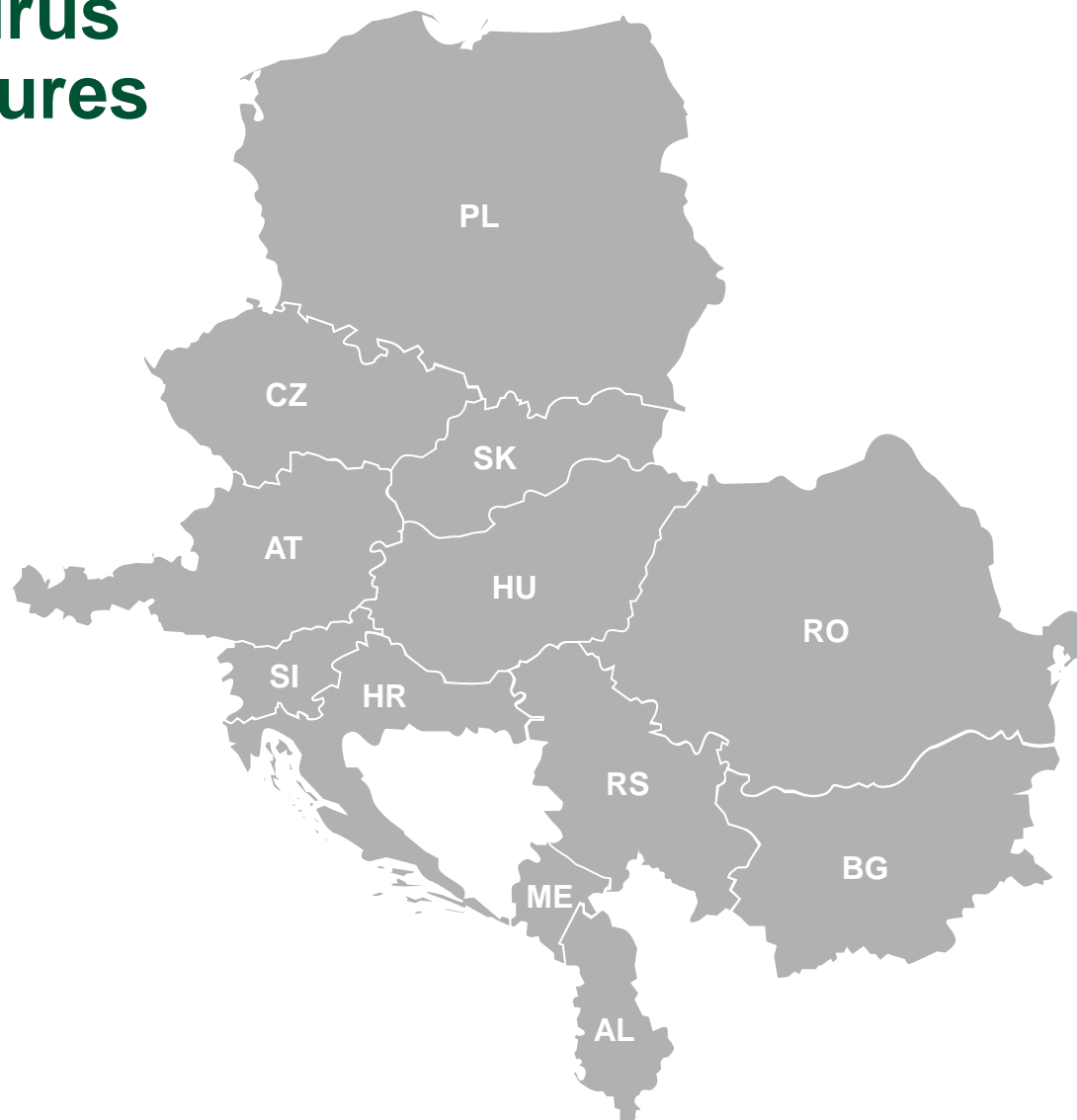


# Covid-19-virus relief measures by country.



>>Please click on the country for further details<<

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# Covid-19-virus relief measures by Albania.



## Measures Albania.

On **19<sup>th</sup> of March, 2020**, Albanian Government revealed certain measures of their relief plan as below:

- Up to USD 100 million sovereign guarantee for cash liquidity for companies that need to borrow money from the banks to pay salaries.
- Up to USD 57 million as a remedy for small businesses, unemployment, and the families in need.
- Postponement of the Income tax payments on the second half of the year for businesses with a turnover USD 18,000 – USD 123,000.
- Postponement of 2019 filing from 31.03.2020 to 01.06.2020.
- Amnesty of USD 132 million for all interest charges accrued on late energy bill payments. This amnesty will affect 211,024 clients.

Furthermore, the Central Bank of Albania has articulated that companies in financial distress may delay loan payment for three months without penalties.

# Covid-19-virus relief measures by Austria.



# Measures Austria.

## 1. Measures taken by the Ministry of Finance

On March 13<sup>th</sup>, 2020, the Ministry of Finance announced measures to mitigate the impact of Covid-19 on taxpayers:

### Reduction / Non-imposition of income or corporate tax advance payments for 2020:

Taxpayers who are affected by the loss of income due to the Covid-19-Virus can submit an application for a reduction in income or corporate tax advance payments for the calendar year 2020 down to EUR 0 until October 31<sup>st</sup>, 2020.

If the taxpayer is affected in terms of liquidity in such a way that he cannot pay the determined advance payments, he can apply to the tax office not to determine the income tax or the corporate tax advance payments for the calendar year 2020 in full or to limit the imposition to an amount that is lower than the expected annual tax for 2020.

### Refraining from setting supplementary claim interest

The tax office must refrain ex officio from setting interest on supplementary claim if the reduction or discontinuation of advance payments in the assessment of income or corporation tax for 2020 would result in supplementary claim interest.

## Measures Austria.

### Deferral and payment in instalments

The taxpayer can apply to the tax office to defer the payment of a tax until September 30<sup>th</sup>, 2020 or to grant the payment in instalments

### Deferred interest

The taxpayer can (eg in the application for deferral or payment in instalments) apply for non imposition of the deferral interest.

### Late payment interest

The taxpayer can also apply for the reduction or non imposition of a penalty for late payment. When processing such an application, the tax office must assume that there is no gross negligence in connection with the default if it can be demonstrated that this is due to Covid-19.

### Deadline for filing the tax return

The deadline for submitting the annual tax return was extended from the end of April respectively the end of June to August 31<sup>st</sup>, 2020.

# Measures Austria.

## Tax exemptions

- Bonus payments from companies, which currently maintain the everyday life during Corona crisis (such as food chains), to their employees are completely tax-free.
- Subsidies/contributions received from governmental funds established in the course of the corona crisis are tax-exempt.
- Legal transactions that are necessary to carry out the measures in connection with coping with the Covid-19 crisis situation are to be exempt from the stamp duty.

## 2. Measures: Social Security Contributions

On **March 16<sup>th</sup>, 2020**, the Austrian regional health insurance announced measures related to social security contributions:

- No outstanding social security contributions will be reminded.
- An automatic deferral takes place if the social security contributions are not paid, only partially or not on time.
- Installment payments are accepted informally.
- There are no recovery measures.
- No bankruptcy applications are made.



## Measures Austria.

### 3. Measures: Financial support for Companies in Austria

#### Guarantees for bridging loans by Austrian Economy Service (“AWS”)

The Federal Government announced support for liquidity shortfalls caused by sales decreases as a result of the Corona virus. Specifically, guarantees for bridging financing amounting to EUR 10 million are offered by the AWS

- The target group are small and medium-sized companies (these are companies with fewer than 250 employees, max. EUR 50 million in sales or EUR 43 million in total assets) in all industries.
- The guarantee secures 80% of a bridging loan.
- Attention: The measure must not lead to a mere debt restructuring, but must serve to secure and expand liquidity.
- The bridging loan has a term of 5 years.
- The submission is made via the financing house bank.
- AWS decides on the allocation of guarantees.

# Measures Austria.

## Financial support of the Austrian Hotel and Tourism Bank (ÖHT)

- For SMEs in the tourism and leisure industry collateralisation of bridging finance (max. EUR 500,000.00, max. term 36 months) of the house banks with guarantees from the ÖHT and assumption of the one-off processing fee (1%) and the liability commission (0.8%).
- ÖHT grants the applicant companies a federal guarantee of 80% to secure new bridging loans (current account overdrafts).
- Condition precedent for the utilisation of the special promotion scheme is an expected decline in sales revenues of at least 15% compared to the previous year.
- Required documents in addition to the application form
  - Company information sheet
  - Commitment declaration
  - Enclosure application for funding "Coronavirus package of measures"
  - Annual financial statements 2018 or more recent

## Measures Austria.

### Financing support from the Austrian Kontrollbank (ÖKB)

- For domestic exporters (large companies and SMEs) whose services are not covered by
  - the Security Control Act and/or the War Material Ordinance, and
  - generally have an Austrian value added of at least 25%.
- Framework credit on the basis of a bill guarantee
- Possible in addition to already existing framework financing with OeKB (KRR or export fund loan)
- The amount of the credit is limited to the amount of last year's export turnover:
  - 10% (large companies)
  - 15% (SMES)
  - Maximum limit of EUR 60 million for individual loans per group of companies
  - No minimum level
  - Limited in time for two years (currently)
- The Federal Government can assume insolvency risk – depending on your credit rating between 50 and 70 percent of the credit line.

## Measures Austria.

### WKO Hardship funds

One-person entrepreneurs and micro-entrepreneurs as natural persons, who employ fewer than 10 full-time equivalents and have a turnover or balance sheet total of no more than EUR 2 million, and employed shareholders who are compulsorily insured under the GSVG / FSVG, new self-employed persons, freelance employees, freelance professions and private room landlords. The criteria of hardship is met if the entrepreneur is no longer able to cover the running costs or an officially ordered ban on entry or a drop in sales of at least 50% compared to the same month last year.

The hardship fund provides a grant that does not have to be repaid later and consists of two phases:

#### **Phase 1 – Emergency aid (application possible since 27.3.)**

- With a net income of less than EUR 6,000 p.a.: Grant of EUR 500.
- With a net income of EUR 6,000 p.a. or more: Subsidy of EUR 1,000.
- Applicants who do not have a tax certificate will receive a grant of EUR 500.

## Measures Austria.

### ■ Phase 1: Requirements at the time of application

- Independent operator of a commercial company or a freelance profession (WKO membership not necessary)
- Company founded until December 31, 2019
- Companies located in Austria
- Upper limit: A maximum of 80% of the annual maximum contribution basis for social security law. A net income of EUR 33,812 per year is used as the upper limit. The net income is to be taken from the most recent tax assessment (2017 or younger).
- Lower limit: compulsory health insurance - as well as income of at least EUR 5,527.92 p.a.
- No further monthly income above the de minimis limit (EUR 460.66), eg from renting and leasing
- No multiple insurance in health and / or pension insurance
- No more cash payments from local authorities due to Covid-19
- The use of guarantees and short-time work (for any employees in small companies) AND the hardship fund is expressly possible.
- If both the hardship fund and the emergency fund are used, the funding amount from the emergency fund is reduced by the benefit already received from the hardship fund.
- No bankruptcy proceedings pending and no need for reorganization - the "URG" criteria (equity ratio less than 8%, fictitious debt repayment period more than 15 years) must not have been violated in the past financial year
- Funding does not apply to persons who receive unemployment insurance or statutory pension insurance benefits at the time of application.

## Measures Austria.

- **Phase 2 (exact criteria and timing are still being worked out by the government):**
  - Start on April 16<sup>th</sup>, 2020
  - Grant of up to a maximum of EUR 6,000, distributed over a period of 3 months
  - New founders receive a grant of up to a maximum of EUR 1,500, spread over a period of 3 months
  - Changes to the requirements in contrast to phase 1
    - The upper and lower income limits do not apply
    - Multiple insurances as well as additional earnings are no longer grounds for exclusion (model "replenishment" to EUR 2,000)
    - Income from self-employment must be declared in the last available tax assessment  
SV registration to prove independence
  - Calculation of the grant from phase 2
    - Loss of earnings from "COVID month" (eg 16.03 to 15.04) compared to old income is replaced by up to 80% (cap EUR 2,000 / month, maximum 3 months)
    - Data for old turnover and old income come from the last available tax assessment or average of the last three available tax assessments (optional, e.g. to compensate for waiting periods)
    - Prove of sales slump by funding applicants (eg cash register receipts, bank statements)
  - Application
    - Monthly applications, allowances from phase 1

# Measures Austria.

## Corona Aid Fund

- Objective: quick provision of financial resources for Austrian companies that have severe liquidity shortages due to the Corona crisis
- Companies and industries that are particularly affected by measures such as entry bans, travel restrictions or restrictions on meetings, have liquidity problems and were considered a healthy company before the Corona crisis. Additional requirements must be observed, including distributions and bonus payments to managing directors and board members.
- In addition, the Corona Aid Fund supports companies that are facing major losses in sales and the threat to their business existence as a result of the Corona crisis.
- Aid measures in the form of
  - Direct loans from COFAG
  - Republic guarantees (application from April 8<sup>th</sup>, 2020)
    - To secure working capital loans
    - Coverage of 90% of the loan amount
    - Upper limit of a maximum of 3 monthly sales or a maximum of EUR 120 millions. This can only be increased in justified exceptional cases.
    - The term is a maximum of 5 years and can be extended by up to 5 years.
    - Prerequisite: the location and business activities must be in Austria and there must be liquidity requirements for the home location

## Measures Austria.

- Grants to cover fixed costs (application from April 15<sup>th</sup>, 2020)
  - The federal government payments are staggered and depending on the loss of sales of the company, if these exceed EUR 2,000 within 3 months:
    - 40–60% failure: 25% replacement
    - 60–80% failure: 50% replacement
    - 80 -100% failure: 75% replacement
  - The assessment is based on the company's fixed costs and lost sales between March 15<sup>th</sup>, 2020 and the end of the Covid-Measures.



## Measures Austria.

### AgrarMarkt Austria – Hardship fund

- Full-time agricultural and forestry enterprises with up to 9 employees and a turnover of up to EUR 2 million
- Multiple insurance policies are permitted
- Business start-ups since January 1<sup>st</sup>, 2020 are funded with a flat rate of EUR 500
- Concerns specifically
  - Wine and cider taverns
  - Companies with special crops in wine, fruit, garden and vegetable growing as well as with Christmas tree crops
  - Companies that rent private rooms or holiday apartments in the agricultural and forestry side businesses (vacation on a farm)
  - Businesses that sell agricultural products directly to the gastronomy, schools and communal catering as well as horticultural products promoted directly and to wholesalers and retailers
  - Companies that offer agricultural and forest education activities (eg school on a farm, seminar farmers)
  - Companies that produce sawn logs on the basis of contracts, but these can no longer be picked up.

## Measures Austria.

- A drop in turnover of at least 50% compared to the same month of the previous year must be proven or  
a cost increase of at least 50% compared to the same month of the previous year must be recorded for external labour
- The payment is made in two phases.
- Phase 1: Immediate help (application possible since March 30<sup>th</sup>, 2020):
  - Unit value of up to EUR 10,000 - subsidy EUR 500
  - Unit value of more than EUR 10,000 - grant EUR 1,000
- Phase 2 - (start in mid-April)
  - Full-time and part-time businesses can access the fund.
  - Up to EUR 2,000 per month in funding (capping). Additional income will be offset
  - A total of up to EUR 6,000 per company (3 months at EUR 2,000 - applies to phases 1 and 2 together)
  - These grants are tax free.

## Measures Austria.

### Loans and funds by federal provinces

In addition, several other regional support measures were published, for example in Vienna the Support by Wiener Kreditbürgschafts- und Beteiligungsbank AG (WKBG) or in Lower Austria a government grant to ensure survival of up to EUR 5,000 per business.

### Emergency Fund of the Vienna Chamber of Commerce

The City of Vienna and the Vienna Chamber of Commerce each make an acute contribution of EUR 10 million so that Viennese individual and micro-enterprises with up to 10 employees can receive support in the event of a serious impact due to Covid-19 pandemic (decline in sales > 50%).

The funding guidelines are currently being coordinated with the federal funding. An updated funding guideline is to be released by the end of April.

# Measures Austria.

## 4. Short-time work in Austria

- In general, short-time work means a temporary reduction in normal working hours and wages due to economic difficulties.
- Short-time work is possible for companies regardless of their size and the respective sector in which they operate (with the exception of federal and provincial governments, municipalities, legal persons under public law and political parties).
- Short-time work is intended to temporarily reduce labour costs and at the same time retain the employees. The employer pays a part-time salary and in addition the short-time work benefit which the Austrian Public Employment Service (“AMS”) funds.

### The following steps must be heeded:

1. Obtaining of first information in a downloaded document from the AMS or on the WKO (the Austrian Chamber of Commerce) website (<https://www.wko.at/corona>).
2. Information from the locally responsible regional office of the AMS by telephone, eAMS account or email, about existing or imminent employment problems.
3. Contacting by email the respective regional Chamber of Commerce in order to prepare the social partnership agreement: an example of a works and/or an individual agreement including instructions is already available on the WKO website.
4. If available: Discussions with the works council; otherwise with individual employees.
5. Social partnership agreement: within 48 hours signature of the ready agreement by the social partners (Chamber of Commerce and Union).



## Measures Austria.

6. Submission of the fully completed and signed application for short-time work allowance and the social partner agreement via eAMS account, via e-mail with a qualified electronic signature or by post to the relevant AMS (regional) office. The application can be made retrospectively from March 1<sup>st</sup>, 2020.

### Which framework conditions must be heeded?

- The AMS funding begins at the earliest when the leave for the previous holiday year has been completely used up and the existing time credit has been entirely consumed.
- The work time must on average be reduced by 10% to 90%.
- Short-time work does not lead to a 100% net compensation but rather – depending on the amount of the gross salary – to only 80% to 90%. In the case of a gross salary above the maximum social security contribution base, the net replacement rate falls below 80%.
- Short-time work does not have to be implemented for all employees. However, in general the number of employees may not be reduced until one month after the end of the short-time work.
- The corona short-time work can provisionally be concluded for a **maximum of 3 months**.

# Covid-19-virus relief measures by Bulgaria.



## Measures Bulgaria.

Adopted measures in Bulgaria under the Bill on the Measures and Actions during the State of Emergency announced by the Bulgarian National Assembly on **13.03.2020**:

The *Bill on the Measures and Actions during the State of Emergency announced by the Bulgarian National Assembly on 13.03.2020 (the “**Bill**”)* was adopted in its final version at an extraordinary meeting of the National Assembly which took place on 23.03.2020 and was promulgated in the Bulgarian State Gazette on 24.03.2020.

The Bill enters into force as of 13.03.2020 with the exclusion of several provisions entering into force as of 24.03.2020 (eg considering seizure of forcible execution proceedings, penalty proceedings, measures as per the tax legislation – please see section III below, customs legislation. The proposed most significant measures as per the Draft Bill include:

### 1. Measures to be implemented by employers in case of emergency situation:

- The employers are entitled upon an employer's order to stop the work at the company's premises entirely or partially and to send the employees to work from home without the employee's consent. In this case only the place of work is changed, all other terms and conditions of the employment contract shall remain the same;
- The employer shall be entitled to oblige the employee to use up to one half of his/her annual paid leave without the employee's consent;

## Measures Bulgaria.

- Upon an order of the employer a reduced working time for employees employed on a full-time basis could be implemented for the duration of the State of Emergency or for a part of this term;
- The employer is obliged to release in paid/unpaid leave after request of the employee some specific categories of employees (eg pregnant women, mother of a child under 12 years of age, employees with disability 50% or over 50%, employees under 18 years of age);
- The time of use of paid or unpaid leave due to the state of emergency shall be considered as a work experience;
- The employer is entitled to close the working premises or part of the working premises without ordering the employees to use half of their paid annual leave – in this case the employer must pay full remuneration for the days during which the premises are closed. This does not affect the labor law relationship with the employees;
- For the duration of the Bill but for not more than 3 months the National Insurance Institute shall transfer onto the bank account of employers 60% of the insurance profit for January 2020 of their employees. This compensation shall be paid by the National Insurance Institute subject to the following conditions:
  - the employer meets certain criteria to be established by the Bulgarian Council of Ministers;
  - the employer has filed an application with the Bulgarian Employment Agency;
  - the employer has fully paid the remuneration of the respective employees for which the compensation has been paid. Otherwise, the employer must pay back the compensation received.



# Measures Bulgaria.

## 2. Procedural measures. Seizure of terms. Payment of debts

- Any pending judicial terms under civil, commercial, forcible execution and administrative court cases shall be seized for the duration of the State of Emergency. The above requirement is not applicable towards criminal court cases;
- Any statutory terms which lead to termination or to arising of rights of private individuals shall be seized for the duration of the State of Emergency;
- Injunctions are not imposed over bank accounts of natural persons and medical centers, over employment remunerations and pensions except for the cases when this is necessary for repayment of debt arising out of maintenance obligation, tort or employment relationship;
- The notary certifications and notary proceedings shall be limited only to the urgent cases for notary certification. The Bulgarian Notary Chamber shall ensure that there is one notary per 50.000 citizens to take over the urgent cases;
- The term of validity of the identification cards and driving licenses of Bulgarian citizens as the term of validity of residence permits of foreigners allowing them to reside permanently in Bulgaria which expires in the period 13.03.2020 – 31.10.2020 shall be extended with 6 months;
- For the duration of the State of Emergency the consequences of the late payment including penalty and default interest, advanced chargeability, cancellation of a contract shall not be applied.

## Measures Bulgaria.

### 3. With regard to taxes and tax related procedures the following most important measures have been proposed:

- The term for filing of Corporate Tax Return, payment of Corporate Income Tax (CIT) and tax on expenses for 2019 shall be extended from 31.03.2020 to 30.06.2020.
- Advance payment of CIT due for 2020 for the period January – June 2020:
  - is based on the estimated and declared advance tax for 2020 - provided the CIT return has been filed prior to the entering into force of this Bill or on 15.4.2020 at the latest
  - if the CIT return will be filed after 15.04.2020, the taxpayer has to file the uncomplete CIT return with the section of advance tax completed only
- The term for filing of yearly financial statements shall be extended to 30.09.2020.
- The tax on real estate and tax on vehicles for 2020 shall be reduced with 5% if paid in full by 30.06.2020.
- The Personal Income Tax return of individuals performing commercial activity as sole proprietors and agriculture producers shall be extended to 30.06.2020
- For the period of the State of Emergency the absolute limitation term for collection of public liabilities of 10 years shall not be applicable.
- For the period of the State of Emergency the limitation of 1 year for completion of already started procedures of assessment of public liabilities shall not be applicable
- For the period of the State of Emergency executive proceedings under the Tax Insurance Procedure Code shall not be initiated.
- Enforced collection of public liabilities shall be put on hold.

## Measures Bulgaria.

On **March 31<sup>st</sup>, 2020**, the Bulgarian National Revenue Agency (NRA) published a guidance regarding the deadline for payment of the final annual mandatory social security and health insurance. According to the guideline the deadline for the payment of such contributions for 2019 by self-insured persons who run their business as sole traders and farmers who have chosen to be taxed under article 26 of the Bulgarian Personal Income Tax Act, as well as by sole traders who are subject to patent tax under the Local Taxes and Fees Act, has been extended from April 30<sup>th</sup>, 2020 to June 30<sup>th</sup>, 2020. The deadline for other self-insured persons remains unchanged at April 30<sup>th</sup>, 2020.

### Extension of state of emergency

On April 7<sup>th</sup>, 2020, it was published in the State Gazette that the parliament decided to extend the state of emergency from April 13<sup>th</sup>, 2020 to May 13<sup>th</sup>, 2020.

This means that all emergency tax measures envisaged during the period of state of emergency will continue to apply until May 13<sup>th</sup>, 2020.

# Covid-19-virus relief measures by Croatia.



## Measures Croatia.

The Republic of Croatia introduced a range of tax measures to assist the economy and its citizens effected through the Covid-19 virus with aim of maintaining liquidity, economic activity and retention of employment. The most important at this time are:

### General Tax Act (GTA)

Businesses and citizens affected by the coronavirus crisis will be allowed to defer payment of certain taxes such as personal income tax, corporate profit tax, value added tax and social contributions. The payment can be postponed for a period of three months, with the possibility of extension to additional three months. Thereafter, a 24-month payment of debt in installments, will be provided interest-free.

### Value Added Tax

The main requirement for the application for tax deferral still remains a 20% decrease in revenues. All taxpayers meeting the main requirement, irrespective of their annual turnover, may apply for a tax deferral of VAT liabilities if VAT liability arises from invoices that have been issued or are incoming but not yet settled.

### Personal Income Tax

Income obtained by natural persons on the basis of reliefs as prescribed by the GTA, shall not be considered as income from self-employed activity. The personal income tax calculations will be processed sooner and any overpayment of personal income tax will be paid out sooner than prescribed. The citizens will receive a refund of prepaid income tax and surtax during the month of June.

## Measures Croatia.

### Corporate Income Tax

The Tax Authorities may, grant to the certain groups of taxpayers who, due to special circumstances, have discontinued their operations or continued to operate on a reduced scale, determine the advance payment of income tax or profit in the smaller amount, or in the amount of HRK 0.00 in two ways: ex-officio or upon request.

### Required conditions for the possibility of filing a Payment postponement request (as prescribed by GTA):

Entrepreneurs (legal and natural persons) can apply for deferred payment of due taxes, contributions and duties if they have all their tax liabilities settled before the occurrence of special circumstances, or if they have a past debt of less than HRK 200,00 on the day of filing a payment postponement request.

The following conditions must be met:

- If due to the occurrence of special circumstances, revenue is reduced by at least 20% in the month preceding the month of application, compared to the same period of the previous year, or
- If entrepreneurs expect their revenues to be reduced by at least 20% in the next three months as a result of special circumstances, compared to the same period of the previous year.
- In addition to meeting these indicators, for the value added tax liability due, the taxpayer must demonstrate that the value added tax liability arises from incoming and outgoing invoices that have not been paid yet.

## Measures Croatia.

### Measures for preserving jobs by Croatian Employment Institute:

- In addition to above tax reliefs, there are certain subsidies that are implemented by the Croatian Employment Institute in order to save jobs in the most vulnerable sectors such as textile, clothing, footwear, leather and wood manufacturing sectors, sectors closed by the decision of Civil protection Directorate as well as any other sectors that can prove an extraordinary impact of Covid-19.
- The target group of workers includes all insured persons with the impacted employer (part-time workers, workers on fixed term contract, citizens of the EU or third countries, expatriates), except for retired workers and foreign workers from third countries whose residence and work permit expired. The target group of workers includes also workers employed in the branches or representative offices of foreign companies in the Republic of Croatia.

### The subsidies are as follows:

- amount of HRK 4.000,00 per month for a full-time employee,
- amount of HRK 2.000,00 per month for a part-time employee,
- In addition, the state will take over the payments of contributions in the amount of HRK 1,460, so the total subsidy to companies per worker will be at the level of HRK 5,460.
- Employers can receive support up to a maximum period of 3 months (March, April, May).
- Employers need to prove and provide evidence of cancelled contracts, contracted projects, problems they had in the transportation and supply of goods, ordering raw material, explanation of revenue decline and similar.
- This relief measure only can be claimed provided employers retain employees.

## Measures Croatia.

The second package of measures for saving the economy include the following important measures in terms of tax regulations:

### 1. Submission of financial statements

- Entrepreneurs are obliged to submit **annual financial statements with the accompanying audit report** to the Financial Agency for public announcement **within eight months** from the last day of the business year.
- Entrepreneurs are obliged to submit **annual consolidated financial statements with the accompanying audit report** to the Financial Agency for public announcement **within ten months** from the last day of the business year.
- Entrepreneurs (legal and natural persons) are obliged to submit to the Financial Agency by 30 June of the current year a balance sheet, profit and loss account and additional data of the previous calendar year for **statistical and other purposes**.
- The submission of the branch office's accounting documents may not exceed eight months after the balance sheet date, but the time limits ruled by the law of the Member State by which the parent company of the branch office is governed will be taken into account, unless otherwise regulated in special circumstances - which the branch office must be able to prove in case of supervision.
- An entrepreneur who did not have any business transactions during the business year, or does not have any assets and liabilities recorded in the books, is obliged to submit to the Financial Agency a Statement of Inactivity for the previous business year **by 30 June of the current year**.



# Measures Croatia.

## 2. Exemption or deferral of tax payments

The criteria for deferring or paying taxes and contributions (income tax, profit tax and social security contributions except pension insurance on the basis of individual capitalized savings) depends on the company's revenue and percentage of decline in revenue:

- **Companies that did not exceed an annual turnover of HRK 7.5m and have a decrease in revenue of at least 50%** in the period ending 3 months after the enactment of the General Tax Act amendments (i.e. by 20 June 2020) in comparison with the same period last year (YOY), are entitled to full exemption from the obligation to pay taxes and other public duties for the months of April, May, and June.
- **Companies that did exceed an annual turnover of HRK 7.5m and have a decrease in revenue of at least 50%** in the period ending 3 months after the enactment of the General Tax Act amendments in comparison with the same period last year, are entitled to proportional exemption from the obligation to pay taxes and other public duties for the months of April, May, and June. The proportional exemption will correspond with the percentage of revenue decrease of the taxpayer.
- A taxpayer who earns income by renting flats, rooms and beds to tourists and organizing camps will be exempt from tax in the amount of  $\frac{1}{4}$  of the annual lump sum income tax and surtax payable by the end of the second quarter of 2020.

## Measures Croatia.

### 3. Delay in VAT payments until issued invoices are paid or VAT payment according to cash principle

- With regard to the payment of value added tax, it is proposed to pay value added tax when the invoice is paid rather than on invoicing.
- It should be noted that this measure is not in line with EU rules, since any change in the VAT system must be agreed with the EU, and its implementation is currently controversial, but since it is a measure that will be controlled by the Croatian Tax Administration, we believe that its application is legitimate at this time.

# Covid-19-virus relief measures by the Czech Republic.



## Measures Czech Republic.

Several measures have been taken by the Czech government in order to mitigate the impact of COVID-19 pandemic so far. These measures include:

### Proposals to support employees and employer („Antivirus program“)

Proposals to support employees and employers in which the Government will compensate funds paid out by companies:

- Mode A: Employee in quarantine or operations closed by the government – 60% of salary to be paid to the employee, thereof 100% to be recovered by the government up to limit CZK 39.000,00;
- Mode B: Significant part of employees in quarantine or doing child care – 100% of salary to be paid to the employee, thereof 60% to be recovered by the government up to limit CZK 29.000,00;
- Mode B: Business interruptions due to supply disruption – 80% of salary to be paid to the employee, thereof 60 % to be recovered by the government up to limit CZK 29.000,00;
- Mode B: Business interruptions due to demand drop – 60% of salary to be paid to the employee, thereof 60% to be recovered by the government up to limit CZK 29.000,00;

Government payments cover wage and social security costs.

Government payments for care-givers (eg parents taking care of their children and, thus, being unable to work) have been enlarged.

## Measures Czech Republic.

### Relief package I

- The general deadline for filing the 2019 individual income tax return is **April 1<sup>st</sup>, 2020**. However, no penalty and late-payment interest will apply, as long as the tax return is filed by **July 1<sup>st</sup>, 2020**. This measure will effectively permit taxpayers to defer without sanctions the individual income tax filing and payment deadlines by 3 months. Taxpayers will not be required to demonstrate that the delay was caused by Covid-19.
- In the case of other late tax filings, including the late filing of the control statements, taxpayers will not be subject to penalties, provided that they can demonstrate that the delay was caused by Covid-19 (e.g. illness or quarantine in connection with Covid-19).
- All taxpayers will be exempt from the second penalty of CZK 1,000 for a late filing of the control statement, without the need to demonstrate the connection with Covid-19.
- Although the final stages of the electronic evidence of revenues (EER) will still be introduced from **May 1<sup>st</sup>, 2020**, the tax authorities will be more lenient in cases of non-compliance, where such non-compliance was demonstrably caused by Covid-19.

## Measures Czech Republic.

### Relief package II

- Corporate Income Tax advance 2020 due on June 15<sup>th</sup> has been pardoned.
- EER was suspended during the emergency of state and following 3 months.
- Plan to introduce the possibility of a “loss carry-back” for PIT and CIT. Thus, tax losses incurred in 2020 could be carried back to the two previous taxable periods via filing a supplementary tax return. This measure requires an amendment to the Income Tax Act.
- Interests for late-payment regarding the road tax advance payments due on April 15<sup>th</sup> and July 15<sup>th</sup>, 2020 will be waived, if the payments are made by September 15<sup>th</sup>, 2020 at the latest.
- Remission of the fine for late filing of a real estate acquisition tax („REAT“) return, for a late payment of REAT or an advance on REAT. Without the risk of a imposed penalty, these returns can be filed by 31<sup>st</sup> August 2020.

## Measures Czech Republic.

### ■ Compensation Bonus (self-employed)

#### ■ Eligible:

- Individuals whose business is their main economic activity as well as those who combine their business;
- Their business was active as at March 12<sup>th</sup>, 2020 or it was temporarily interrupted any time after August 31<sup>st</sup>, 2019 (e.g. seasonal business activities) and
- Their business has been made impossible or has been negatively affected by government anti-pandemic measures.

#### ■ Support:

- Bonus of **CZK 500 per day** for period March 12<sup>th</sup>, 2020 – April 30<sup>th</sup>, 2020.
- Maximum **CZK 25,000**
- The bonus is exempt from tax and social security charges.
- Paid out is based on applications submitted to the Tax authority.
- **Deadline for filing applications:** 60 days after the expected end of the emergency state (currently June 29<sup>th</sup>, 2020)

## Measures Czech Republic.

### ■ Relief of Health Insurance and Social Security Payments (self-employed)

#### ■ Eligible:

- All self-employed persons who perform their activities as main or supplementary
- For advance payments of social security and health insurance during the period from March to August 2020 the following has to be considered:
  - The entire advance will be excused for those who are to pay minimum amounts (CZK 2,544 in the case of social insurance, and CZK 2,352 in the case of health insurance).
  - Self-employed persons who are to pay a higher advance than the minimum also do not have to pay any advance during this period.
    - When filing the social security declaration for 2020 they then back-pay only the difference between the minimum deposit and the true deposit amount which they were to pay between March 2020 and August 2020.



## Measures Czech Republic.

### ■ Moratorium proposal on the repayment of loans

- Not approved by the Parliament yet; once in force, it will be binding for all banks and non-banking institutions.
- The bank client has to formally apply for a moratorium and indicate that it is due to COVID-19.
- The bank client has an option to choose between 3 or 6 months deferral only.
- The loan repayment period will then be extended by the period of the interruption of instalments.
- Instalments will be deferred for loans, including mortgages that have been negotiated and utilized before March 26<sup>th</sup>, 2020.
- Not applicable to credit cards, overdrafts, revolving loans, operational leasing or loans related to capital market transactions.
- Instalments cannot be postponed on loans in default for more than 30 days as at March 26<sup>th</sup>, 2020.
- Interruption of the loan repayment will not lead to a negative entry in the debtor registries.

## Measures Czech Republic.

### ■ Proposal for postponing of rental payments to landlords

- Not approved by the Parliament yet, if it comes into force, it might be contested at the Constitutional Court.
- The landlord cannot terminate the lease until December 31<sup>st</sup>, 2020 for the sole reason of the delay with the payment of rent in the decisive period.
- Decisive period is:
  - March 12<sup>th</sup>, 2020 – June 30<sup>th</sup>, 2020 for commercial premises;
  - March 12<sup>th</sup>, 2020 – July 31<sup>st</sup>, 2020 for residential premises.
- Tenant must disclose documents proving that delay in payments is caused due to constraints of the extraordinary measures in the event of the epidemic.
- All receivables that arose due during the decisive period must then be settled by December 31<sup>st</sup>, 2020; if not; protection will end, and the landlord has the right to terminate the lease with a special notice period of only five days.
- The landlord's right to terminate the lease for other reasons or other rights of the landlord arising from the delay are not affected.

## Measures Czech Republic.

### ■ Proposed Lex „COVID“ – disarming insolvency and enforcement proceedings

- To be approved by parliament
- An amendment to the Insolvency Act would enable the possibility of an extraordinary moratorium.
- The affected businesses will be able to file a moratorium petition to the court and obtain a protective period of up to three months during which the creditors will not be able to act.
- The declared moratorium will silence the creditors and give the entrepreneur the opportunity regroup his financial powers so that at the end of this period his establishment will remain healthy at least to the extent that the risk of bankruptcy is avoided.
- During the moratorium, the debtor may determine in particular which creditors he considers to be crucial for the maintenance of his business and pay their claims preferentially.

### ■ COVID I - Interest-free loans by the Czech-Moravian Guarantee and Development Bank (CMGDB)

- Loans for small movable and immovable property acquisition, for acquisition and financing of stocks and other operational expenses (wages, energy bills, and rent ).
- Loans in the amount CZK 0.5 to 15 mil., up to 90% of eligible project expenditures.
- Due period up to 2 years.
- Instalments postponement up to 12 months.
- The applications admission was stalled on March 20<sup>th</sup>, 2020.

## Measures Czech Republic.

### ■ COVID II - Guarantees from CMGDB for loans drawn from commercial banks

- Loans Guarantees up to CZK 15 million.
- Cover up to 80% of the commercial loan and the applicant will also be able to draw on a contribution up to CZK 1 million to pay interest.
- Maximum term of the guarantee is limited to 3 years.
- The guaranteed commercial loan may only be used to cover operating expenses such as wages, rent, energy, supplier/customer invoices, materials, inventory, and other small assets.
- As this is an EU-funded program, enterprises established in the city of Prague are excluded.
- The first round of applications admission was terminated on April 3<sup>rd</sup>, 2020. Next rounds yet to be announced.

## Measures Czech Republic.

On May 4<sup>th</sup>, 2020, the government of the Czech Republic passed an extension of the Antivirus (salary compensation) program to protect employment until May 31<sup>st</sup>, 2020, i.e. employers affected by coronavirus will, by means of the Employment Office, be paid out expenses incurred for compensating the salaries of employees, including obligatory payments, also for the month of May.

### ■ **Postponement of social insurance payments – the proposal by the Ministry of Labour and Social Affairs has been presented to the government**

Recently, the Minister of Labour and Social Affairs presented a new proposal for postponement of employer's contribution to social insurance. The postponement is to concern only payments of the employer's contribution (24.8 % of gross salary) for the period from May to July 2020. The employer will be obliged to make payments for employee's contribution on the standard terms.

Any employer can utilize the postponement. The balance of the owed sum will have to be paid by September 20, 2020 at the latest, including interest. Pursuant to the proposal, the interest will amount to 4 % p.a. of the owed amount. If the stated term is not kept, an increased interest amounting to 18 % p.a. would apply.

Currently, the act is subject to legislation procedure in the Czech parliament.

## Measures Czech Republic.

### ■ Deferral of payment of tax deposits from earned income and tax at source

The Directorate General for Finance issued a methodological instruction which enables employment tax payers to request a deferral of advance payments for individual income tax for the period of February to July 2020 in selected cases (e.g. from contracts for work, from non-resident income from self-employment, interest from loans and credits etc.).

Deferral has to be requested separately for each month and the impact of special measures from the coronavirus title has to be proved. Deferral is possible until 30. 9. 2020 at the latest.

An obligation to pay interest from the deferred amount (repo rate CNB + 7 %) arises for the deferral period, the pardoning of which can likewise be requested.

### ■ Increase of care-giver's allowance

Care-giver's allowance has been increased from 60 % to 80 % of the average contribution basis per calendar day. The increase of the care-giver's allowance will take place automatically with retroactive effect from April 1<sup>st</sup>, 2020 to June 30<sup>th</sup>, 2020.

Newly, people working on the basis of contracts and work-performance agreements (DPP and DPČ) will also be entitled to a care-givers allowance; it has to apply to unfinished agreements. These people will be able to request the care-giver's allowance retroactively from the declaration of the state of emergency on March 12<sup>th</sup>, 2020, even if the agreement had been closed prior to that date.

## Measures Czech Republic.

### ■ The state contributes to business rents

On May 4<sup>th</sup>, 2020, the government passed the intention of the Ministry of Industry and Trade to contribute, in the form of a subsidy program, to entrepreneurs who have been affected by restrictive preventative government measures, towards payment of rent for business facilities.

Entrepreneurs whose business activities have been affected by coronavirus can receive from the government a contribution towards rent which they have to pay between April 1<sup>st</sup> and June 30<sup>th</sup>. The approved intention takes into account that the state will contribute to entrepreneurs affected in connection with coronavirus a sum amounting to 50 % of the originally agreed monthly rent under the assumption that the landlord will provide a discount of 30 % from the total rent. The tenant will thus pay the remaining 20%.

This is the special COVID Nájemné (COVID – Rent) subsidy program. The amount of support per beneficiary would be limited, in accordance with effective European regulations, to a maximum of 20 million Czech crowns.

An amendment to the lease agreement, in which the landlord obliges itself to a discount amounting to 30% of the monthly rent, has to be part of the request for the state contribution. The applicant will also have to prove, with a bank statement, for instance, the amount of rent which had been paid prior to the coronavirus crisis.

The relief will be related to all firms whose operations had been halted due to the government measures and had to pay commercial rent. This will concern both businesses which remained entirely closed due to government measures and those which sold through a dispensary window or e-shop.

## Measures Czech Republic.

### ■ Abolition of real estate transfer tax and effects on income tax of natural persons

The government passed the proposal of an Act by which the legal measure of the Senate No. 340/2013 Coll., on real estate transfer tax, is abolished.

In 2020, acquirers of real estate (especially in the form of natural persons) will be free to choose whether or not to pay voluntary real estate transfer tax on acquisitions. The decision whether or not to pay real estate transfer tax will have a direct impact on the deductibility of loan interest from financing the acquisition of real estate and the subsequent sale of the property (see details below).

The taxpayer's notification to the tax authority as to whether or not the acquisition transaction is taxable must be made within the deadline for submitting the tax return.

### ■ Abolition of the deductibility of loan interest from the financing of real estate acquired for residential purposes

The proposed amendment to the Act abolishes the provisions of Section 15(3) and (4) of the Income Tax Act (EStG), which determine the assumptions for the deductibility of loan interest from the financing of real estate acquired for residential purposes.

However, the proposed amendment to the Act will only apply to taxpayers who conclude their loan agreements starting from 2021. For those credit agreements that were or will be concluded prior to 2021, the provisions of Section 15 (3) and (4) of the Income Tax Act continue to apply with respect to the deductibility of credit interest.



## Measures Czech Republic.

As mentioned in the section entitled "Abolition of real estate transfer tax and effects on the income tax of natural persons", taxpayers are free to decide for real estate acquired in 2020 whether or not to treat the acquisition of real estate as taxable. The decision to be made by the acquirer has a decisive influence on the continued deductibility of loan interest from the financing of the real estate acquisition. If the acquirer decides not to treat the real estate acquisition as taxable, the interest on loans is not deductible.

### ■ Extension of the speculative period for the exemption of income from the sale of real estate

In connection with the abolition of the real estate transfer tax, it was also proposed to extend the speculation period for real estate sales from currently 5 to 10 years. Only those real estates acquired for reasons other than residential purposes should be affected by the change in the law.

Not affected by the proposed extension of the speculation period are real estate sales if the seller had his main residence in the real estate to be sold. Furthermore, real estate acquired prior to the date of entry into force of this Act will not be affected by the amendment.

As mentioned in the section entitled "**Abolition of real estate transfer tax and effects on income tax of natural persons**", taxpayers are free to decide whether or not to treat the acquisition of real estate as taxable in 2020. The decision to be made by the acquirer has a decisive influence on the later duration of the speculation period. If the acquirer decides to treat the acquisition of real estate as taxable, the speculative period of only 5 years applies, whereas the speculative period of 10 years applies if the purchase is not treated taxable.

# Covid-19-virus relief measures by Hungary.



## Measures Hungary.

The Hungarian government decided on the immediate actions to moderate the impact of the Covid-19 pandemic on the national economy. This includes the following measures:

### 1. Deferral of payment regarding principal debt, interest and fees:

- Unless otherwise agreed by the parties, during the emergency period, because of the Covid-19 pandemic, the principal debt, interest or fee payable by the debtor under a loan or financial leasing contract (hereinafter referred to as "the contract") shall be modified so that the debtor shall be granted a deferral of payment (hereinafter referred to as "payment moratorium") in respect of its obligations to pay its principal debt, interest and fees.
- The payment moratorium does not affect the debtor's right to fulfil its obligations under the original terms of the contract. The payment moratorium will last until **December 31<sup>st</sup>, 2020**, which period may be extended by a government decree. The deadline for fulfilling the contractual obligations and the duration of the commitment shall be extended with the time length of the payment moratorium. The contract which expires during the emergency period shall be extended until **December 31<sup>st</sup>, 2020**.
- These provisions shall apply to loans already granted on **March 24<sup>th</sup>, 2020 at 24:00 pm**.
- In the case of unsecured loan agreements concluded with a consumer after **March 18<sup>th</sup>, 2020** the total APR shall not exceed the central bank base rate plus five percentage points.

## Measures Hungary.

### 2. Lease agreements regarding non-residential premises may not be terminated:

For the following sectors, lease agreements concluded in respect of non-residential premises may not be terminated until **June 30<sup>th</sup>, 2020**:

- Tourism
- Catering industry
- Entertainment industry
- Gambling, film and performance industry
- Event organization
- Sports services

The period of the prohibition on the termination may be extended by a Government decree until the end of the emergency period. The rent may not be increased during the emergency period, not even if otherwise allowed by the contract.

## Measures Hungary.

### 3. Mitigation of public duty, contribution payment liabilities:

For March, April, May and June 2020 in the business entities operating in the above listed sectors

- employers are exempted of the payments which are due after the employees' wages,
- by employees only the in-kind health insurance contribution is payable, the monthly amount of which is up to HUF 7,710.

Tax payers who are obliged to pay the tourism development contribution shall be exempted of the liability for the period from March 1<sup>st</sup>, 2020 to June 30<sup>th</sup>, 2020. Tax payers shall not determine the liability and shall not file tax returns in this regard.

Tax payers who are subject to the Fixed-Rate Tax of Low Tax-Bracket Enterprises and providing passenger transport services are exempt from their tax liability for March, April, May and June 2020. An official government decree to enact the proposed measures is expected.

# Covid-19-virus relief measures by Montenegro.



## Measures Montenegro.

The main relief measures of the Montenegrin Government regarding Covid-19 are:

- Delay of payment of loans received from financial institutions for all citizens and companies on the period of **90 days**.
- Delay of payment of taxes and contributions on salaries on the period of **90 days**.
- Loans for liquidity of the companies up to EUR 3 mill – grace period 2 years at interest rate 1,5%.

# Covid-19-virus relief measures by Poland.





## Measures Poland.

On **March 31<sup>st</sup>, 2020** the Polish Parliament finished the legislative work on the introduction of the regulations regarding measures to combat the negative effects of the coronavirus pandemic. The main objective of the so-called "Anti-crisis shield", which came into force on April 1<sup>st</sup>, 2020, is to support the Polish economy by maintaining business liquidity and protecting employment. The Polish government declared that the value of the aid program amounts to PLN 212 billion (approx. EUR 47 billion), i.e. almost 10% of the Polish GDP.

The Anti-Crisis Shield provides among others the following measures:

### Exemption of micro-enterprises from social security contributions for 3 months

Micro-enterprises employing up to 9 people will be exempt from social security contributions (ZUS) for 3 months (March-May). The exemption applies to contributions for the entrepreneur and the persons working for him. Self-employed persons with income up to three times the average salary in the Polish economy who pay social security contributions only for themselves can also benefit from the exemption.

### Wage subsidies

If certain criteria are met (mainly decrease in turnover of the employer), the state budget will cover 40% of employees' salaries up to the average salary in the economy. The second 40% has to be covered by the employer and the employee has to agree to have their salary reduced by one fifth. Additionally, the state will subsidize the costs of salaries of company's employees in downtime, covering half of the amount of the minimum salary in the economy.

## Measures Poland.

### Payment for demurrage to contractors and self-employed

Social Security Office (ZUS) will pay demurrage allowance in connection with downtime caused by the coronavirus epidemic. The benefit will amount to, in principle, 80% of the minimum wage in the Polish economy (approx. PLN 2,000) and will be tax and social security contributions exempt. It will be paid to contractors (personal service contract, mandate, agency contract, for a specific task) and self-employed with income below 3 times the average salary in Polish economy.

### Abolition of the extension fee

The extension fee which is charged when granting tax reliefs and deferrals of taxes and social security contributions (such as: deferrals of payment date, payment in instalments or redemption under the provisions of the Tax Ordinance) will be temporarily abolished. The formal condition is to submit a relevant application to the applicable tax authorities and Social Security Office (ZUS). The Minister of Finance may also, by means of an ordinance, waive, in whole or in part, the collection of interest on tax arrears, specifying the type of tax, the territorial scope of the waiver and the period in which the waiver shall occur.

### Extension of the deadline for submitting annual CIT return and payment of CIT for 2019

The deadline for submitting annual CIT return and paying corporate income tax (CIT) for 2019 for all taxpayers (whose tax year started after December 31<sup>st</sup>, 2018 and ended before April 1<sup>st</sup>, 2020) is postponed from March 31<sup>st</sup> to May 31<sup>st</sup>, 2020. In the case of NGOs, the declaration can be submitted until July 31<sup>st</sup>, 2020.

## Measures Poland.

### Deduction of donations to counteract Covid-19 from taxable income

Entrepreneurs will be entitled to include donations made for combating Covid-19 in their tax returns. It will be possible to deduct the donations (in cash or in kind) made to entities performing health care activities, including sanitary transport, as well as those made to the Material Reserves Agency and the Central Sanitary and Anti-Epidemic Reserves Base. If these donations are made by entrepreneurs before April 30<sup>th</sup>, 2020, an amount corresponding to 200% is deducted, in May 2020, an amount equal to 150% is deducted and from June 1<sup>st</sup>, 2020 to September 30<sup>th</sup>, 2020, an amount equal to the value of the donation will be deducted.

### Possibility of retroactive settlement of tax losses (CIT/PIT)

Taxpayers will be able to deduct the tax loss incurred in 2020 from the income obtained in 2019. For this purpose taxpayers will have to submit a correction of tax return for 2019. This solution is provided for entities whose revenues achieved in 2020 will fall by at least 50% in relation to the revenues achieved in 2019. A deduction of up to PLN 5 million will be deducted from the income from 2019 (the surplus will be deducted in subsequent years).

### No fines for delays in public tenders

Introduction of a mechanism to extend the deadlines for public procurement. This will be done by the procedure releasing from charging contractual penalties for – related to the epidemic – delays in the execution of tenders. At the same time, failure to calculate contractual penalties in this procedure will not constitute a violation of public finance discipline. Additionally, an accelerated procedure or non-application of the provisions of the Public Procurement Law will be introduced in the case of contracts necessary to fight coronavirus.

# Measures Poland.

## Facilitation for the tourism industry

Extending the deadline for reimbursement of customer payments in the event of inability to organize an event due to an epidemic (regarding the organization of exhibitions and congresses or cultural, entertainment, recreational, sporting activities, organizing thematic exhibitions or outdoor events) to 180 days from the termination of the contract. Opportunity for customers to use vouchers for the implementation of a tourist event within a year of the day on which the event was to be cancelled due to Covid-19.

## Extension of working capital loans

Enabling the calculation of creditworthiness based on financial data as at the end of 2019. This will be accompanied by recommendations on how to calculate loan reserves. The banking sector declared its readiness to extend working capital loans when the regulations were changed. This solution makes it possible to extend working capital loans – amounting to approx. PLN 150 billion – for the enterprise sector.

## Extension of legal stay and work permits for foreigners

Extension of residence visas and temporary residence permits for foreigners. Extension of the deadline for submission of applications for residence permits, extension of visa and extension of stay under visa-free travel, if it falls out during the period of epidemic emergency. Extending by law the periods of validity of temporary residence permits and national visas (up to 30 days from the date of cancellation of this state).

# Measures Poland.

## Real estate tax exemptions

Local authorities will be authorised to introduce exemptions from real estate tax for a part of 2020 for entrepreneurs whose liquidity has been negatively impacted by Covid-19. Furthermore, mayors or presidents of cities will be authorised to extend the deadlines for payment of real estate tax instalments, payable in April, May and June 2020.

## Extension of the deadline for tax-remitters to pay advance payments on payroll taxes collected in March and April

In the case of advances for personal income tax for March and April 2020 on remuneration paid by employers, the payment deadline is prolonged to June 1<sup>st</sup>, 2020 if tax-remitters (employers) have suffered negative economic consequences due to Covid-19. These regulations apply also to payments under personal service contracts and specific work contracts.

## Extension of the deadline for perpetual usufruct fee

The payment deadline for perpetual usufruct is postponed until June 30<sup>th</sup>, 2020.

## Possibility to opt out of simplified advances in 2020

“Small taxpayers” will be able to opt out of simplified advances. Taxpayers who opt out of the simplified advances for the period March-December 2020 will calculate monthly advances on current income.

# Measures Poland.

## Postponement of the date of entry into force of the new SAF-T VAT and CRRB applications

The provisions postpone until July 1<sup>st</sup>, 2020 the obligation to submit a new SAF-T VAT for “large enterprises”. In addition, until July 13<sup>th</sup>, 2020, the deadline for submitting applications to the Central Register of Real Beneficiaries (CRRB) has been extended.

## Payments outside the White List

From 3 to 14 days, will be extended the deadline for notifying the tax authorities of payments to an account outside the white list (payments for transactions worth over PLN 15,000). The 14-day deadline will apply only during the period of epidemic emergency status or epidemic status announced due to Covid-19.

## Other planned solutions

- Postponing the entry into force of the VAT matrix from April 1<sup>st</sup> to July 1<sup>st</sup>, 2020.
- Postponing the obligation to create Employee Capital Plans in medium-sized enterprises to October 1<sup>st</sup>, 2020.
- Extension of the deadline for submitting information on transactions with related parties (transfer pricing) to September 30<sup>th</sup>, 2020.
- Postponing the entry into force of legal solutions regarding the equalization of the legal position of small entrepreneurs and consumers from June 1<sup>st</sup>, 2020 to January 1<sup>st</sup>, 2021;
- Deferral of retail sales tax until January 1<sup>st</sup>, 2021.

## Measures Poland.

- Possibility to suspend tax audits and tax proceedings for the duration of the epidemic.
- Extension of the deadline for filing annual CIT return for non-governmental organizations.
- Exemption from transaction tax (PCC) on loans concluded until August 31<sup>st</sup>, 2020 if the borrower is the entrepreneur whose financial liquidity has deteriorated due to negative economic consequences due to Covid-19.
- Possibility to suspend administrative enforcement proceedings against cash receivables.
- Support for transport companies in refinancing lease contracts.
- Enabling stores – on Sundays subject to a trade ban – to accept goods, unload them and put them on shelves.
- The possibility of postponing the deadline for testing technical devices, while maintaining the possibility of operation for a maximum period of another 6 months.

## Measures Poland.

### Deferral of deadline for conclusion of mandatory occupational pension schemes contracts (PPK)

Moreover to the above mentioned measures, the Covid-19 Law amends the Law on Occupational Pension Schemes in relation to the application of mandatory occupational pension schemes (PPK).

For companies employing at least 50 employees, the deadline to conclude such PPK contracts with a financial institution is deferred by the Covid-19 Law from April 10<sup>th</sup> to November 10<sup>th</sup>, 2020.

### Background of PPK contracts:

- PPK contracts were introduced in 2019 by Polish government as a new mandatory vehicle of systematic savings for employees' pensions.
- Basic mandatory contribution amounts to 2% of gross salary. The employee is entitled to increase his contribution by another 2%.
- Employer's mandatory contribution amounts to 1.5% of the employee's gross salary. An additional 2.5% of the employee's gross salary may be contributed.
- The maximum amount of PPK contributions cannot exceed PLN equivalent of USD 50,000 per year as calculated based on the average exchange rate announced by the National Bank of Poland on the last business day of the preceding year.
- The employer's contributions to the PPKs will be treated as taxable income at the employee.



# Covid-19-virus relief measures by Romania.



## Measures Romania.

Starting with **March 21<sup>st</sup>, 2020**, a series of measures aimed to supporting the business community during the state of emergency declared due to Covid-19 were published in the Romanian Official Gazette.

These measures were extended by Emergency Ordinance no. 32/2020, published on March 30<sup>th</sup>, 2020.

The following measures are in place so far:

### A. LEGAL MEASURES

#### 1. Loan guarantees for SMEs and entrepreneurs by Ministry of Finance

The Ministry of Finance is to guarantee up to 80% of the value of financing granted to SMEs (or 90% in the case of small businesses and micro-enterprises).

The maximum value of the credits to be awarded for the financing of working capital cannot exceed average expenditure on working capital for the last two fiscal years and is capped at RON 5 million (or RON 500,000 or RON 1 million for micro-enterprises and small businesses, respectively).

For investment loans, the maximum value of financing will be RON 10 million.

The loan guarantee period for working capital is to be set at 36 months (extendable by a further 36 months), while for investments it will be 120 months.

The Ministry of Public Finance will waive the interest accrued on the loans to be guaranteed, valid from the moment the loan is granted until March 31<sup>st</sup>, 2021 (or later in the case of extension).

All outstanding fiscal obligations and other debts to the state budget will be paid from the working capital loans granted under this program.

## Measures Romania.

### 2. Deferment of loan repayments for 9 months

Emergency Ordinance no. 37/2020 stipulates the following regarding loans granted by financial institutions:

The obligation to make repayments (including interest and commission) on loans granted to borrowers prior to March 30<sup>th</sup>, 2020 (the date of entry into force of Emergency Ordinance no. 37/2020) may be suspended, upon request by the debtor, for a period of up to 9 months, albeit without exceeding the date of December 31<sup>st</sup>, 2020.

This facility is available to debtors (natural persons, self-employed, small and medium-sized enterprises, etc.) whose loans have not matured and for which the creditor has not provided an expected maturity date by March 30<sup>th</sup>, 2020.

It will be granted in the case of

- loans that did not have any arrears on the date the state of emergency was declared; and
- borrowers whose incomes have been directly or indirectly affected by the Covid-19 pandemic.

The amount of interest due and deferred by debtors will be capitalized on the balance of credit remaining at the end of the deferment period.

## Measures Romania.

SMEs can benefit from this facility provided

- i. they interrupt or reduce their activity and do not have the financial capacity to pay their employees' wages (in accordance with GEO no. 30/2020); and
- ii. they are not insolvent as at the date on which they apply for deferment.

The rules of implementation for the aforementioned provisions will be drawn up within 15 days of their entry into force.

### 3. State of emergency certificate for enterprises

During the state of emergency, all small and medium-sized enterprises in possession of a state of emergency certificate issued by the Ministry of Economy, Energy and Business Environment will benefit from the deferred payment facility for utilities and rent services (under certain conditions).

The state of emergency certificate (CSU) is an act issued to all eligible economic operators in accordance with the emergency state ordinances and military orders. The CSU allows them to take advantage of the economic, fiscal and social emergency measures made available by the Government of Romania and to use in commercial relations with third parties.

## Measures Romania.

- Two different types of certificates will be issued to eligible economic operators:
  - TYPE 1 (blue) – in the case of a total or partial interruption of activity during the period of the state of emergency
  - TYPE 2 (yellow) – in the case of a decrease in collections for March 2020 of at least 25% compared with the average level of collections for the period January to February 2020.
- State of emergency certificates can be obtained exclusively online, free of charge via the <http://prevenire.gov.ro> platform.
- The identification data for the economic operator and a statutory declaration completed by the legal representative is to be uploaded using an electronic signature. The declaration must certify that all the information and documents submitted are truthful and comply with the legislation in force as regards the type of certificate being requested.
- **Warning!** Applicants not registered with the Trade Register Office must submit additional documentation regarding the authorization of their activity.
- The certificates will be issued automatically, in electronic format, after validation of the system request and only during the state of emergency currently declared in Romania.
- Each economic operator can only obtain one type of certificate.
- The certificates are valid without a signature or stamp, with authentication possible via the platform based on series and number.

## Measures Romania.

### **4. Postponement of payment of rent and utilities for registered headquarters and secondary offices**

During the state of emergency, small and medium-sized enterprises (as defined by law) that have interrupted their activity in whole or in part based on the decisions issued by the competent public authorities and who hold the certificate for emergency situation issued by the Ministry of Economy are granted the postponement of payment for utilities services – electricity, natural gas, water, telephone and Internet services, as well as the postponement of payment of the rent for the registered headquarters and secondary offices.

The same facilities related to postponing the payment of utilities and rent are also provided for professions that perform services of public interest (notaries public, lawyers, court bailiffs). Also the same facilities are provided for the family doctors and the dental offices for the spaces where in any form, maximum 20 persons carry their activity, which activity is directly affected by the measures ordered by public authorities for the prevention and control of the Covid-19 pandemic. The criteria for selecting the beneficiaries of this measure will be detailed in a subsequent government decision.

### **5. Postponement of submission of the declaration regarding the real beneficiary**

The deadline for submitting the declaration regarding the real beneficiary, provided by Law no. 129/2019 for the prevention and combating of money laundering is extended by 3 months from the date of termination of the state of emergency; also filing of the declaration during the state of emergency is suspended.

## Measures Romania.

### 6. Request of application of force majeure in ongoing contracts of small and medium-sized enterprises

In ongoing contracts (other than rent and utilities) concluded by small or medium-sized enterprises (as defined by law) the force majeure can be invoked against them only after the attempt to renegotiate the contract, to adapt their clauses due to the state of emergency.

Force majeure, within the meaning of the present emergency ordinance, is presumed to be the unpredictable, absolutely invincible and inevitable circumstance that results from an action of the authorities in applying the measures imposed by the prevention and control of the Covid-19 pandemic, which affected the activity of the small and medium enterprise, as such will be attested by the certificate for emergency situation issued by the Ministry of Economy. The presumption may be overturned by the interested party by any means of evidence. The unpredictable character shall be assessed by reference to the moment when the affected legal relationship began.

The measures taken by the authorities in accordance with the normative act establishing the state of emergency will not be deemed unpredictable.

# Measures Romania.

## B. TAX

### 1. Fiscal obligations

For fiscal obligations due as of the date of entry into force of the emergency ordinance (through which all these measures were implemented) and still unpaid upon cessation of the measures in force during the state of emergency, no late payment interest and penalties due as per the Fiscal Procedure Code will be enforced.

This incentive will be maintained for a further 30 days after the state of emergency comes is declared over.

### 2. Determination of corporate tax advance payments

Corporate taxpayers which apply the annual computation system, and hence perform quarterly advance payments based on prior year's profits, may pay corporate tax determined based on the taxable profit actually computed for each quarter in 2020. This applies irrespective of whether the fiscal year matches the calendar year.

### 3. Incentives for payment of corporate tax and microenterprise tax

Taxpayers subject to the corporate tax regime will benefit from reductions in the amount of tax due for the first quarter of the year, provided they pay by April 25<sup>th</sup>, 2020, as follows:

- large taxpayers: 5 %
- small and medium-sized taxpayers: 10 %





## Measures Romania.

This incentive is also available to:

- taxpayers whose tax year differs from the calendar year, provided they pay their tax by the deadline falling during the period between April 25<sup>th</sup> and June 25<sup>th</sup>, 2020; and
- taxpayers who pay corporate tax for specific activities pertaining to the first quarter of 2020.

Taxpayers subject to the microenterprise tax will benefit from a 10% reduction in the amount of tax due for the first quarter, provided it is paid within the legal deadline (i.e. by April 25<sup>th</sup>, 2020).

### 4. Extension of payment deadline for local taxes

Extension of the payment deadline for local taxes on buildings, land and vehicles from March 31<sup>st</sup> to June 30<sup>th</sup>, 2020 (n.b. the bonuses awarded by the authorities remain in place).

### 5. Extension for submitting notifications

The deadlines for submitting notifications and requests vis-à-vis the implementation of the restructuring of debts towards the state budget have been postponed until July 31<sup>st</sup> and October 30<sup>th</sup>, 2020, respectively.

As a short reminder, taxpayers (i.e. legal entities, with certain exceptions) may benefit from a restructuring of their debts towards the state budget (both principal amounts and late payment interest and penalties) outstanding as of December 31<sup>st</sup>, 2018, where these were not paid by the date of issue of the tax certificate and where they amount to RON 1 million or more.

## Measures Romania.

### 6. Measures relating to the rescheduling of tax liabilities

With respect to rescheduled tax obligations, late payment interest and penalties will not be due and the conditions for maintaining the validity of tax instalments are suspended until 30 days after the state of emergency comes to an end.

### 7. Suspension or non-commencement of the measures of enforced collection

The enforced collection of budgetary receivables, performed by garnishment, summons and by sale of goods at auction, is suspended until 30 days after the state of emergency comes to an end.

### 8. Payment of VAT at customs on sanitary equipment

Taxpayers performing imports of sanitary goods (including (i) denatured ethanol used in the production of disinfectants and imported by importers in possession of end-used authorisations; and (ii) machines used in the manufacture of protective masks) related to Covid-19 during the state of emergency, as well as for a period of 30 days after it is declared over, will not pay VAT at customs.

The tax will be included in the VAT return as both input and output VAT.

Separately, holders of fiscal warehouses authorised to produce alcoholic beverages are now allowed to denature ethanol. This is valid for a period ending 15 days after the end of the state of emergency and provided certain conditions are met (e.g. submission of an application to the customs authority).

## Measures Romania.

### 9. Reimbursement of VAT with subsequent tax audits

During the state of emergency and for a further 30 days after it comes to an end, VAT is to be reimbursed by the authorities with the subsequent performance of tax audits based on risk assessments. There are, however, certain circumstances in which this measure does not apply, as follows:

- Tax audits were initiated prior to 16 April 2020 further to the filing of a VAT reimbursement request by the taxpayer
- The taxpayer's tax records include actions punishable as crimes
- The tax authorities believe there is a risk of VAT being unduly refunded
- Voluntary liquidation or insolvency procedures were initiated (with the exception of cases where a reorganisation plan has been approved)
- Taxpayers (other than large and medium taxpayers) are requesting either (i) a refund of VAT deriving from a period of more than 12 months; or (ii) a refund of VAT based on their first VAT return filed after registering for VAT purposes.

### 10. Deadline for submission of 2019 annual financial statements extended to 31 July 2020.

## Measures Romania.

### 11. Sponsorship by microenterprises

Microenterprises which sponsor public institutions or other bodies of the public authorities may deduct the corresponding amounts from their tax bills, within the legal limitations, even if the beneficiary does not feature on the Register of entities/religious organisations for which tax deductions can be granted.

### 12. Tax on specific activities

Taxpayers (in possession of a state of emergency certificate and not subject to insolvency procedures) which suspend their business activity either totally or partially during the state of emergency are exempt from the tax on specific activities.

### 13. Taxation of technical unemployment and childcare allowances

Throughout the state of emergency, the allowances for technical unemployment and for childcare relating to periods when schools are closed are not subject to the tax incentives provided for under the Fiscal Code.

This means, for example, that the salary income tax exemption specific to the construction sector, programming and research & development is no longer available. In addition, exemptions from health insurance contributions and the reduction in pension insurance contributions are no longer granted to employees working in the construction sector. This applies to allowances paid out of the unemployment budget or the state budget as of April 2020.

## Measures Romania.

### 14. Suspension of statute of limitation period

The statute of limitation period is suspended or not begun until 30 days after the end of the state of emergency with respect to (i) the rights of the tax authorities to impose taxes and to request the enforced collection of taxes; and (ii) the right of taxpayers to request the reimbursement of tax receivables.

### 15. Tax exemptions for certain benefits in kind

Benefits in kind awarded to individuals who obtain income from salaries as a result of occupying positions essential to the performance of their employer's field of activity and who are in preventive isolation at work are not subject to income tax and social contributions.

### 16. Measures relating to gambling

Payment obligations relating to traditional gambling licenses are suspended for the duration of the state of emergency. If payment is made within 30 working days of the end date of the state of emergency, no penalties will be incurred. In addition, applications for a re-authorisation of activity should be submitted within 90 days of the end date of the state of emergency.

## Measures Romania.

### 17. Increase in maximum value of meal vouchers

Starting from April 1st, 2020, the maximum value of meal vouchers will be increased from RON 15.18 to RON 20.

## C. PAYROLL

### 1. Special measures in the event of temporary interruption or reduction of the employers' activity.

According to the Labour Code, the employer has the possibility to temporary interrupt or reduce its activity, for economic, technological, structural or other related reasons.

A temporary interruption or reduction of activity at the initiative of the employer results in the suspension of individual employment contracts without the approval of employees and without terminating employment relations.

During the current state of emergency, for the duration of the suspension of individual employment contracts at the initiative of the employer in case of a temporary interruption of activity, the allowances granted to employees are established to 75% of the basic salary for the position in question and will be paid out from the state budget for unemployment aid, within the limit of 75% of the average national gross salary (i.e. RON 5,429 for 2020).

## Measures Romania.

### Calculation of income tax and social security contributions

The allowance is subject to income tax and social security contributions, with the exception of the work insurance contribution (2.25%).

This relief measure covers the following employers and employees, provided they interrupt their activities during the established state of emergency:

- Persons operating a business,
- Persons who have concluded individual conventions of work according to the Law of cooperation,
- Persons falling within the scope of Law of physical education and sport no. 69/2000,
- Natural persons who obtain income exclusively from copyright and related rights,
- Persons employed by another method provided by law than the individual employment contract.
- an employee with several individual employment contracts, and at least one full-time contract being in force during the period of the state of emergency, is not covered by the above mentioned relief measure.
- an employee with several individual employment contracts, all of which are suspended as a consequence of the state of emergency, is covered by the above mentioned relief measure and is granted in such a case in connection to the individual employment contract with the most advantageous salary rights.

## Measures Romania.

- For the above mentioned beneficiaries, the compensation paid from the state budget is 75% of the gross average wage.
- The procedure for obtaining allowances from the state budget involves the submitting of the following documents by the employer, by email, to the employment agency for the county in which they have their registered offices:
  - a signed and dated application by the legal representative;
  - an affidavit signed by the legal representative;
  - a list of the persons who will benefit from the allowances, undertaken by the legal representative of the employer.
- The payment of the compensation has to be made to the employer's bank accounts, no later than 15 days from the date of submission of the documentation and the employees are going to receive the payments within a maximum of 3 working days from the date of money transfers on the bank accounts.



## Measures Romania.

### 2. Special measures provided by Law no. 19/2020 regarding the granting of days off work to parents

Law no. 19/2020 regarding the granting of days off work to parents, in order to allow them to look after their children in the event of the temporary closure of educational establishments, entered into force on March 17th, 2020.

The circumstances under which parents can benefit from days off work include severe weather conditions and other extreme situations as declared by the competent authorities.

These days off will be granted either to only one of the parents or to the sole parent in a single-parent family, the person designated to exercise parental rights or the parent or legal representative of an adult person with disabilities enrolled at an educational establishment, on the basis of justifying documents.

During the present state of emergency, the number of paid days off work granted to one of the parents is equal to the number of working days left until the declared state of emergency comes to an end, including the working days during school holidays. Pre-school educational centres also fall under the category of educational establishments.

Parents will be able to benefit from these days off work for the entire period for which the authorities decide to keep educational establishments closed, provided the following conditions are cumulatively met:

- They have children of up to 12 years of age, or children with disabilities of up to 18 years of age, enrolled at an educational establishment.
- Their particular job does not allow for homeworking or teleworking.

## Measures Romania.

The provisions of the present Law do not apply to parents where they benefit from other prior disposed social protection measures:

- the parent is on
  - childcare leave or
  - vacation or unpaid leave
- legal guardians of disabled children
- his/her employment agreement is suspended during the temporary interruption of the activity of the employer
- his/her spouse finds him or herself in any of the aforementioned situations
- the other parent does not earn income subject to income tax according to the Fiscal Code.

These provisions apply to all employees, from both the public and private sector, with the exception of certain sectors (energy, nuclear, sanitary and social assistance centres, telecommunications, radio, public television, public transport, sanitation, and domestic gas, electricity, heat and water supplies), in which case days off work can only be granted with the agreement of the employer.

## Measures Romania.

- The amount of the allowance granted for each day off is the equivalent of 75% of the salary paid for one working day, but no more than the daily equivalent of 75% of the average gross salary in Romania (RON 5,429 for 2020), being subject to income tax and social contributions.
- The allowance is to be paid first by the employer and the net amount received by the parent will then be reimbursed to the employer subsequently (for the period during the closure of educational establishments only) from the Guarantee Fund of the State Budget.
- In order to obtain the reimbursement of amounts paid in the form of allowances, the employer must submit, by email or other means of communication, the application to its local unemployment agency, accompanied by documents, as required by law, within 30 days after the date of payment of the contributions and taxes relating to the allowance.
- The amounts in question shall be reimbursed to the employers within 60 calendar days after the date of submission of the documents.

# Covid-19-virus relief measures by Serbia.



## Measures Serbia.

### Measures of the Ministry of Finance

The taxpayers who have already set up a payment plan with the Tax Authorities, will be relieved from:

- termination of their payment plan agreements,
- cancelation of decisions on a payment plan and
- enforced tax collection in respect of a payment plan.

The rules will be applied starting from an instalment due in March 2020.

During the state of emergency, interest on unpaid tax balances is equated to key policy rate of the Central Bank. The same interest rate will apply to overpaid taxes.

The National Bank of Serbia slashed its key interest rate by 0.5% to 1.75% on March 11<sup>th</sup>, 2020.

The above rules are envisaged by: Decree on Tax Measures During State of Emergency Aimed at Reducing Economic Effects of Covid-19 Disease Caused by Virus SARS-CoV-2, that came into effect on 20 March 2020.

## Measures Serbia.

### Measures of the Central Bank

- The Central Bank adopted a decision on moratorium on debts towards banks and financial lease providers.
- The moratorium is envisaged for all debtors (individuals and legal entities) who accept it and implies a suspension of debt payments for at least 90 days, i.e. for the duration of the emergency state.
- During the moratorium, the borrowers/financial lessees will be excused from their payment obligations and the banks/financial lessors will not be allowed to calculate default interest on due amounts or initiate enforcement proceedings with the aim of collecting their claims.
- Banks/financial lessors are not allowed to charge their clients any fees in connection with application of above measures.
- Debtors who opt to continue to settle their obligations as initially agreed with bank/financial lease provider will be allowed to do so.

The above rules are envisaged by: Decision on Temporary Measures for Preserving Financial System Stability and Decision on Temporary Measures for Lessors Aimed at Preserving Financial System Stability, that came into effect on March 18<sup>th</sup>, 2020.

# Measures Serbia.

## Other measures to support companies in Serbia

**The Regulation on Fiscal Benefits and Direct Payments to Private Sector and Monetary Support to Citizens** to Mitigate the Economic Consequences of Covid-19 (hereinafter: the Regulation) was published in the Official Gazette No. 54/20 of April 10<sup>th</sup>, 2020. The Regulation came into force on the day of its publication and is the legal framework for the implementation of the Economic Measures Support Program. The following is an overview of the main provisions of the Regulation:

### FISCAL BENEFITS:

#### ■ Deferral of payment of salary tax and social contributions.

Employers will be able to defer payment of salary tax and social contributions for March to June 2020. Deferral of payment for April, May and June 2020, for those employers who have paid salaries for March in part or in full until April 10<sup>th</sup>, 2020. The obligation to pay taxes and social contributions is deferred until January 4<sup>th</sup>, 2021. Upon maturity (January 4<sup>th</sup>, 2021), the payment of accumulated liabilities can be further postponed for up to 24 months without payment of interest.

#### ■ Deferral of advance payments for corporate income tax for the 2<sup>nd</sup> quarter 2020.

Provision is made on the possibility to defer advance payments for corporate income tax for March, April and May 2020 (for taxpayers with business year different than the calendar year, this refers to advance payments due on April 15<sup>th</sup>, May 15<sup>th</sup> and June 15<sup>th</sup>, 2020). The liability is deferred until the submission of the final corporate income tax return for 2020. Upon maturity, the payment of accumulated liabilities can be further postponed for up to 24 months, without payment of interest.

## Measures Serbia.

### ■ Donors become VAT exempt.

For the supply of goods/services by the VAT taxpayer free of charge to the Ministry of Health, the Republic Health Insurance Fund, publicly owned health institution, VAT is not calculated and paid, and the VAT payer is entitled to deduct preliminary tax. The exemption applies to all supplies with a date of supply from the date of introduction to the date of termination of the state of emergency.

### DIRECT PAYMENTS (CASH SUBSIDY):

#### ■ Cash subsidy to **self-employed persons, micro, small and medium companies in the private sector**

These persons and business entities are entitled to receive cash subsidies in the amount of the net minimum wage for March 2020 per employee. Payments would be effected in May, June and July 2020.

#### ■ Cash subsidy to employees of **large companies in the private sector**

These business entities are entitled to receive cash subsidies in the amount of 50% net minimum wage but only for those employees for whom a decision on paid leave has been issued starting from March 15<sup>th</sup>, 2020 due to a decreased scope of work or the interruption of work (Articles 116 and 117 of the Labor Law).



## Measures Serbia.

Businesses entities can apply for fiscal benefits and direct payments by submitting a PPP-PD form with a payment date January 4<sup>th</sup>, 2021. The offered measures can be used:

- 3 months if the PPP-PD is submitted by the end of April 2020.
- 2 months if PPP-PD is submitted by the end of May 2020.
- 1 month if PPP-PD is submitted by the end of June 2020.

If a business entity has no employees, still may apply for fiscal benefits and direct payments in accordance with the Regulation.

A business entities may lose the right to use fiscal benefits and direct payments in case of:

- Reduction of the number of employees by more than 10% between March 15<sup>th</sup>, 2020 and October 31<sup>st</sup>, 2020.
- Payment of dividend after they have opted for the use of fiscal benefits and direct payments (except in the case of dividend issued as shares or quotas).

In case that the economic entity losses the right to use fiscal benefits and direct payments, this entity is obliged, within 5 days from the day of termination of these rights at the latest, to:

- pay all liabilities for which deferral of payment was granted, together with interest.
- repay direct payments, together with interest.

## Measures Serbia.

The following business entities and institutions may not apply for fiscal benefits and direct payment measures:

- Business entities which have reduced number of employees for more than 10%, counting from March 15<sup>th</sup>, 2020 until April 10<sup>th</sup>, 2020. Temporary employees whose employment ended between March 15<sup>th</sup>, 2020 and April 10<sup>th</sup>, 2020 are not taken into account when calculating reduced amount number of employees.
- Sole proprietors who have temporarily wound down their operations before March 15<sup>th</sup>, 2020 .
- Newly established entities who registered with the Company Registry and for VAT before March 15<sup>th</sup>, 2020.
- Banks, insurances, providers of financial leasing, payment institutions, E-money institutions, voluntary pension fund and their management companies.
- Entities who have reduced number of employees for more than 10%, in the period starting on March 15<sup>th</sup>, 2020 and ending 3 months after receiving the last direct payment.  
Temporary employees whose employment will end within such period of time do not count.
- Entities who distributed dividend by end of 2020, except for dividend issued as shares or quotas.
- State-funded institutions (e.g. public companies, units of local administration, schools).

# Measures Serbia.

## Financing Support

- **EUR 200 million loans** available to the self-employed persons, micro and small companies in the private sector with 1% interest. Money will be distributed via Serbian Development Fund
- **EUR 2 billion of commercial bank loans**, backed by guaranties from the Government

## Helicopter Money and Quantitative Easing

- Buying out **corporate bonds** by the Government
- **Each adult citizen** of Serbia will get **EUR 100 in cash**

# Covid-19-virus relief measures by Slovakia.



# Measures Slovakia.

## Emergency measures in Slovakia to mitigate the negative impact of the Covid-19 pandemic

On April 22<sup>nd</sup>, 2020, the Slovak National Council approved an amendment to Act No 67/2020 on certain emergency measures in conjunction with the spread of the dangerous contagious human disease COVID-19, as amended by Act No 75/2020 and Act No 461/2003 on social security. All acts have been published in the Collection of Laws under Nos 96/2020 and 95/2020.

Below are the most important changes and measures adopted:

### A. INCOME TAX

#### 1. Income tax advance payments

Taxpayers will not have to pay income tax advance payments due during the pandemic period for the period immediately following a period in which their **revenue has fallen by at least 40% compared to the same period in the previous calendar year**. The period under consideration is either a calendar month or quarter, depending on which period the taxable entity has designated for paying income tax advances.

Taxpayers must declare non-payment of advances by submitting a declaration that they meet the above conditions. The declaration must be sent to the relevant tax authority no later than 15 days prior to the payment deadline for the relevant income tax advance.

This provision will apply for the first time for income tax advances due in May 2020.

This procedure may also be applied by taxpayers who make income tax advance payments in any other way based on a decision by the tax authority.

## Measures Slovakia.

### 2. Deduction of a tax loss

Taxpayers may deduct unused tax losses for accounting periods ending in the years 2015 to 2018, in a total amount of EUR 1 million, from the income tax base for the accounting period for which the deadline for submitting an income tax return occurs in the period from January 1<sup>st</sup>, 2020 to December 31<sup>st</sup>, 2020.

Taxpayers whose accounting period coincides with the business year may apply these losses in the tax return for the accounting period ending October 31<sup>st</sup>, 2019 at the earliest.

Tax losses shall be deducted consecutively from the earliest reported tax loss to the most recently reported tax loss.

This new method for deducting losses is not mandatory. If the existing method for deducting losses pursuant to the applicable provisions of Section 30 of the Income Tax Act is more beneficial for taxpayers, tax losses may be deducted using the standard procedure.

## B. VEHICLE TAX

### Vehicle tax advances

Starting in April 2020, taxpayers are not required to pay vehicle tax advances due during the pandemic period. Taxpayers who do not pay them immediately shall settle vehicle tax within the vehicle tax return submission deadline.

# Measures Slovakia.

## C. TAX ADMINISTRATION (The Tax Code)

### 1. Missing a deadline

It has been specified that a pardon for missing a deadline does not cover filing a control statement, a recapitulative statement or payment of tax advance payments.

### 2. Tax inspection - suspension

The provision on the suspension of a tax inspection is replaced with the following new provision:

A taxable entity must request the suspension of a tax inspection. Based on the request, the tax inspection shall be suspended from the day following the day the request is submitted until the end of the pandemic period.

Tax inspections suspended until now will continue unless their suspension is requested by the taxable entity, or if the reasons for which the tax inspections were suspended cease to exist.

### 3. Suspension of tax proceedings

The previous provision on the suspension of tax proceedings shall be replaced with the following new provision:

Tax proceedings shall only be suspended upon request by a taxable entity, from the day following the day the request is submitted until the end of the pandemic period.

## Measures Slovakia.

Tax proceedings which were suspended until now will continue unless their suspension is requested by the taxable entity, or if the reasons for which the tax proceedings were suspended cease to exist. The legal effects of acts carried out during tax proceedings suspended until now shall remain.

### 4. Tax credit

**A credit for income tax from a tax return which has been submitted during the pandemic period will be returned to the taxpayer within 40 days of the end of the calendar month in which the taxpayer has submitted the income tax return.**

**Any income tax credit from a tax return for the accounting period of the calendar year 2019, which was submitted between January 1<sup>st</sup>, 2020 and the start of the pandemic period, will be returned by the tax authority within 40 days as of March 31<sup>st</sup>, 2020.**

In this case the tax authority will also take into account the provision regarding the use of a tax credit pursuant to the Tax Code.



## Measures Slovakia.

### 5. Administrative offences and penalties

If a tax credit is reduced for the taxpayer, after a tax inspection or by submitting a corrective or supplementary income tax return, the taxpayer will be **fined with 100% of the stated difference**, and will obviously have to repay this difference. A fine will not be imposed only if the taxpayer submits an income tax return that reduces the tax credit before it is refunded.

The aim of this regulation is to prevent speculative behaviour by taxpayers or the abuse of earlier refunds of tax credits.

Interest on late payment will apply if the taxable entity fails to pay the tax advance payment, withholding tax or an amount withheld to guarantee tax payments in time.

## D. CASH REGISTERS

### 1. Fulfilment of notification obligations

If a deadline to meet notification obligations occurs during the pandemic period, this obligation will be considered to have been met if the relevant facts are notified by the end of the calendar month following the end of the pandemic period.

This refers to fulfilment of the following obligations: notification of a change of business name, a point of sale, if different from the place of business or registered address, or a change to the main line of business according to the Statistical Classification of Economic Activities, in which an e-cash register is used by the client.

## Measures Slovakia.

### 2. Due dates for fines

An on-the-spot fine during the pandemic period is due by the end of the calendar month following the end of the pandemic period.

## E. VALUE ADDED TAX AND EXCISE DUTIES

### 1. Publication of lists

A VAT payer who repeatedly fails during the pandemic period to file a VAT return or a control statement, or repeatedly fails to pay the resulting tax liability, will not be published in the list of VAT payers for whom grounds for cancelling registration have arisen, if these obligations are met by the end of the calendar month following the end of the pandemic period.

### 2. Conditions for refunding an excess VAT

For a VAT payer who has incurred arrears for customs duty or mandatory insurance payments during the pandemic period, these arrears will not be taken into consideration for the purpose of an early refund of an excess deduction, i.e. the conditions for an early refund of an excess deduction shall be considered to have been met if these arrears are paid by the end of the calendar month following the end of the pandemic period.

## Measures Slovakia.

### 3. Applying a preferential rate of excise duty

Taxable entities who apply a preferential rate of excise duty on mineral oil and are unable to demonstrate that the conditions have been met during the pandemic period, i.e. they are unable to provide a statement of origin for biofuel or bioliquid to the effect that any biogenic substance meets the sustainability criteria, may apply this reduced tax rate if they demonstrate that these conditions have been met for each accounting period falling within the pandemic period by the end of the calendar month following the end of the pandemic period.

### 4. Presence of a customs office employee

If it is not possible during the pandemic period to secure the presence of a customs office employee to perform tax supervision, the customs office shall determine an alternative method for performing tax supervision.

### 5. Withdrawal of authorisation and deregistration

If a taxable entity breaches any obligations stipulated by special legislation during the pandemic period due to the negative impact of the pandemic, the customs office may waive the obligation to withdraw authorisation or deregister the taxable entity.

## Measures Slovakia.

### F. LOCAL DEVELOPMENT FEE

#### 1. Deadline to meet a notification obligation

A deadline to meet a notification obligation regarding the end of a fee obligation, or to meet a notification obligation regarding the floor area measurement of an above-ground part of a finished building pursuant to special legislation, which did not expire prior to the start of the pandemic period or which started during the pandemic period, shall be considered to have been complied with if this obligation is met by the end of the calendar month following the end of the pandemic period.

#### 2. Use of the fee

During the pandemic period, until December 31<sup>st</sup>, 2020, a municipality, based on a decision made by the council, may use revenue from the local development fee to cover current expenditure.

## Measures Slovakia.

### G. SOCIAL SECURITY

#### **Social security contributions for employers and mandatory sickness and pension insured self-employed people**

**Employers are not required to pay the employer's social security contribution and self-employed with mandatory sickness and pension insurance is not required to pay social security contributions for April 2020, if their business was closed in April 2020 for at least 15 days, on the basis of a decision by a competent authority.** The Slovak Government will be able to establish a further period in which there will be no obligation to pay social security contributions by government decree.

Closure of a business shall be proven by an entity in an affidavit submitted to the Social Security Office no later than the 8<sup>th</sup> day of the calendar month following the calendar month in which it is required to pay the social security contribution. Employers and self-employed are still required to pay contributions for their employees.

## Measures Slovakia.

### H. LOCAL TAXES and FEES

#### Deadline for filing a return

The deadline for filing a property tax return, dog tax, vending machine tax or non-gambling gaming machines tax return or any of them, or a partial return for these taxes, which did not expire prior to the start of the pandemic period or which started during the pandemic period, shall be considered to have been complied with if the return is filed by the end of the calendar month following the end of the pandemic period.

A deadline to meet a notification obligation which did not expire prior to the start of the pandemic period, or which started during the pandemic period, shall be considered to have been complied with if the notification is submitted by the end of the calendar month following the end of the pandemic period.

# Covid-19-virus relief measures by Slovenia.



## Measures Slovenia.

On **March 20<sup>th</sup>, 2020** several laws were passed in connection with the coronavirus (SARS-CoV-2) with the aim of economy support:

This includes:

- the law on measures in the field of salaries and social contributions (Measures Act)
- the Law on Public Financial Measures (tax law measures)
- the Measures Act on the Deferral of Borrowers' Liabilities (Loan repayment measures).

On **April 2<sup>nd</sup>, 2020**, the Measure Act was passed in conjunction with the coronavirus (SARS-CoV-2). The Measures Act, hereinafter referred to as Covid-19-Law, was published in the Official Journal of the Republic of Slovenia and has been in force since April 11<sup>th</sup>, 2020.

With the Covid-19-Act, the following previously adopted laws were changed:

- the law on measures in the field of salaries and social contributions (Measures Act)
- the Law on Public Financial Measures (tax law measures)
- the Measures Act on the Deferral of Borrowers' Liabilities (Loan repayment measures).

In addition, numerous other provisions have been added. All in all, with regard to the accompanying tax measures, the employer privileges, which were originally rather poor, have now been significantly improved.



## Measures Slovenia.

With the legal changes that came into force on **May 1<sup>st</sup>, 2020**, numerous legal provisions in connection with the Measures Act of April 11<sup>st</sup>, 2020 (COVID 19 Law) were changed, supplemented and, in some cases, doubts resolved. The changes and additions are based on the Law on Amendments and Additions to the Covid-19 Act (hereinafter referred to as the “Covid-19 Act NEW”).

Furthermore, the basis for government guarantees to secure the credit financing of companies was created by a legal framework. The legal basis for this is the law on securing additional liquidity for the economy to mitigate the consequences of the Covid-19 epidemic.

The main amendments and additions concern the following areas:

### 1. Short-time work and force majeure

For the Slovenian short-time work, thus the possibility to exempt employees from the obligation to perform work while receiving 80% of the monthly income, as well as the inability to perform work due to force majeure (quarantine, mandatory child care), the requirements for full coverage of personnel costs by the state budget (reimbursement) have been redefined.

The COVID-19 Act NEW now redefines a lower decline in sales as a prerequisite for the eligibility to apply for the reimbursement. The following employers are entitled to apply for reimbursement:

- employers whose sales have decreased by more than 10% compared to 2019.

## Measures Slovenia.

- employers who were not active in 2019 are eligible if their average monthly turnover on an annual basis has decreased by more than 10% compared to the average monthly turnover between January 1, 2020 and March 12<sup>th</sup>, 2020
- employers, insofar as there was no business activity throughout the entire year 2019 or 2020, if their average monthly turnover in 2020 decreased by more than 10% compared to the average monthly turnover in 2019.

Entitled employers must reimburse the reimbursement of costs if it turns out that the conditions were not met. It should be noted that the refunds due to childcare also count as sales.

The salary costs are fully covered by two measures:

- Direct payments of up to EUR 1,366.21 to the employer and
- Coverage of all social security contributions from short-time work from the state budget.

The amount limits have not changed. Gross salaries up to a gross salary of EUR 2,192.25 (gross limit) are eligible. If the gross salary is higher than the gross limit, the social security contributions, based on the amount exceeding the gross limit, are to be borne by the employer.

As part of the payroll, the employer only has to pre-finance the net salary and wage tax. Both will be reimbursed under the COVID-19 Act at the end of the month following the payment.

While work interruptions were only allowed up to 7 consecutive days per month until the original Covid-19 Act was changed, interruptions of up to 7 days per calendar month are now permitted by the Covid-19 Act NEW. It is now easier to meet the needs of the employer's work processes.

## Measures Slovenia.

In addition to meeting the formal requirements, companies that claim reimbursement of personnel costs for short-time work may

- not make any profit distributions in 2020,
- not make any profit distributions in subsequent years of retained profits of the period 2020,
- not acquire own shares or
- not pay the management any bonuses or success bonuses with tax benefits in 2020 or for 2020.

The above distribution restrictions do not apply to companies that claim to cover personnel costs due to force majeure. The same applies to the exemption from pension insurance contributions. Before the changes to the COVID-19 law, the restrictions also applied in the event of force majeure and when pension insurance contributions were claimed. If the above restrictions are not met, interest on arrears is payable from the time the claim is made until repayment.

If the formal requirements are not met, the tax authorities must be informed of this at the latest with the obligation to submit the tax return. A decision on the repayment will be made by notice.

## Measures Slovenia.

The aforementioned benefits are only available to Slovenian employers after the last change in the law. Foreign employers are still excluded from the Covid-19 measures:

### 2. Guarantees of the Republic of Slovenia

the Republic of Slovenia is intended to ensure the necessary liquidity for companies by granting guarantees. Details are regulated by the law on ensuring additional liquidity for the economy to mitigate the consequences of the Covid-19 epidemic.

The Republic of Slovenia guarantees loans that meet the following factual requirements:

- Financing agreements completed between March 12<sup>th</sup>, 2020 and December 31<sup>st</sup>, 2020,
- maximum term of 5 years
- Financing of new or completion of existing investments, financing of current assets or repayment of loans that were agreed after March 12<sup>th</sup>, 2020 and meet the above requirements.
- No funding from affiliated companies or companies based abroad.

The maximum amount of the guarantee of the Republic of Slovenia for a company is 10% of turnover in 2019 and may not exceed the amount of personnel expenses in 2019.

The cost for the grant of a guarantee from the Republic of Slovenia depends on the size of the company and the term of the guarantee. The costs are between 25 and 200 basis points of the outstanding loan.

## Measures Slovenia.

The following measures already adopted within the framework of the Measures Act (COVID 19 Act) remain in effect:

### 1. Other tax law measures

Numerous provisions have been changed or supplemented as part of the tax law measures. The most important are:

#### Extension of deadlines

The extension of the deadline for filing income tax and corporation tax returns by May 31<sup>st</sup>, 2020 has already been decided by the Corona Measures Act. Likewise, the simplified applications for tax deferrals and installment payments have already been decided. In the case of different business years, it should be noted that there is no automatic extension of the deadline by two months. If the declarations had to be submitted before May 31<sup>st</sup>, 2020 for a different fiscal year, they must also be submitted by May 31<sup>st</sup>, 2020 at the latest.

## Measures Slovenia.

### Payment facilities

In connection with tax payment relief applications, a decision has to be made by the tax office **within 8 days**. Consequences of default only do not arise if there is a positive decision on the applied payment relief by the tax office when the payment is due. Prerequisite for applying for the payment relief is the loss of the ability to generate income due to the pandemic period. Industries in which the Corona crisis had no impact on sales will therefore not be able to rely on the payment relief provided by the Measures Act. Please note that at the time of applying for a tax payment relief the mentioned prerequisite must be proved and attached to the application.

No default interest is charged for deferrals and installments;

### Tax executions

No tax executions are currently being carried out. However, it should be noted that, for example, when applying for short-time work, no tax liabilities of more than EUR 50.00 may exist.

### Bankruptcy law

During the Corona crisis, there are basically no immediate obligations for applications for bankruptcy and there is no need to take any legally required actions. However, it should be noted that there is an irrefutable insolvency if net wages are not paid as part of the short-time work within one month after receipt of the reimbursement amount.

# Measures Slovenia.

## 2. Loan liabilities

Deferrals of payments under the loan repayment measures can (among others) be applied by companies that are part of the law on business companies (eg d.o.o., d.d.)

Slovenian sole traders and also natural persons with their main residence in Slovenia. The application for deferred payment must be made within 6 months after the virus epidemic ended.

When applying, a distinction is made between large companies and other applicants. Large companies are companies with sales of over EUR 40 million, total assets of over EUR 20 million and with more than 250 employees. It is sufficient if two of the just mentioned criteria are met.

### Large companies have to explain that

- they pay taxes and social security contributions and – due to the consequences of the Corona virus – cannot guarantee the fulfillment of the loan agreement and the risk by paying increases the danger of falling into liquidity problems and thus the risk of solvency of the company would be higher.
- tax liabilities due on December 31<sup>st</sup>, 2019 were paid or
- they are entitled to deferral or payment in installments of taxes and social security contributions at the time of application

## Measures Slovenia.

### Other applicants must declare that

- they pay taxes and social security contributions but due to the consequences of the corona virus they cannot ensure payment of the credit installments and
- all due tax liabilities were paid as of December 31<sup>st</sup>, 2019 or that
- they are entitled to deferral or payment in installments of taxes and social security contributions at the time of application

While for large companies the prerequisite for deferring payment is that they are threatened to slip into bankruptcy, for all other applicants it is sufficient that they are unable to meet the payment obligations.

The deferral of payments based on the loan repayment measures is at 12 months limited.

Compliance with this law is enforced by the market regulator as a control body and through high penalties ensured.