
The alternative of the appeal bond for confronting the economic crisis provoked by COVID-19

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The new coronavirus pandemic and the governmental social isolation measures implemented in the attempt to lessen the transmission of the virus has impacted on company cash flow and, consequently, has rendered the fulfillment of contractual obligations with suppliers and the maintaining of the payroll difficult.

In the light of this scenario, a number of alternatives have been adopted by companies to relieve the financial stress resulting from the economic crisis, including the substitution of appeal deposits with appeal bonds in labor claims, which we perceive to be a valuable measure for the obtaining of resources necessary to meeting immediate obligations.

The substitution is made via the presenting of a bond policy 30% (thirty percent) greater in value than the labor claim, the document establishing a minimum of 03 (three) years as the term of the bond, which term is automatically renewable after this time period.

Almeida Advogados counts among its ranks a team specialized in Labor Law available to clarify any doubts about and assist with the substitution of appeal deposits with appeal bonds in labor claims.

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