are advised to be in home quarantine.⁵
- ▶ Further, Karnataka has advised IT and Bio-technology companies to provide surgical masks and/or paper tissues at the workplaces for those who develop a runny nose or cough at work.⁶
- ▶ IRDAI issued guidelines stating that where hospitalization is covered as part of a policy, cases related to corona virus disease shall be covered.

1. <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1606056> <https://www.mohfw.gov.in/AdditionalTravelAdvisory1homeisolation.pdf>

2. <https://dot.gov.in/sites/default/files/Relaxation%20inT%26C%20of%20OSP%2013.3.20.PDF>

3. <https://www.mohfw.gov.in/advisoryforbiometricattendance.pdf>

4. <http://health.delhigovt.nic.in/wps/wcm/connect/cb3a77004d7297e6b220f7982ee7a5c7/MoMH.pdf?MOD=AJPERES&Imod=-1363861991&CACHEID=cb3a77004d7297e6b220f7982ee7a5c7>

5. <http://health.delhigovt.nic.in/wps/wcm/connect/59af3b004d81bb388ad8ff982ee7a5c7/MOM+STF+8-3-2020.pdf?MOD=AJPERES&Imod=-937627149&CACHEID=59af3b004d81bb388ad8ff982ee7a5c7>

6. <https://karunadu.karnataka.gov.in/hfw/kannada/nCovDocs/Advisory-IT-BT-Staffs.pdf>

Annexure - major notifications released by ministries

The Indian government has released multiple advisories impacting multiple areas and sectors. These are still evolving and updated by the Ministry after assessing the ground situation.

Import and export advisory

- ▶ The Central Government has prohibited the export of 26 APIs (Active Pharmaceutical Ingredients) and formulations made from such APIs which includes APIs such as paracetamol, Vitamin B1, B6 and B12.⁷
- ▶ There is a ban on the export of all personal protection equipment including clothing and N-95 masks.
- ▶ The FSSAI informed the public that food imported into India including from the COVID-19 affected countries is safe for human consumption and as of now there is no conclusive evidence for the food borne transmission of Corona virus.⁸

Advisory for hotel industry

- ▶ Reception staff to be adequately aware on hand hygiene, respiratory hygiene and protocols to be followed if a guest develops some symptoms.
- ▶ Procure from guests, their history of travel to any of the affected countries in the last 14 days, information pamphlet issued by Ministry of Health and Family Welfare
- ▶ Follow health, hygiene and cleaning guidelines as laid by the Ministry of Health and Family Welfare.
- ▶ Follow guideline laid down for Personal protective equipment (PPE).⁹
- ▶ Further, the Delhi Government has advised hotels not deny check-in of tourists from any affected country.⁹

Advisory for airlines industry

- ▶ The Directorate General of Civil Aviation (DGCA) has issued a circular that each aircraft arriving from South Korea, Japan and Italy will be subject to a disinfection process before boarding begins for the next flight.
- ▶ All ground handling staff entering inbound and outbound international flights shall be provided with personnel protective equipment (PPEs) and such PPEs shall be disposed of in an appropriate manner after each flight.

Advisory for healthcare

- ▶ MoHFW has released detailed guidelines on infection prevention and control in Healthcare Facilities and guidance for sample Collection, packaging and transportation for Novel Coronavirus clinical management of severe acute respiratory illness (SARI) in suspect/confirmed novel Coronavirus (nCoV) cases.¹⁰

Advisory for supply chain

- ▶ The Ministry of Finance has clarified that COVID-19 should be considered as a case of natural calamity and will be covered under force majeure clause.
- ▶ The clause does not excuse a party's non-performance entirely but only suspends it for certain duration and can be invoked wherever appropriate.^{11 12}

7. https://dgft.gov.in/sites/default/files/Noti%2050_0.pdf

8. https://www.fssai.gov.in/upload/press_release/2020/03/5e60f4720d65cPress_Release_Import_Food_Corona_Virus_05_03_2020.pdf

9. <http://tourism.gov.in/ministry-health-family-welfare-advisory-guidelines-hotels-prevention-coronavirus>

10. <http://health.delhigovt.nic.in/wps/wcm/connect/59af3b004d81bb388ad8ff982ee7a5c7/MOM+STF+8-3-2020.pdf?MOD=AJPERES&lmod=-937627149&CACHEID=59af3b004d81bb388ad8ff982ee7a5c7>

11. <https://www.mohfw.gov.in/National%20Guidelines%20for%20IPC%20in%20HCF%20-%20final%281%29.pdf>

12. <https://doe.gov.in/sites/default/files/Force%20Majeure%20Clause%20-FMC.pdf>

EY's approach to regulatory risk management for an enterprise during a pandemic

Maintaining trust through global disruption

COVID-19 is currently disrupting business operations across the globe. Building confidence and trust in business to respond to regulatory and contractual requirements will be a critical differentiator as corporations respond to and rise from global disruption. EY's unique approach would assist you in achieving compliance resilience through our five-step approach in response to compliance challenges which you may encounter while responding to pandemic.

Assess			Prevent	Detect	Restore	Recover
Identify	Prioritize	Plan	Implement	Monitor	Respond	
<p>Key regulatory changes and event based compliance requirements which arise due to invocation of emergency powers vested in government agencies</p> <p>Key statutory and regulatory reporting requirements due to various business and financial implications</p> <p>Constantly evolving regulatory changes through various notifications issued by regulators</p>	<p>Identify all areas of business which could be impacted due to applicable regulatory requirements arising in response to a pandemic</p> <p>Perform detailed risk assessment of impacted areas through detailed what can go wrong scenario analysis and financial impact due to such event</p> <p>Prioritise critical areas which may carry significant compliance risks, financial implications and personal consequences for executives</p>	<p>Prepare a detailed plan to respond to compliance requirements</p> <p>Assess preparedness of systems and people to meet the implantation plan</p> <p>Plan for remedial measures required to prepare organisational infrastructure and people to respond</p> <p>Prepare a detailed project plan to achieve all compliance requirements</p>	<p>Setting up of a crisis management team</p> <p>Revision to policies and procedures for prevention measures required by law</p> <p>Communication with regulators</p> <p>Communication with internal stakeholders</p> <p>Communication with clients, vendors and other stakeholder</p> <p>Implementation of changes in systems and processes for prevention measures</p>	<p>Surveillance through data monitoring and other means</p> <p>Proactive measures for likely or high risk areas</p> <p>Revision in planned measures based on results of monitoring for ineffective procedures</p> <p>Provide monitoring reports to regulators if and as and when required</p>	<p>Drive pandemic resilience</p> <ul style="list-style-type: none"> ▶ Alert and notify regulators and other stakeholder in the event of an emergency ▶ Carry out all the procedures as notified by regulators in the event of an emergency ▶ Report to regulators on the progress of response and recovery procedures ▶ Obtain required permission and get regulatory reviews done for restoring operations ▶ Communication to all external stakeholder about an event, impact and plan for restoration ▶ Monitor post recovery state and keep regulators and other stakeholder informed of the status 	

Supported by multidisciplinary team from risk, compliance, legal, process and consulting practices

EY proprietary tools for responding to pandemic	Horizon scanning tool which will assist you in providing update on key regulatory requirements changed or notified by regulators in all the impacted countries	Self assessment compliance tool for you to understand requirements and assess your preparedness	Independent assessment tool where EY will assist you in defining remediation measures	Risk monitoring analytics tool
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