

Covid-19-virus relief measures by country.



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

Disclaimer.

The information, opinions and legal interpretations provided are for general information only. The application and impact of laws can vary widely depending on the specific facts involved. Given the changing nature of laws, regulations and rulings there may be delays, omissions or inaccuracies in the appearance of this information. Accordingly, it should be taken into account that the information made available cannot and should not be used as a substitute for professional tax or legal advice. Before making any decision, you should consult a TPA professional.

While every attempt is made to ensure that the information contained has been obtained from reliable sources, neither TPA nor individual authors are responsible for any errors or omissions, or for the results obtained by the use of this information. All information is provided with no guarantee of completeness, accuracy or timeliness, and without guarantee of suitability for any particular purpose.

Neither TPA nor individual authors accept any responsibility for any decision made or action taken in reliance on the contents or for any damages consequent on any such actions or decisions. The General Terms and Conditions of Contract for the Accounting Professions (AAB), which are available for download below, apply: <https://www.tpa-group.at/wp-content/uploads/2018/05/gct-public-accounting-professions-2018-tpa.pdf>



Covid-19-virus relief measures by Albania.



Measures Albania.

On **19th 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 13th, 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 31st, 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 30th, 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 31st, 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 16th, 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 16th, 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 8th, 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 15th, 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 15th, 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 1st, 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 30th, 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 1st, 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 31st, 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 30th, 2020 to June 30th, 2020. The deadline for other self-insured persons remains unchanged at April 30th, 2020.

Extension of state of emergency

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

This means that all emergency tax measures envisaged during the period of state of emergency will continue to apply until May 13th, 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

Only entrepreneurs who have had revenues not exceeding HRK 7.5 million in the previous year are eligible for VAT deferral, provided that they calculate taxes according to the issued invoices.

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.



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.

The subsidies are as follows:

- amount of HRK 3.250,00 per month for a full-time employee,
- amount of HRK 1.650,00 per month for a part-time employee,
- proportional part of the amount of HRK 3.250,00 or HRK 1.650,00 per employee for the time they were off work according to the decision of the Civil protection Directorate from March 19th, 2020, - eg, 13 non-working days in March $(3.250,00 \text{ kn} : 31) \times 13 = 1.362,90 \text{ kn}$
- Employers can receive support starting from March 1st, 2020 and 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.



Measures Croatia.

On **April 1st, 2020**, the Government of the Republic of Croatia decided to present a second package of 12 measures for the economy the implementation of which depends on the adoption by the Croatian Parliament. This include the following important measures in terms of tax regulations and job preserving:

1. Submission of financial statements

The deadline for submission of annual financial statements for 2019 is postponed to June 30th, 2020. The fee to the Financial Agency (FINA) for publication of annual financial statements is abolished. It is assumed that this will be a statutory decision that delays the submission by two months instead of the stipulated fixed date, since otherwise taxpayers with a fiscal year different than a calendar year will come in a subordinate position.

2. Exemption or deferral of tax payments

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

- Companies with less than HRK 7.5 million in revenue:
 - with revenue falling up to 20 percent – it is assumed they have no business problems and they cannot count on deferral and write-offs
 - if they have a drop in revenue between 20 and 50 percent, they can apply for the deferral and interest free installment repayment up to 24 months
 - if they have a drop in revenue of more than 50 percent, they are completely exempt from tax obligations (profit tax, income tax and social security contributions) within the next three months.



Measures Croatia.

- Companies that generate more than HRK 7.5 million in revenue:
 - if they have a drop in revenue of up to 50 percent they can apply for deferral and interest free installment repayment up to 24 months.
 - if they have a drop in revenue of more than 50 percent, they are projected to have tax write-offs proportional to the percentage drop in revenue in relation to April, May and June. For example, if company's income fell by 75 percent, that company will pay 25 percent in taxes and contributions.

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.

Measures Croatia.

4. HRK 8.5 billion for preserving jobs

- The increase in the state "minimum" payment as a subsidy for employers, whose incomes will fall by more than 20 percent, is raised from HRK 3,250 to HRK 4,000 net in April and May. In addition, the state will take over the payments of contribution in the amount of HRK 1,460, so the total subsidy to companies per worker will be at the level of HRK 5,460.
- This relief measure can be claimed provided employers retain employees.



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



Measures Czech Republic.

On **March 24th, 2020**, the Ministry of Finance announced its plans to propose measures to mitigate the effects of Covid-19 for taxpayers. The measures will include:

Proposals to support employees and employer

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

- Mode A: Employee in quarantine – 60% of salary to be paid to the employee, thereof 100% to be recovered by the government;
- Mode B: Closed operations – 100% of salary to be paid to the employee, thereof 80% to be recovered by the government
- Mode C: Significant part of employees in quarantine or doing child care – 80% of salary to be paid to the employee, thereof 50% to be recovered by the government
- Mode D: Business interruptions due to supply disruption – 80% of salary to be paid to the employee, thereof 50% to be recovered by the government
- Mode E: Business interruptions due to demand drop – 60% of salary to be paid to the employee, thereof 50% to be recovered by the government

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



Measures Czech Republic.

Other Measures to support Czech companies

- Corporate Income Tax advance 2020 due on June 15th has been pardoned.
- The general deadline for filing the 2019 individual income tax return is **April 1st, 2020**. However, no penalty and late-payment interest will apply, as long as the tax return is filed by **July 1st, 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.
- The overpayment arises on the day on which the return is filed, and if the section in the return concerning overpayments is filled and signed, it will be refunded within 30 days.
- 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.
- Until now, neither the Ministry of Finance, nor the Customs Administration nor the Czech Statistic Authority have made public any information according to which reliefs would concern intrastat. Obligations connected with intrastat have thus not changed in any way for the time being.
- Although the final stages of the electronic reporting of revenues (ERR) will still be introduced from **May 1st, 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.

- All self-employed persons (who perform their activities as main or supplementary) will not have to pay advances for social security during the period from March to August 2020
- From March 16th, 2020, entrepreneurs affected by coronavirus can request an interest-free loans provided by Českomoravská záruční a rozvojová banka, a.s. (“ČMZRB”) The purpose of the “Úvěř COVID” (Loan COVID) program should be providing immediate cash to micro, small and medium entrepreneurs whose economic activity has been limited as a result of Covid-19. Entrepreneurs can use the loan for standard operational expenses, such as payment of business-contractual obligations, purchase and financing of supplies, payment of salaries to employees or purchase of small assets.
- Credits amounting to CZK 500K – CZK 15M can be requested by filing a request via the ČMZRB electronic registry, with a maturity over a period of up to 24 months and the possibility to postpone repayments by up to 12 months. More information on the conditions for provision or eligible expenditure is stated on the ČMZRB webpages (www.cmzrb.cz/podnikatele/uvery/uver-covid).
The government is negotiating the extension of these credits so that they may be provided also by commercial banks.

On March 31st, 2020, the Ministry of Finance announced that interests for late-payment regarding the road tax advance payments due on April 15th and July 15th, 2020 will be waived, if the payments are made by September 15th, 2020 at the latest.

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 31st, 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 31st, 2020**.
- These provisions shall apply to loans already granted on **March 24th, 2020 at 24:00 pm**.
- In the case of unsecured loan agreements concluded with a consumer after **March 18th, 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 30th, 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 1st, 2020 to June 30th, 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 31st, 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 1st, 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 31st, 2018 and ended before April 1st, 2020) is postponed from March 31st to May 31st, 2020. In the case of NGOs, the declaration can be submitted until July 31st, 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 30th, 2020, an amount corresponding to 200% is deducted, in May 2020, an amount equal to 150% is deducted and from June 1st, 2020 to September 30th, 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 1st, 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 30th, 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 1st, 2020 the obligation to submit a new SAF-T VAT for “large enterprises”. In addition, until July 13th, 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 1st to July 1st, 2020.
- Postponing the obligation to create Employee Capital Plans in medium-sized enterprises to October 1st, 2020.
- Extension of the deadline for submitting information on transactions with related parties (transfer pricing) to September 30th, 2020.
- Postponing the entry into force of legal solutions regarding the equalization of the legal position of small entrepreneurs and consumers from June 1st, 2020 to January 1st, 2021;
- Deferral of retail sales tax until January 1st, 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 31st, 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 10th to November 10th, 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.

On **March 21st, 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 30th, 2020.

The following measures are in place so far:

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 31st, 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 30th, 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 31st, 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 30th, 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. 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 to an end.

4 . 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.



Measures Romania.

5. 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 25th, 2020, as follows:

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

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 25th and June 25th, 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 25th, 2020).

6. 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 31st and October 30th, 2020, respectively.



Measures Romania.

7. 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 31st and October 30th, 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 31st, 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.

8. Suspension or non-commencement of the measures of enforced collection.

9. 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).



Measures Romania.

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.

- 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.

Measures 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.

10. 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.



Measures Romania.

11. 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.

12. 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.

13. 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.

14. 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, with the exception of working days that fall during school holidays.

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.

Measures Romania.

15. Payment of VAT at customs on sanitary equipment

Taxpayers performing imports of sanitary goods 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.

16. 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.



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 11th, 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 18th, 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 10th, 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 10th, 2020. The obligation to pay taxes and social contributions is deferred until January 4th, 2021. Upon maturity (January 4th, 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 2nd 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 15th, May 15th and June 15th, 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 15th, 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 4th, 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 15th, 2020 and October 31st, 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 15th, 2020 until April 10th, 2020. Temporary employees whose employment ended between March 15th, 2020 and April 10th, 2020 are not taken into account when calculating reduced amount number of employees.
- Sole proprietors who have temporarily wound down their operations before March 15th, 2020 .
- Newly established entities who registered with the Company Registry and for VAT before March 15th, 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 15th, 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 Thursday **April 2nd, 2020**, and Friday **April 3rd, 2020**, the Slovak National Council approved an amendment to the Act on certain emergency measures in conjunction with the spread of the dangerous contagious human disease Covid-19, in the areas of finance, employment legislation in order to save jobs, and social security and health insurance. All acts have been published in the Collection of Laws under Nos 63/2020, 66/2020, 67/2020 and 68/2020.

Below are the most important changes and measures adopted:

A. INCOME TAX

1. Deadline for filing an income tax return

If the deadline for filing an income tax return occurs during the pandemic period, new deadlines shall be introduced as follows:

- an “emergency” deadline – **by the end of the calendar month following the pandemic period.**
Income tax is also payable by the same deadline
- an option to extend the original deadline under Section 49(2) of the Income Tax Act (not an “emergency” deadline) on the basis of a notification (by 3 or 6 months in the case of taxable income from abroad).
The notification to extend the deadline must be made by the end of the “emergency” deadline.

Taxpayers may assign 2% of the tax for public benefit purposes within these periods.

Measures Slovakia.

2. Deadline for filing an income tax return for taxpayers in bankruptcy or liquidation

In the case of taxpayers in bankruptcy or liquidation, the statutory deadline according to the applicable Income Tax Act remains unchanged.

However, if this deadline occurs during the pandemic period, taxpayers may ask the tax authority to extend the deadline, by a maximum of three calendar months, 15 days before the deadline.

The tax authority will make a decision regarding the request; no appeal will be admissible against this decision.

3. Deadline for filing a tax return when a permanent establishment in Slovakia is dissolved or set up

Under the applicable Tax Return Act, if the deadline for filing a tax return occurs during the dissolution or formation of a permanent establishment in Slovakia during the pandemic period, taxpayers should file the tax return **by the end of the calendar month following the end of the pandemic period**. Income tax is also payable within the same deadline.

4. Remittance of a portion of the income tax paid

An employee for whom an employer carries out annual tax accounts by a deadline that falls within the pandemic period may file a declaration to remit a portion of the income tax paid **by the end of the second calendar month following the end of the pandemic period**.

Measures Slovakia.

5. Notice of deduction and payment of income tax from a healthcare provider

The deadline for filing this notice is considered to have been met if it is filed **by the end of the calendar month following the end of the pandemic period** and the tax is also paid by the same deadline.

6. Report on tax statement and the total income tax from employment

If the final day of the deadline for filing a report on the tax statement and the total income from employment occurs during the pandemic period, the report should be filed **by the end of the second month following the end of the pandemic period** and the tax will also be payable by this deadline.

7. Annual statement of income tax from employment

Under the Income Tax Act, if the deadline for preparing the annual statement and for the calculation of income tax occurs during the pandemic period, the employer, who is a taxable person, should prepare the annual statement **by the end of the calendar month following the end of the pandemic period at the latest.**

The employer must deliver the proof of preparing the annual accounts to the employee **by the end of the second calendar month following the end of the pandemic period at the latest.**

Overpayments from the annual statement should be returned by the employer to the employee at the latest **when calculating wages for the second calendar month after the end of the pandemic period.**

Measures Slovakia.

B. VEHICLE TAX

1. Deadline for filing a tax return and the date the tax is payable

The tax return for vehicle tax for a period other than a calendar year (e.g. taxpayers are dissolved without liquidation, with liquidation, are bankrupt, have closed or interrupted their business, or have died), for which the deadline for filing has not passed prior to the pandemic period commencing, or which began during the pandemic period, should be filed by the end of the calendar month following the end of the pandemic period. The tax will also be payable by this deadline.

C. TAX ADMINISTRATION (The Tax Code)

1. Service of files to the financial administration

Taxable entities not obliged to communicate electronically with the financial administration:

- If a file does not have a structured format, it may also be filed in another way (e.g. by email) and does not have to be sent by post in paper form as well.
- If a file has a structured format (a tax return, etc.), it should also be served within five days in paper form.
- Taxable entities obliged to communicate electronically with the financial administration:
- Under applicable law, the procedure remains in force.



Measures Slovakia.

2. Missing a deadline

Missing the statutory deadline will be pardoned if the act (registration, appeal, etc.) is carried out by the end of the calendar month following the end of the pandemic period at the latest.

The pardon for the missed deadline does not cover the filing of tax returns and the payment of individual taxes.

3. Service of documents by post from the financial administration in person

Conditions determined by the postal operator shall be used. The “fiction of service” of an item applies – if the item is not picked up by a natural person or legal entity, service shall occur on the final day of the deadline for collecting the stored item from the post office.



Measures Slovakia.

4. Tax inspection – suspension

A tax audit (other than a tax audit regarding input VAT credits) which began prior to the pandemic period (before March 12th, 2020) shall be suspended (retroactively) and the suspension will last until the end of the calendar month in which the emergency situation is called off. The deadline for carrying out a tax inspection shall be extended by the suspension period.

A tax inspection (other than a tax audit regarding input VAT credits which begins during the pandemic period) shall be suspended from the day following the day it begins until the day the pandemic ends.

With a tax inspection of the eligibility of an excess deduction which takes place during the pandemic period, the tax authority may issue a partial report. By issuing a partial report, the tax inspection is suspended until the end of the pandemic period. The tax authority may issue a partial report (and thus refund the excess deduction or part thereof that the tax authority is able to determine with certainty as being an entitlement), even if it does not include demonstrable inspection findings or an evaluation of the evidence.

5. Publication in financial administration lists

During the pandemic period, the financial administration will not be updating the public list of tax debtors, the list of VAT registered entities for whom there were grounds to cancel registration, nor the list of entities deleted from the list of VAT registered entities.

Measures Slovakia.

6. Suspension of tax proceedings

Tax proceedings (eg tax assessment procedures, etc.), which began prior to the pandemic period, shall be suspended, until the end of the pandemic period (regardless of whether or not the reasons for which the proceedings were suspended ceased to exist during the same).

Tax proceedings which begin during the pandemic period shall be suspended from the day following their commencement.

Proceedings in which a decision is made about refunding a tax overpayment or a claim pursuant to special regulations (eg an excess deduction) are not suspended. However, if the personal participation of another person (eg a witness hearing) is required for these proceedings, who does not agree to take part due to the pandemic, the tax proceedings shall be suspended by the relevant authorities until the end of the pandemic period.

7. Expiry of the right to levy tax - Limitation period and expiration of the right to recover tax arrears

The deadlines for expiry of the right to levy tax and to a limitation period, as well as the expiration of the right to recover tax arrears, shall be suspended (i.e., these deadlines will be extended to include the pandemic period).

8. Tax arrears

If, during the pandemic, taxpayers fail to pay tax, the due date for which falls within the pandemic period, the sum owed for this tax will not be considered tax arrears, provided that the taxpayers pay the same by the end of the calendar month following the end of the pandemic period.



Measures Slovakia.

9. Postponement of a tax execution procedure

During the pandemic period, a tax execution procedure shall be postponed and will continue after the end of the pandemic period. The legal effects of acts which have been carried out under a tax execution procedure to date shall remain effective.

10. Administrative offences and penalties

If taxpayers fail to file an income tax return or supplementary income tax return by a deadline that falls within the pandemic period, they will not be penalised, on condition that they fulfil their obligations by the end of the calendar month following the end of the pandemic period.

If taxpayers file a supplementary income tax return which increases their tax liability, the fine (3% p.a.) will only be calculated up to the day the pandemic period begins.

Taxpayers will not be levied interest on late payment if they have not paid income tax, an advance tax payment, withholding tax, or a sum withheld to guarantee tax payments, which became payable during the pandemic period, on condition that they will pay them by the end of the calendar month following the end of the pandemic period.

This provision only concerns income tax; penalties for VAT remain unchanged within the meaning of the applicable act.

Measures Slovakia.

D. ADMINISTRATIVE FEES

1. Payment of administrative fees

Administrative fees for the acts and proceedings of administrative authorities that are needed to mitigate the negative impact of the pandemic shall not be payable during the pandemic period.

E. ACCOUNTING ACT

1. Deadlines for obligations under the Accounting Act (e.g. entering financial statements in the financial statement register)

Under the Accounting Act and other accounting regulations, all deadlines shall be considered to have been met if they are carried out by the end of the third calendar month following the end of the pandemic period or by the deadline for filing a tax return, depending on which deadline occurs first. If an entity meets its obligations by these dates, it will not be penalised under Section 38(1) of the Accounting Act.

Measures Slovakia.

F. MEASURES ON IMPORTING GOODS

1. Importing goods for victims of natural disasters

Charities or voluntary welfare organisations will be able to import goods to support victims of natural disasters free of import duties and VAT. The Slovak Ministry of the Interior approves these organisations. Organisations must apply for the exemption and also meet one of the following conditions:

- a) they provide healthcare, social assistance or humanitarian care, or
- b) support a public benefit purpose, to provide individually specified humanitarian aid for an individual or group who are in danger or need urgent assistance in a disaster, or
- c) engage in other activities of a charitable or voluntary nature.

G. THE LABOUR CODE

1. Work from home

An employer may instruct employees to work from home, if the nature of the work allows it.

At the same time, employees become entitled to work from home, if the nature of the work allows it.



Measures Slovakia.

2. Obstacles to work and salary compensation in a state of emergency

All employers who need to restrict or stop work must provide salary compensation amounting to **80% of the employee's average monthly earnings, and at least equal to the minimum wage**. This applies in cases where employees cannot work at all or in part when the employer stops or restricts work based on a decision made by a competent authority or when stopping or restricting a company's work as a result of declaring an emergency situation.

3. Determining annual leave

Conditions for ordering use of annual leave in terms of the employer's obligation to give notice in advance shall be adjusted, by reducing the set time to **at least 7 days in advance**. If annual leave has been carried over from the previous year or years, this time is reduced to **at least 2 days**.

4. Employee protection

Employee protection from termination of employment and protection upon return to employment is added if employees claim an important personal obstacle to work to take care of a family member who has fallen sick or to look after a child. This also applies to employees who are required to go into quarantine measures (isolation requirement). This will secure the same protection as provided to employees who are temporarily unable to work.

Measures Slovakia.

H. SOCIAL SECURITY AND HEALTH INSURANCE

1. Sickness benefits, care for family members

Now, in the event of a crisis, employees who have been instructed to go into quarantine or isolation and, for this reason, have been recognised as unable to work are entitled to sick pay from the first day of being unable to work; that is the costs are borne by the Social Security Institution from the first day. This shall apply from the act entering into force, i.e. from March 27th, 2020. This measure constitutes financial relief for employers as, under the previous legislation, employees were entitled to sick pay for the first ten days, which was paid for by their employers. In these cases, sick pay was also increased to 55% of the daily assessment base during the first three days, which will help employees financially during the crisis.

The duration of the entitlement to care payments has been extended, the conditions for entitlement to care payments have been adjusted, and the range of people entitled to care payments has been extended. Since the amendment, care for a child under 11 or 18, if the child has a long-term adverse health condition, is taken into account.



Measures Slovakia.

2. Social security contributions for employers and mandatory sickness and pension insurance for the self-employed

If net turnover or trading or other self-employment income for employers or the self-employed **falls by more than 40%, the new deadline for payment of mandatory contributions for March 2020 is set to July 31st, 2020.** This deadline does not apply to contributions paid by employers on behalf of employees – contributions for employees must be paid by employers by the original due dates.

If employers or the compulsorily insured self-employed fail to pay these premiums by the special deadline, the Social Security Institution may allow them to pay in instalments, with no interest.

The method of determining a decline in net turnover or a decline in trading or other self-employment income will be determined by a government decree.

The dates for meeting other obligations such as registering employees in the insured persons register, insurance statements, etc. remain unchanged.



Measures Slovakia.

3. Advance payments for health insurance for employers and the self-employed

If net turnover or trading or other self-employment income for employers or the self-employed **falls by more than 40%, the due date for advance payments is extended for March 2020 to July 31st, 2020.** This deadline does not apply to the due date of advance payments for insurance paid by the employer on behalf of employees.

Once again, the method of determining a decline in net turnover or a decline in trading or other self-employment income will be determined by a government decree.

I. EMPLOYMENT SERVICES

1. Employment and job support

Projects to support job retention, pilot projects to verify new active measures on the labour market, pilot projects or pilot programs to promote regional development or local employment are introduced and approved by the ministry.

The deadline for demonstrating that obligations to fulfil the mandatory share of employment of disabled citizens has been met (for the previous calendar year) is extended to June 30th, 2020.

The deadline for submitting reports on activities to the Central Labour Office for legal entities or natural persons who are engaged in employment placement work, is extended to June 30th, 2020.



Covid-19-virus relief measures by Slovenia.



Measures Slovenia.

On **March 20th, 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 2nd, 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 11th, 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.

The most important measures are:

1. Short-time work in Slovenia

Labor law basis

According to the Slovenian Labor Code, the employer can also send employees home, for whom he has no work, by means of a unilateral declaration. In practice, the employer makes a written agreement with the employee. While the employee is waiting for work at home, he is entitled to receive 80% of his gross salary. In addition to 20% of the salary costs, the employer also saves the tax-free catering fee (up to EUR 6.12 / working day) and the travel fee (reimbursement of the costs for the way to work).

Covid-19-Law

While the employer relief measure was covered by EUR 862.50 within the framework of the originally envisaged measures law and always resulted in an employer saving of 47.56% of the personnel costs, the Covid-19-Act provides for a full transfer of the costs from the employment relationship up to a maximum amount now.

The salary costs are fully covered by two measures:

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



Measures Slovenia.

The employer is exempt from personnel costs up to a gross salary of EUR 2,192.25 ("gross limit"). If the gross salary is higher than the gross limit, the employer must pay the social security contributions of the amount exceeding the gross limit. Since the reimbursement amount is limited to EUR 1,366.21, the relative share of the salary costs assumed decreases with increasing salary.

In the context of payroll accounting, the employer only has to pre-finance the net salary and wage tax. Both are already reimbursed at the end of the month following payment, in accordance with Covid-19-Law. As mentioned, the exemption from social security contributions is capped at a gross salary of EUR 2,192.25.

Prerequisites:

- Decline in sales of more than 20% in the first half of the year (compared to the previous year) and no growth in sales in the second half of the year of more than 50% (compared to the previous year),
- No profit distributions from the entry into force of the Covid-19-Law in 2020,
- No payment of bonuses to the management and employees from the entry into force of the Covid-19-Law in 2020.



Measures Slovenia.

It is currently not possible to agree on short-time work other than 100% with the employees. The prerequisite that short-time work has to be agreed with at least 30% of the employees has fallen as well as the obligation to use overtime and holidays from the previous year before applying for short-time work.

Interruptions to agreed short-time work are permitted up to 7 consecutive days per month. A notification to the employment office must be done if short-time work is interrupted.

Applications for reimbursement of personnel costs can be submitted to the employment office by May 31st, 2020. Insofar as short-time work has been agreed before Covid-19-Act came into force, applications - insofar as they have not yet been submitted - must be submitted no later than 8 days after the Covid-19-Act came into force.

Notification requirements:

- to the tax office if the requirements for compensation are not met
- to the employment office if short-time work is interrupted

Measures Slovenia.

2. Force majeure

The salary costs are also covered in the event of force majeure. Force majeure situations are, eg
The need for childcare and ordered quarantine

If employees do not work due to force majeure, the personnel costs will be reimbursed to the employer under the same conditions as for short-time work.

3. Exemption from pension insurance contributions

In April and May, employers do not have to pay pension insurance contributions for employees; the contributions are covered by the state budget. Foreign employers are exempt from the exemption. Statements by the tax authorities indicate that this exemption should apply from March 13th, 2020 (start of the corona measures). If salaries for March have already been calculated and the pension insurance contributions have been paid, the payments for contributions can be refunded

Pension insurance contributions in Slovenia amount to 24.35% of the gross salary. In return, employees who work during the Corona measures receive a crisis allowance of EUR 200.00. The crisis allowance is paid gross for net and is therefore not subject to wage tax or social security. Employees whose gross salary does not exceed EUR 2,821.74 are entitled to the tax-free crisis allowance (crisis allowance cap). The crisis allowance cap results from the triple minimum salary of EUR 940.58 in Slovenia.

Measures Slovenia.

When applying for this funding measure, the following payments are not allowed to be made from the entry into force of the Covid-19-Act in 2020:

- profit distributions and
- bonus payments to the management and employees

4. 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 31st, 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 31st, 2020 for a different fiscal year, they must also be submitted by May 31st, 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.

5. 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 31st, 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 31st, 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.

