

A high-angle, blurred photograph of a large crowd of people walking in a brightly lit indoor space, likely a shopping mall or airport terminal. The motion blur gives a sense of a busy, fast-paced environment. The people are wearing various styles of clothing, including jackets, coats, and casual wear. The floor is light-colored with some darker lines.

Newsletter  
March 2020

# COVID-19

International publication



[www.auren.com](http://www.auren.com)



# COVID-19

International publication

In response to this crisis, governments all over the world have enacted legal, fiscal and monetary stimulus measures to counteract the disruption caused by the coronavirus. We have compiled an overview of the different measures that are available to support businesses in some countries in these uncertain times. This overview is ever evolving, we will continue to post tax updates and news as they come through.

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## ECUADOR

## Summary of the measures taken in Ecuador by COVID-19

Due to the increased contagion of the new COVID-19, the President of the Republic of Ecuador has declared a state of emergency with the following measures:

- Restriction of vehicular circulation and people from Tuesday March 17. The restriction applies from 9:00 p.m. to 5:00 a.m.
- The previous measure does not apply to people who require mobilization and belong to the following sectors: Health, Safety, Strategic Sectors, Export Sector, provision of basic services, food provision, supply of medical and sanitary supplies, animal care, media workers, financial sector, consular services, private individuals in emergency situations (a safe-conduct can be issued for their mobilization).
- As of Wednesday, March 18, the movement of vehicles for whole days is prohibited, which is determined by the last digit of the vehicle registration. Mondays, Wednesdays, Fridays and Sundays do not circulate the vehicles with even number and on Tuesdays, Thursdays and Saturdays, odd ones. The penalty for noncompliance is \$ 200 and nine license points.
- Suspension of national passenger flights from March 17 to April 5, 2020. The regulation of Galapagos will be entrusted to the provincial government.
- Suspension of the inter-provincial passenger transport movement, starting at 23:59 on Tuesday, March 17, 2020.
- Suspension of face-to-face working hours in the public and private sectors from March 17. The ministries are urged to take measures to suspend deadlines and terms in administrative acts and resolutions that have an expiration date during the health emergency, as well as the suspension of fines and penalties.
- At funerals, only direct family members will be allowed, following a strict protocol.
- The list of suspended face-to-face services will be published online on the web portals of the different public institutions.
- In the province of Guayas, where the main source of infection is, a specific space will be established for compulsory preventive isolation of people who require it.
- An external triage will be mandatory in public hospitals for patients suspected of being infected with COVID-19.
- Governors are requested to inspect and review the status of health centers in their jurisdictions.

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## FINLAND

## Tax reliefs in Finland

Finnish Tax Authorities' actions to support companies during the COVID-19 epidemic.

On 15 March 2020, the Finnish Tax Authorities published actions to support companies with challenges they might face during the COVID-19 epidemic.

There have been no changes to filing or payment due dates, however the Finnish Tax Authorities have listed the following measures:

- Extension can be applied for filing of the corporate income tax return.
- Penalty related to late filing of the corporate income tax return may not be collected.
- Companies can apply for payment arrangement for taxes and possible late payment interest may not be collected.
- The Finnish Tax Authorities enhance the handling of refunds related to value added taxes (VAT).
- Penalty related to late filing of the VAT return may not be collected.
- In cooperation with the Ministry of Finance, the Finnish Tax Authorities are looking into possible reliefs related to payment arrangements.

The Finnish Tax Authorities are reminding companies to amend the assessed advance taxes where needed. The authorities are also enhancing the handling of the above listed matters.

Applying for extension for filing of tax returns and collection of late filing penalties

Companies can apply for extension for corporate income tax return filing based on specific reasons of which one is a situation where a key person has fallen ill and the company cannot file the tax return by the statutory due date. Extension can be applied for either electronically in MyTax or on a paper form. Please note that the extension needs to be applied for latest on the statutory due date.

There is no possibility to apply for extension for filing of the VAT return, however in case a VAT or corporate income tax return is filed late, companies can request that the Finnish Tax Authorities not collect the late filing penalty.

### Payment arrangements

If a company faces difficulties with making their tax payments on time, a payment arrangement can be applied for on the phone or in MyTax. In certain circumstances, for example where a key person has fallen ill, the company can request the Finnish Tax Authorities not to collect late payment interest on tax payments.

Possible reliefs related to payment arrangements are under discussion and the Finnish Tax Authorities will release more information in due course

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FINLAND

## Coronavirus and its effects on employees

Exceptional circumstances prevail in Finland due to the coronavirus situation. Issues for employers include quarantine of employees, sick leave, remote working and possible layoffs and dismissals. What options do employers have in such an exceptional situation?

During the coronavirus epidemic, the employer follows sick leave regulations. Sick leave always requires approval from the employer.



The decision on quarantine (an infected person), isolation (a sick person) or absence from work to prevent the spread of the disease is made by the communicable disease doctor in the municipality or hospital district. A medical certificate must be

submitted to your employer as soon as possible to confirm the absence. In order to compensate for the loss of earnings, the employee can apply for an infectious disease daily allowance from Kela.

Remote working may be, and often is, a workable solution for employers and employees if working remotely is possible.

As a result of a coronavirus, a company's workforce need can be significantly reduced, for example due to a loss of customers. In this case, it may be necessary for employers to consider measures to reduce the workforce or other measures to overcome the crisis. The employer may be entitled to lay-offs under Chapter 5 of the Finnish Employment Contracts Act, following the co-determination procedure (when there are at least 20 employees) or the procedure under Chapter 5 of the Employment Contracts Act (under 20). In addition, lay-offs will be subject to a notice period of 14 days under the law or applicable collective agreement before the termination can be effected.

It is possible that the coronavirus will also have longer-term effects and wider effects on the business economy. Employers may even need to lay off workers for production and economic reasons.

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FRANCE

## COVID-19: The exceptional tax measures set up to help companies to manage their cash flow

On March 19, 2020, the Government presented to the National Assembly the amended finance bill for 2020 as well as the emergency bill to deal with the COVID-19 epidemic. This amended finance bill for 2020 does not contain any tax measures. At this stage, the Government should be empowered by ordinance to take any measure, notably tax measures, in order to support companies.

However, the French Tax Authorities has already set up exceptional measures intended to help companies facing significant cash flow difficulties and a significant decline of their activity.

Our tax team presents these exceptional announced tax measures below. These measures are likely to evolve within the coming days. We will keep you informed on any new developments.

### Exceptional tax measures for companies

#### Requests for deferral of payment and discount of direct taxes

Companies can request without providing further justification a 3 month deferral for the payment of their coming direct taxes due.

#### Which taxes are concerned?

Only the following taxes are included within the scope of this measure:

- Corporate tax (instalments);
- Payroll tax;
- Business Property Tax (CFE);
- Business value-added local contribution (CVAE).

#### How to benefit from deferred payment?

In order to benefit from this measure, companies simply need to complete [the following form](#) and send it back to their respective local tax Center ("SIE").

#### How to proceed if the March instalments have already been settled?

There are two possibilities:

- Contest the SEPA payment with one's online bank if still possible;
- Otherwise, request reimbursement from the local tax Center (SIE).

Companies can moreover make a request for an early reimbursement of excess corporate tax instalment payments.



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**Requests for discount on direct taxes, late payment interests and tax penalties**

If a deferred payment is not sufficient to overcome the cash difficulties encountered, companies can request a discount on their direct tax.

The scope of the taxes at stake is the same as for deferral of payment.

To request a discount on taxes, it is necessary to complete the above mentioned form.

**What are the conditions to benefit from the discount?**

A discount can only be granted in case of serious difficulties that make a deferral of payment insufficient. These difficulties must be justified by the company. To this end, relevant difficulties can be justified by:

- A decrease in monthly turnover since the beginning of the current fiscal year ( compared with the same period of the previous fiscal year) ;
- Debts other than tax and social debts (by specifying their amount, nature and falling date);
- Description of the cash position;
- Other elements likely to justify a discount.

**Accelerated repayment of tax credits**

It is possible for businesses to obtain accelerated repayment of tax credits normally refunded in the course of 2020.

**Which tax credits are concerned by this measure?**

This measure applies to all tax credits reimbursable in 2020, notably tax credit for competitiveness, R&D and innovation tax credit.

Please note that an early reimbursement of tax credits for the year after 2020 is not possible at this time.

**How to get the accelerated repayment?**

Companies must log into their professional space on the French tax authorities website [impot.gouv.fr](http://impot.gouv.fr) in order to declare:

- the tax credit refund request (form n° 2573);
- the tax form justifying the amount of tax credit (n° 2069-RCI or specific form, unless it has already been filed);
- the corporate income tax settlement form (n° 2572) in case the corporate income tax return has not been submitted yet.

**The suspension of tax audits of companies in the most affected sectors of business**

In view of the exceptional situation, the current tax audits would be suspended and no new audits will be carried on.

**The suspension of CFE and property tax collection**

The monthly payment contracts for the payment of the CFE or the property tax can be suspended, without penalty, on the website [impot.gouv.fr](http://impot.gouv.fr) or by contacting the tax administration.

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**Other ways to improve corporate tax cash flow?**

Beyond the measures already announced by the government to help businesses, other ways to improve cash flow of companies must be considered.

**Optimization of the tax result for fiscal year ending on December 31, 2020**

All measures to optimize the taxable profit, particularly for the fiscal year ending on December 31, 2020, can be used: provisions, amortization, tax deductions, etc.

Our experts are available to assist and guide you on the every measure to reduce your taxable income.

**Mobilization/refinancing of tax receivables**

At this stage and despite the requests made by professional organizations, the Government does not plan to make the early repayment of tax credits or tax loss carry-back receivables possible.

In order to overcome this drawback, most tax receivables can nevertheless be mobilized from financial institutions.

The carry-back of fiscal year 2020 loss could then be contemplated.

**Proactive management of ongoing tax rectification procedures**

It is important to take into account the current situation in the management of potential ongoing procedures.

The claims opened to the taxpayer during the tax reassessment procedure (commissions, hierarchical appeals, etc.) can be used to increase delays before the issuance of a potential complementary tax bill.

The difficulties encountered by the company can also be put forward in an attempt to mitigate tax penalties or conclude tax transactions more favourably.

**Proactive management of tax claims and reimbursement requests**

In the current context, companies will have interest in initiating procedures with the tax authorities in order to try to accelerate:

- the refund of tax already claimed. In this respect, it should be noted that “mass tax litigations”, such as that on the rate of CVAE within tax consolidated groups, have not yet given rise to all the expected refunds;
- Reimbursement of VAT credits: instructions have been given to tax Centres to speed up reimbursements.

**The deferral of the payment of down payments of tax at source for the self-employed**

Self-employed workers can benefit from a deferral of the payment of withholding taxes at source on professional income:

- If the down payments are monthly: carryover is possible from one month to the next, up to three months;

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- If the down payments are quarterly: carryover is possible to the next quarter.

Please note that for the self-employed, as for other income (salaries of business managers, etc.), taxpayers always have the option to :

- Modulate the rate of withholding tax;
- Adjust the amount of the down payments.

Requests to defer payment of advances as well as rate modulation requests must be made before the 22nd of each month to take into account such change the following month.

To do this, these requests are to be sent to the tax administration by taxpayers via their personal space on the website [impot.gouv.fr](http://impot.gouv.fr), under the heading “manage my withholding tax”.

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## COVID-19: Emergency policies and economic measures in France

In the context of containment for coronavirus disease (COVID-19), businesses are heavily impacted financially. Thus, the French Ministry for Economy has launched an economic continuity unit on March 3rd, 2020, in order to face the exceptional circumstances under the coronavirus threats.

For businesses, the following support measures have been announced:

- Extended payment terms for social security (both employers and employees contributions) and / or direct tax contributions (at the exclusion of VAT) paid by employers;
- In the most difficult cases, direct tax rebates can be decided after individual examinations of requests;
- Suspension of rents payment, water, gas and electricity bills for the smallest companies in difficulty which are eligible for the solidarity fund financed by the State and the Regions;
- An aid of 1,500 euros for all small businesses, self-employed persons, and micro-enterprises (through the Solidarity Fund) which have a turnover of 1.000.000€ and are subject to administrative closure or have a loss of turnover of more than 70% in March 2020 compared to in March 2019. ;

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- The Government together with the French public investment bank (BPI) mobilizing a total amount of 300 billion euros, as guarantee facilities, to ensure effective lines of credit that businesses could need following the outbreak;
- The Government together with the BPI supporting businesses' banking re-negotiation regarding their loans' facilities (providing credit mediation);
- Jobs safeguarding in businesses through simplified and strengthened partial unemployment arrangements. The company pays a compensation equal to 70% of the gross salary (about 84%
- of the net) to its employees. The employees with a minimum wage or less are compensated

100%. The company will be fully reimbursed by the State for salaries up to 6,927 euros gross per month, i.e. 4.5 times the minimum wage;

- The Government's support to deal with conflicts between the businesses' clients and / or suppliers (providing ombudsmen of enterprises / enterprises mediation);
- The Government and the local authorities' recognition that the circumstances induced by COVID-19 are constituting a case of force majeure for public procurements. Thus, for every public procurement, penalties for delays will not apply.

To be eligible, firms must satisfy certain conditions laid down by the Government which reserves the right of providing or not providing assistance through the measures defined herein.

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ISRAEL

## Summary of the “Israel emergency economic measures” to support the economy under the Coronavirus threats (as of March 24, 2020).

*Following the development of the “Corona crisis” in the health and economic spheres, this information can change every week, so you may want to keep up to date daily.*

- 1. State guarantee loans:**
  - 1.1. Following the outbreak of the Coronavirus, a dedicated working capital financing scheme established under the State Guarantee Fund for small and medium businesses.
  - 1.2. The program is designated for businesses that have Cash Flow difficulties (suppliers, employees, inventory, etc.) and which have turnover of up to NIS 100 million.
  - 1.3. The loan amount you can get up to NIS 500,000 for businesses with an annual turnover of up to NIS 6.25 million. Or up to 8% of turnover for businesses with an annual turnover of NIS 6.25-100 million.
- 2. Grants from the Innovation Authority** to support projects and activities that help deal with the crisis; three programs launched to support research and development programs to help prevent, treat, and address the challenges of the Coronavirus.
  - 2.1. Funding for early-stage R&D programs that can help address the challenges of the Coronavirus.
  - 2.2. Funding for the development and execution of projects that can help address the challenges of the Coronavirus.
  - 2.3. Funding for R&D and Pilot Programs of Industrial Companies for Prevention, Treatment, and Coping with COVID19 Virus (“Corona”).
- 3. Grant to self-employed and small businesses:**
  - 3.1. The Ministry of Finance and the Ministry of Economy grant grants to “self-employed” and small businesses that meet the criteria.
  - 3.2. The Tax Authority is expected to set up a digital system that will allow any self-employed person to fill in their personal area information on the website, check their eligibility, and apply for the grant.

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**4. The tax authorities postpone payment, deadlines, and filing of reports:**

- 4.1. The 2019 annual report deadlines, two months extension.
- 4.2. The late 2018 annual reports deadlines extension.
- 4.3. "Withholding-tax" certificates validity extension.
- 4.4. Postpone the reporting date of businesses to the VAT authorities of the monthly and bi-monthly payment of VAT.
- 4.5. "Tax-adjusted approvals" certificate validity extension.
- 4.6. Extending deadlines for Annual deduction statements from wages (Form 126) and non-wages (Form 856) such as suppliers.

**5. The Registrar of Companies postpone deadlines of filing reports:**

- 5.1. Extending the deadline for submission of annual reporting date to the Registrar of Companies of Nonprofit and Public Benefit Companies.

**6. The Social Security Institute has published guidelines for unemployment benefits for employees who forced to take a leave of absence following the Corona crisis.**

We hope that the above information is of use to you. If you have any questions, please do not hesitate to contact us at any time.

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ITALY

## New measures for companies and to support the Italian banking system

Decreto Legge 17 marzo 2020, n. 18 (“CuraItalia” Decree)

### 1. Introduction

Title III of the “CuraItalia” Decree provides a series of anti-crisis measures addressed both to Italian companies and financial intermediaries and introduces, for the first time in the text of the regulation at issue, a definition of the current epidemic event: *“the epidemic of COVID-19 is formally recognized as an exceptional event and a serious disturbance of the economy, pursuant to article 107 of the TFEU”* (see art.56).

### 2. Central Fund for SMEs

**Art. 49**, that opens Title III, is aimed at increasing the guarantees of the existing Central Fund for SMEs.

It contains a series of measures operating as an exception – justifiable only on the basis of the temporary and urgent nature (with a limited duration of 9 months, starting from the entry into force of the CuraItalia Decree) – to the ordinary provisions of the Guarantee Fund, no longer directed merely to the so called “red areas”, but based on the purpose of limiting the overall effects on the entire Italian business system, namely:

1. Fund warranty free of charge;
2. raising of the maximum guaranteed amount to € 5 million;
3. guarantee coverage percentage equal to 80% of the amount of each financing transaction; for reinsurance interventions, the coverage percentage is 90% of the amount guaranteed by credit consortia or by another guarantee fund;
4. eligibility for debt renegotiation operations to obtain the guarantee;
5. automatic extension of the guarantee in the event of a loan moratorium, provided by law or on a voluntary basis (see the so-called *Addendum to the Credit Agreement 2019*);
6. possibility to combine the guarantee of the Fund with other forms of guarantee, including mortgages, in derogation from the current limits established by the regulations of the Fund (for real estate operations within the tourism and hospitality field of a minimum amount of € 500.000 and a duration of not less than 10 years);
7. extension of 3 months for all terms referring to the administrative obligations relating to

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the operations supported by the guarantee of the Fund.

Art. 49 ends with a series of residual provisions which, for example, give private individuals the faculty to contribute to increase the Fund.

In addition, it must be noted that the extension of the provisions set forth under this article is expressly addressed, insofar as compatible, even for agricultural and fisheries enterprises.

Lastly, the regulation specifies that by decree of the Minister of Economy and Finance, in agreement with the Minister of Economic Development, further financial support measures for SMEs shall be introduced, also through the release of subsidized rate loans and guarantees up to 90%, in favor of companies, or banks and other intermediaries that provide new loans to enterprises.

### 3. Measures of financial support for SMEs

**Art. 56** of the CuraItalia Decree provides an extraordinary moratorium aimed at helping SMEs to overcome the most critical phase of the production fall connected with the Covid-19 epidemic which, as anticipated above, is recognized as an exceptional and serious disturbance event of the economy. The purpose of the moratorium is to prevent the drastic drop in demand, although hopefully limited in time, from having permanent effects on the activity of a large number of companies and being amplified

by the existing financial mechanisms. All Italian SMEs that had obtained loans or credit lines from banks or other financial intermediaries, at the date of entry into force of the CuraItalia Decree, can benefit from the moratorium.

The urgent measures introduced through the CuraItalia Decree are the following:

1. the credit lines and loans (e.g. invoice financing) cannot be revoked until September 30, 2020;
2. the repayment of loans falling due before September 30, 2020 will be postponed (together with the related warranties) until the same date on the same conditions and without further charges for companies;
3. payment of the installments of loans expiring before September 30, 2020 must be rescheduled on the basis of the agreements between the parties or, in any case, suspended at least until September 30, 2020.

SMEs that make use of these measures will be required to self-certify a partial or total reduction of the activity as a direct consequence of the spread of the epidemic and must in any case not present deteriorated exposures.

The moratorium deprives financial intermediaries of the possibility of unilaterally assessing whether or not agree to changes to the contractual conditions based on the economic and financial situation of the debtors.

The financial operations at issue subject to a moratorium are admitted, without evaluation,



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to the benefit of the Central Guarantee Fund for SMEs. To take advantage of this guarantee, the financial intermediaries have to submit a simple telematic request indicating the maximum guaranteed amount.

**Art. 55** encourages the assignment of the companies' non-performing loans (within December 31, 2020) with the aim of supporting them in terms of liquidity in facing the current context of economic uncertainty. This provision introduces the possibility of transforming a portion of deferred tax assets into tax credit, for an amount proportional to the value of the non-performing loans that are transferred.

This provision even allows companies to anticipate the use as tax credits with the purpose of reducing the liquidity requirement associated with the payment of taxes and contributions, and, as a consequence, increasing the cash flow in a period of economic and financial crisis.

The transformation into a tax credit can take place even if the non-performing loans have not been inserted in the financial statements. The transformation takes place on the date of the assignment of the credits; therefore, the tax credit will arise for the entire amount on the date of the credits assignment.

#### **4. Measures for supporting companies affected by the crisis through warranty mechanisms**

**Art. 57** is aimed at supporting corporate liquidity in the context of an epidemiological emergency.

This provision allows financial intermediaries, with the support of Cassa Depositi e Prestiti S.p.A. ("CDP"), to provide loans more easily to companies that have suffered a reduction in turnover due to the current emergency.

In addition, it allows CDP to support financial intermediaries that provide the above-mentioned loans through specific tools such as credit lines and/or additional guarantees.

Finally, it allows the State to grant "counter warranties" up to a maximum of 80% of the exposures assumed by CDP and at market conditions, with an evident multiplicative effect of the resources available to the Italian economic system.

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## HUNGARY

## Special operational groups

the Hungarian Government dedicated a special “Operational Group” to monitor the coronavirus related facts (ill people, bads in hospitals, staff in health industry etc), coordinate the necessary action, create extraordinary legal modifications, develop financial support for both the companies and people, as well.

The most important orders til now (including tax related and others, which effect to the civil life in Hungary):

- only Hungarian citizens can enter into the country
- students cannot go to school from 16th of March, they continue their study remotely,
- student had to leave the common accomodations of universities and high schools,
- theaters, cinemas should be closed,
- events limited to 99 persons,
- only food stores, drogeries and pharmacies can work later the 15 o'clock, afternoon,
- obligations for payment of the principal and interest on loans taken out to date by private individuals and businesses – by every private individual and every business, until the end of the year,
- short-term business loans will be extended until 30 June,
- set a new upper limit on the annual percentage rate, the APR, on all new consumer loans taken out from 19th of March: the maximum rate will be 5 per cent above the Central Bank's base rate,
- sectors struggling with such serious difficulties include tourism, catering, the entertainment industry, sport, cultural services and passenger transport, or the work of taxi drivers - in these sectors
  - employers' contributions will be reduced to zero, and employees' contributions will also be significantly reduced: they will not be required to pay pension contributions, and their health insurance contributions will be reduced to the statutory minimum,
  - suspend the flat-rate Small Businesses Tax [KATA] obligations of taxi drivers until 30 June (KATA is special low-rate and low-administration-necessity tax construction, develop for mostly those who's yearly income less than app. 35 Thousands of Euros),
  - in these sectors the termination of rental agreements and rent increases will not be allowed.
  - suspend payment requirements for the Tourism Development Contribution until 30 June

## HUNGARY

- intend to make employment rules more flexible; the goal is to make it easier for employers and employees to finalize agreements

Details are under finalization and will be published today, probably.

Significant majority of the citizens agreed with the government driven actions and support them.

There are many smaller actions and orders hours by hours, I try to extend the above summary by the relevant facts, time to time.

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HUNGARY

## Extraordinary government measures in Hungary concerning the coronavirus

The 47/2020 (III.18.) Government Ordinance amends parts of Act I. of 2012 on Labor (Hungarian Labor Code). The amendment gives right to the employer to amend the organization of the working hours (working shifts) any time. (The general rule is that the organization of the working hours (working shifts) shall be introduced to the worker at least a week (168 hours) prior its effect and may not be amended but only in not foreseeable circumstance not later than 96 hours prior its effect.) The current amendment is a lift from this obligation, but this does not mean that the working hours of an employee can be amended one sided by the employer, only the organization of the working hours can be amended in case the employee is working in time frame.

Also, this amendment gives right to the employer to order home office for the employee without the consent of the employee, also gives right to the employer to check the health and well-being of the employee. Furthermore, it gives general right to alter from the regulations of the Hungarian Labor Code with the mutual consent of both employer and employee.

The amendment of the Labor Code is effective with the date as of today and remains in effect until 30 days after of the date of the call off of the emergency situation declared by the Government.

Furthermore the 47/2020 (III.18.) Government Ordinance orders payment moratorium until December 31, 2020 to any and all loans, mortgages, leasing payments etc. (including the capital, interest and costs, too), both for private person and legal person (company) debtors.

The 47/2020 (III.18.) Government Ordinance also gives a lift from the social contribution payments paid by the employers after the employment of an employee in the sectors of tourism, catering (such as restaurants, bars, cafe etc), entertainment, gambling, performing, filming, event organizing and sports for the months of March, April, May and June 2020. For those companies that are obliged to pay contribution to the state for the development of tourism sector, this payment to the state is also lifted until June 30, 2020.

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## IRELAND

## Government of Ireland supports for COVID-19 impacted businesses

The COVID-19 crisis is presenting immediate and severe financial challenges for businesses.

Here are some practical steps you can take:

### 1. Talk to your bank

All the banks have announced that they will offer flexibility to their customers, and they may be able to provide payment holidays or emergency working capital facilities.

### 2. Take immediate steps to manage your cashflows

Look for scope to:

- Lower variable costs
- Delay discretionary spend
- Extend your payables
- Expedite your receivables
- Explore supply chain financing options

### 3. Use available Irish government supports for working capital

- The Credit Guarantee Scheme supports loans up to €1 million for periods of up to 7 years. Applications can be made to AIB, Bank of Ireland and Ulster Bank. Eligibility criteria apply.
- Microenterprises can access **COVID-19 loans** of up to €50,000 from MicroFinance Ireland.

Loans are available at an interest rate of between 6.8% and 7.8%. Businesses can apply through their Local Enterprise Office or directly at [microfinanceireland.ie](http://microfinanceireland.ie). Eligibility criteria apply.

- The **€200m SBCI COVID-19 Working Capital Scheme** for eligible businesses. Maximum loan size will be €1.5 million (first €500,000 unsecured) and the maximum interest rate will be 4%. Applications can be made through the SBCI website at [sbci.gov.ie](http://sbci.gov.ie). Eligibility criteria apply.



## IRELAND

- A **€200m Package for Enterprise Supports** including a Rescue and Restructuring Scheme is available through Enterprise Ireland for vulnerable but viable firms that need to restructure or transform their business.

#### 4. Get advice

Get advice from your accountant or use the advisory support available

#### 5. Check your insurance cover

Check if your insurance policy covers you for an interruption in your business, or a temporary business closure, caused by COVID-19.

#### 6. Engage with Revenue Authorities

**If you have concerns about your ability to pay your tax liabilities** speak to the Revenue Commissioners, who have advised:

*“On an on-going basis, Revenue engages with viable businesses experiencing temporary cash flow or trading difficulties that affect the timely payment of tax. Revenue works very successfully with businesses that engage early to resolve their tax payment difficulties. Revenue will engage with any viable business that experiences temporary cashflow difficulties, including difficulties arising from exceptional circumstances such as the COVID-19 (Coronavirus) outbreak.”* See [www.revenue.ie](http://www.revenue.ie).

Revenue has also posted advice for businesses experiencing trading difficulties as a result of COVID-19. This includes information on tax returns, the application of late payment interest, debt enforcement, tax clearance and customs.

#### 7. Other Government supports available

For example:

- Employees of businesses that need to reduce hours or days worked can avail of the Department of Employment Affairs and Social Protection (DEASP) **Short-time Work Support**.
- The Department of Employment Affairs and Social Protection has introduced a refund scheme for employers. Under an arrangement developed with Revenue, employers who have to temporarily lay-off staff and who are not in a position to make any wage payment to them, are asked to keep their employees on the payroll and pay them an amount of €203 - the equivalent of the COVID-19 Support Payment. When they submit payroll returns to Revenue via their payroll provider, Revenue will refund the employer the €203.
- The DEASP has introduced a new support payment for the self-employed who have lost business and to those who have lost employment as a result of the COVID-19 pandemic, the **COVID-19 Pandemic Unemployment Payment**. This support pays a flat rate of €203 per week for a six-week period.
- The full range of Enterprise Ireland, IDA Ireland, Local Enterprise Office and Údarás na Gaeltachta grant supports will be available to firms to help with strategies to innovate, diversify markets and supply chains and to improve competitiveness.

## IRELAND

- The Department of Employment Affairs and Social Protection and the Department of Business, Enterprise and Innovation will provide a joint First Responder support service and development agencies, Enterprise Ireland and IDA Ireland in each region to provide tailored supports for impacted firms, with objective of avoiding mass lay-offs and buying time for firms to work through the short-term disruptions.
- In addition to their current range of business supports to microenterprises, LEOs can also provide business continuity vouchers from €2,500 to assist in preparing any business continuity issues that arise in the current challenging environment.

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- A Finance in Focus grant of €7,200 will be available to Enterprise Ireland and Údarás na Gaeltachta clients that want to access consultancy support to undertake immediate finance reviews.

MALTA

## Support measures adopted by Government

The support measures that have been announced so far, which are explained below:

### Quarantine leave

Government to cover €350 per employee on quarantine. This equates to two weeks pay of a minimum wage. It is however pertinent to note that quarantine leave needs to cover the full wage of the employee and the duration is only limited to what is ordered by the Superintendent of Public Health. The difference needs to be forked out by the employer.

### Wage subsidies

#### **Businesses that have stopped operating due to government order by legal notice**

- Wage subsidy of €320/ month per employee.
- Self-employed (with no employees) a payment of €320/ month to cover his/her wage
- Self-Employed (with employees) a payment of €480/ month to cover his/her wage

#### **Businesses that have suffered a reduction in turnover of 25% or more**

- Wage subsidy of €160/ month per employee.
- Self-employed (with no employees) a payment of €160/ month to cover his/her wage
- Self-Employed (with employees) a payment of €320/ month to cover his/her wage

### Third Country Employees

No new applications will be accepted. Those that are laid off will be assisted in finding a job where possible. Important to note contract terms when making layoffs.

### Unemployment benefit

Employees that are laid off or where tele-working is not possible and they have to stay home to care for kids would be getting €800/month.

### Taxes, VAT, NI and Social Security

To be postponed for the months of March and April and to be paid later on.

**Bank Guarantees** to be made available for business loans.



## MALTA

## Package to Businesses Hit by COVID-19 Slowdown

The Government of Malta announced new financial measures intended to keep individuals in employment so businesses can recover quickly once the medical situation changes thereby permitting businesses to reopen. The new economic package will support businesses to retain their employees and be able to start operating straight away after they are permitted to reopen.

All measures mentioned below are applicable retrospectively from 9th March 2020.

The new incentives are split into two: a) those applicable to industries which have been impacted severely by the medical emergency and in particular were required to close the business; and b) those applicable to industries which suffered a significant downturn in business. The new economic package will be in place for three months, however, this can change depending on the medical situation development.

In both cases, the benefits will be paid to the employer (to guarantee the payment of such amount as a salary to the applicable employees) and will be based on the NACE code applicable to the industry where the entity operates.

### 1. Sectors severely impacted by Covid-19

The main industries (which employ 60,000 employees) mentioned during the press conference include the following: certain wholesale operations, certain retail operations, accommodation, Food and Beverage, employment agencies, transport, personal activities, building activities, cleaning, security and investigation activities, entertainment services and motor vehicle renting. The full list is expected to be formally announced and be linked to the NACE applicable to that particular economic activity.

The Government will pay a benefit of €800 per month per employee (budget to cost €44m per month). This benefit will be applicable also to self-employed individuals. This is equivalent to the minimum salary (in the first year of employment) plus an additional €23 per month to each individual employed or self-employed in the above-mentioned sectors.

The measure will also apply retrospectively from the 9th March to enterprises which had sacked employees, as long as and to the extent that the employer re-employs such individuals.

In the case of employees on salaries higher than the minimum salary, the balance of the salary but up to €1,200 (that is an additional €400 salary by month) will need to be covered by the employers.

However, depending on the circumstances of the employee, the Government expects flexibility from

both employees and employers, especially in cases where individuals earn more than €1,200 per month.

In exceptional cases where employer's circumstances do not permit such employer to top up by the additional €400, a mechanism will be set up whereby unions, employers and industrial tribunals would agree on the salary top-up, on a case by case basis.

## 2. Sectors which suffered a downturn due to the Covid19

The main industries mentioned during the press conference include the following: certain manufacturing operators, certain wholesale operators, some retail operators, warehousing and

the information sector. The full list is expected to be formally announced and be linked to the NACE applicable to that particular economic activity. This measure will impact around 50,000 workers and will cost the Government €17million per month.

In this case, the Government will pay the equivalent of 1 day per week (based on a monthly salary of €800) with a possibility to be increased to 2 days per week on the basis of conditions still to be announced. In the case of enterprises in Gozo operating in these industries, such enterprises will immediately be eligible for 2 days salary without the need to meet these additional conditions.

For the individuals who are self-employed and who have employees, the Government will pay 3 days per week.

Part-timers will benefit from the same benefit but pro-rata, which will be based and pegged on a monthly salary of €500.

The Government will put pressure on commercial banks to reduce residential and commercial interest rates. At this stage, the Government excludes the imposition of new or top-up taxes.

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## PORTUGAL

**Relevant Tax Measures**

In general terms the most relevant Tax Measures taken so far are related to:

- Extension of deadlines for payment of taxes and social security payments;
- payments of taxes in installments;
- suspension of tax procedures and respective deadlines;
- support to employees and self-employed workers - some measures are already enacted, others have been announced by the Government.

**Corporate and Personal income tax measures**

- The first special on account payment is extended from 31 March to 30 June 2020;
- The filing of the Corporate Income Tax Return and the payment of the Corporate Income Tax due is extended to 31 July 2020;
- The first corporate on account payment is extended from 31 July to 31 August 2020.
- Facilitation tax payments to companies and self-employed workers in the 2nd quarter of 2020. At due date, withholding taxes can be paid as follows:
  - Under the general terms (one single installment);
  - Three monthly installments; no late

assessment interest are due; there is no need to present a guarantee;

- Six monthly payments; late assessment interest are due on the three last installments; there is no need to present a guarantee.

applicable to companies and self-employed workers with a turnover up to 10 million Euros, in 2018 (or that have started their activity from 1 January 2019 onward); other companies and self-employed workers can request the same measure, provided that they have suffered a decrease of at least 20% on their turnover (with reference to the average of 3 months prior to the month in which the payment of taxes should be made, of the same period in the previous tax year).

**Indirect tax measures (VAT)**

Facilitation of VAT payments (monthly and quarterly regimes), which can be done as follows:

- Under the general terms (one single installment);
- Three monthly installments; no late assessment interest are due; there is no need to present a guarantee;
- Six monthly payments; late assessment interest are due on the three last installments; there is no need to present a guarantee.

## PORTUGAL

applicable to companies and self-employed workers with a turnover up to 10 million Euros, in 2018 (or that have started their activity from 1 January 2019 onward); other companies and self-employed workers can request the same measure, provided that they have suffered a decrease of at least 20% on their turnover (with reference to the average of 3 months prior to the month in which the payment of taxes should be made, of the same period in the previous tax year).

**Social Security contributions**

- The payment of social security contributions due on 20 March 2020, concerning the month of February 2020, was postponed. No new date for payment was yet announced;
- On 16 March 2020, was announced a reduction by 1/3 of the amount of social security contributions due in the months of March, April and May 2020 being the payment of the remainder amounts 2/3 postponed and should be made in the 3rd quarter 2020 onwards (in the same terms as those foreseen for the payment of taxes in the 2nd quarter 2020);
- This measure applies immediately to companies up to 50 workers, Companies with up to 250 workers can benefit from these measures, in case of a decrease of their turnover equal or higher than 20%;
- However, as the March payment was postponed we wait for the clarification of the future payments to social security.

**Other taxes and procedures**

- Suspension, for 3 months, of ongoing and new tax and social security compulsory procedures;
- Suspension of deadlines for filing tax administrative and judicial claims, as well as hierarchical appeals, unless these procedures are allowed by other means (namely conference call or videoconference).

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## ANNEX A-1: Stabilisation and support package

### (I). Economy-wide Measures for Workers

#### I-1. Jobs Support Scheme

The Jobs Support Scheme (JSS) will help enterprises retain their local employees during this period of uncertainty. It is a temporary scheme for 2020. All active employers, with the exception of Government organisations (local and foreign) and representative offices, are eligible for the JSS.

Employers will receive an 8% cash grant on the gross monthly wages of each local employee

(applicable to Singapore Citizens and Permanent Residents only) on their Central Provident Fund (CPF) payroll<sup>1</sup> for the months of October 2019 to December 2019, subject to a monthly wage cap of \$3,600 per employee.

Employers do not need to apply for the JSS. The grant will be computed based on CPF contribution data. Employers can expect to receive the JSS payment from the Inland Revenue Authority of Singapore (IRAS) by 31 July 2020.

The JSS will cost the Government \$1.3 billion.

**Table 1: Illustration of Jobs Support Scheme Computation**

|   | October 2019 | November 2019 | December 2019 | Total    |
|---|--------------|---------------|---------------|----------|
| Wages paid to local employee (excluding employer CPF)   | \$3,000      | \$3,500       | \$4,000       | \$10,500 |
| Qualifying wage (capped at \$3,600)                     | \$3,000      | \$3,500       | \$3,600       | \$10,100 |
| Jobs Support payout to employer (8% of qualifying wage) | \$240        | \$280         | \$288         | \$808    |

#### MORE INFORMATION

For more information, please visit the IRAS website at <http://www.iras.gov.sg> or call the hotline 6356 8233.

#### I-2. Enhancement to Wage Credit Scheme

The Wage Credit Scheme (WCS) supports

enterprises embarking on transformation efforts and encourages employers to share productivity gains with workers, by co-funding wage increases. It was introduced in Budget 2013, and extended in Budget 2015 and Budget 2018.

<sup>1</sup> Wages paid to business owners will not be eligible for the grant.

SINGAPORE

The WCS will be enhanced in Budget 2020. A summary of the changes to WCS is in Table 2

below. These enhancements will cost an additional \$1.1 billion.

**Table 2: Summary of Changes to WCS**

| Scheme                        | Existing WCS as announced in Budget 2018   | Enhanced WCS as announced in Budget 2020   |
|-------------------------------|--|--|
| Qualifying years <sup>2</sup> | <ul style="list-style-type: none"> <li>2018, 2019, 2020</li> </ul>   | <ul style="list-style-type: none"> <li>2019, 2020</li> </ul>   |
| Level of co-funding           | <ul style="list-style-type: none"> <li>20% of qualifying wage increases in 2018</li> <li>15% of qualifying wage increases in 2019</li> <li>10% of qualifying wage increases in 2020</li> </ul>   | <ul style="list-style-type: none"> <li>20% of qualifying wage increases in 2019</li> <li>15% of qualifying wage increases in 2020</li> </ul>   |
| Gross monthly wage ceiling    | <ul style="list-style-type: none"> <li>\$4,000</li> </ul>  | <ul style="list-style-type: none"> <li>\$5,000</li> </ul>  |
| Qualifying wage increases     | <ul style="list-style-type: none"> <li>Increases in gross monthly wage of at least \$50 given to Singaporean employees in the qualifying year, up to a gross monthly wage level of <b>\$4,000</b>, will be co-funded.</li> <li>In addition, increases in gross monthly wage of at least \$50 given in 2017, 2018 and 2019 up to a gross monthly wage level of <b>\$4,000</b>, and sustained in subsequent years of the scheme, will be co-funded.</li> </ul> | <ul style="list-style-type: none"> <li>Increases in gross monthly wage of at least \$50 given to Singaporean employees in the qualifying year, up to a gross monthly wage level of <b>\$5,000</b>, will be co-funded.</li> <li>In addition, increases in gross monthly wage of at least \$50 given in 2017, 2018 and 2019 up to a gross monthly wage level of <b>\$5,000</b>, and sustained in subsequent years of the scheme, will be co-funded.</li> </ul> |

Employers do not need to apply for WCS.

- a) Employers will receive payouts automatically in the month of March after the qualifying year (Y+1), for qualifying wage increases given to their employees in the qualifying year (Y). This is the existing process.

- b) Employers who benefit from additional wage credit arising from the Budget 2020 enhancements will receive a separate supplementary payout in the second half of 2020. Letters will be sent to all qualifying employers to inform them of the supplementary payout.

<sup>2</sup> For example, an employer qualifies for WCS in 2019 (i.e. 2019 is considered a qualifying year) if (i) the employer paid the employee CPF contributions for at least 3 months in 2019, (ii) the employee received CPF contributions for at least 3 months in 2018, and (iii) the employee has a qualifying wage increase in 2019.

## SINGAPORE

## Illustration of Wage Credit Computation

*Raising of Government Co-Funding Ratio*

Under the enhanced WCS, if an employer increases the gross monthly wage of an eligible employee by \$100 each year from 2017 to 2020, and sustains these wage increases through to 2020, the Government will co-fund 20% of the total qualifying wage increase of \$300 in 2019, and 15% of the total qualifying wage increase of \$400 in 2020.

This means that the Government will co-fund \$1,440<sup>3</sup> of the total \$8,400<sup>4</sup> new and sustained wage increases in 2019 and 2020. This amount of co-funding from the Government is \$420<sup>5</sup> higher than that under the current WCS.

**Figure 1: Increase in Co-Funding Ratio**

*Raising of Gross Monthly Wage Ceiling*

- Under the current WCS, wage increases above the gross monthly wage of \$4,000 will not count toward qualifying wage increases.
- The enhanced WCS supports increases in gross monthly wage of at least \$50 given in 2017, 2018 or 2019 up to a gross monthly wage level of \$5,000, and sustained in subsequent years of the scheme.
- This means that if an employer increases the gross monthly wage of an eligible employee earning \$4,700 in 2016 by \$100 each year from 2017 to 2020, and sustains these wage increases through to 2020, the Government will co-fund 20% of the total qualifying wage increase of \$300 in 2019, and 15% of the total qualifying wage increase of \$300 in 2020.



<sup>3</sup> Refers to the sum total of wage credit provided by the Government over 2019-2020, i.e. \$720 each in 2019 and 2020.

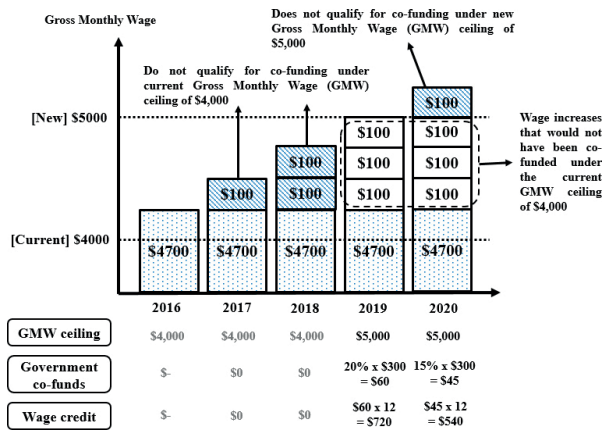
<sup>4</sup> Refers to the sum total of yearly wage increases given over 2019-2020, i.e. \$3,600 in 2019 and \$4,800 in 2020.

<sup>5</sup> The amount of co-funding from the Government under the current WCS parameters would altogether be \$1,020 in 2019 and 2020.

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- The employee will receive a total of \$8,400<sup>6</sup> in new and sustained wage increases in 2019 and 2020, of which the Government would have co-funded \$1,260<sup>7</sup>.

Figure 2: Raising of Gross Monthly Wage Ceiling



**MORE INFORMATION**

For more information, please visit <https://www.iras.gov.sg/irasHome/wcs.aspx>. A Quick Guide on the WCS enhancements can also be downloaded from the webpage.

For further assistance, please contact IRAS at [wcs@iras.gov.sg](mailto:wcs@iras.gov.sg) or 6356 8233.

**(II). Economy-wide measures to help businesses with cash flow**

**II-1. Corporate Income Tax (CIT) Rebate**

To help companies with cash flow, a CIT Rebate of 25% of tax payable, capped at \$15,000, will be granted for Year of Assessment (YA) 2020.

**II-2. Enhancements of Tax Treatments under the Corporate Tax System**

| Period                                    | Nature of Enhancement  | Enhancement seeks to:        |
|---|--|------------------------------|
| From 19 February 2020 to 31 December 2020 | <p><i>Grant automatic extension of interest-free instalments of two months for payment of CIT on Estimated Chargeable Income (ECI) filed within three months from the companies' financial year-end (FYE)</i></p> <p>Companies paying their CIT by GIRO can automatically enjoy an additional two months of interest-free instalments, when they file their ECI within three months from their FYE<sup>8</sup>. This automatic extension of instalment plan by two more months will apply to:</p> <p>a) Companies that file their ECI from 19 February 2020 to 31 December 2020; and</p> | Ease cash flow for companies |

<sup>8</sup> Companies have to e-File by 26<sup>th</sup> of the month in order to enjoy the maximum number of instalments allowable for that month.



|               |   |  |
|---------------|---|--|
|               | <p>b) Companies that file their ECI before 19 February 2020, and have ongoing instalment payments to be made in March 2020. IRAS will provide the details of the change by 19 February 2020.</p>  |  |
| <b>YA2020</b> | <p><i>Allow the unabsorbed capital allowances (CA) and trade losses for YA2020 (collectively referred to as “qualifying deductions”) to be carried back up to three immediate preceding YAs, instead of one preceding YA</i></p> <p>The carry-back relief scheme will be enhanced for YA2020. Under the enhanced scheme, qualifying deductions for YA2020 may be carried back up to three immediate preceding YAs, capped at \$100,000 of qualifying deductions, and subject to conditions. Taxpayers may elect to carry back to the relevant preceding YAs an estimated amount of qualifying deductions available for YA2020, before the actual filing of their income tax returns for YA2020. IRAS will provide the details of the change by end March 2020.</p>  | <p>Ease cash flow for businesses that may be temporarily not profitable for YA2020</p>                                 |
| <b>YA2021</b> | <p><i>Provide an option to accelerate the write-off of the cost of acquiring plant and machinery (P&amp;M)</i></p> <p>A taxpayer which incurs capital expenditure on the acquisition of P&amp;M in the basis period for YA2021 (i.e. financial year (FY) 2020) will have an option to accelerate the write-off of the cost of acquiring such P&amp;M over two years. This option, if exercised, is irrevocable.</p> <p>The rates of accelerated CA allowed to the taxpayer are as follows:</p> <p>a) 75% of the cost incurred to be written off in the first year (i.e. YA2021); and</p> <p>b) 25% of the cost incurred to be written off in the second year (i.e. YA2022).</p> <p>The above option will be in addition to the options currently available under Sections 19 and 19A of the Income Tax Act (ITA). No deferment of CA claims is allowed under the above option. This means that if a taxpayer opts for the accelerated write-off option, it needs to claim the capital expenditure incurred for acquiring P&amp;M based on the rates of 75% (in YA2021) and 25% (in YA2022).</p> | <p>Encourage businesses to continue investing in P&amp;M for YA2021, by easing their cash flow on such investments</p> |

SINGAPORE

|                      |  |  |
|----------------------|--|--|
| <p><b>YA2021</b></p> | <p><i>Provide an option to accelerate the deduction of expenses incurred on renovation and refurbishment (R&amp;R)</i></p> <p>A taxpayer which incurs qualifying expenditure on R&amp;R during the basis period for YA2021 (i.e. FY2020) for the purposes of its trade, profession or business will have an option to claim R&amp;R deduction in one YA (i.e. accelerated R&amp;R deduction). The cap of \$300,000 for every relevant period of three consecutive YAs will still apply. This option, if exercised, is irrevocable.</p> <p>This option will be in addition to the existing option under Section 14Q of the ITA.</p> | <p>Encourage businesses to refurbish and renovate their business premises for YA2021, by easing their cash flow on such expenses</p> |
|----------------------|--|--|

**II-3. Enhancements to Enterprise Financing Scheme – SME Working Capital Loan**

The SME Working Capital Loan was introduced in 2016 to help small and medium enterprises (SMEs) access financing for their working capital needs. Since October 2019, this has been subsumed under the Enterprise Financing Scheme.

The Enterprise Financing Scheme – SME Working Capital Loan (EFS-WCL), which is available to SMEs across all industries, will be enhanced for one year to help SMEs with their working capital needs. The Government will raise the maximum loan quantum from \$300,000 to \$600,000, and enhance the Government’s risk-share to up to 80% (from the current 50% to 70%) for SMEs borrowing from Participating Financial Institutions under the scheme.

The Enhanced EFS-WCL will start in March 2020, and is available for one year till March 2021. Interested enterprises can apply directly to the Participating Financial Institutions.

**MORE INFORMATION**

For more information, please contact Enterprise Singapore at [enquiry@enterprisesg.gov.sg](mailto:enquiry@enterprisesg.gov.sg)

**(III) Sector-specific Support**

**III-1. Enhancement to Adapt and Grow Initiative**

Introduced in 2016, the Adapt and Grow initiative aims to help local workers adapt to changing job demands, reskill for new careers, and stay agile for new opportunities.

WSG will enhance support under the Adapt and Grow initiative for more directly impacted sectors, such as hotel, retail, food services, tourism, and air transport. As a start, funding support duration for the following existing redeployment programmes<sup>9</sup> will be extended from the current three months to a maximum of six months:

- a. Job Redesign Place-and-Train (PnT)

<sup>9</sup> Professional Conversion Programmes (PCPs) are targeted at Professionals, Managers, Executives and Technicians (PMETs), while the Place-and-Train programmes are targeted at rank-and-file workers. The programmes include redeployments which support the existing workers who are vulnerable or at risk of redundancy, to undergo reskilling and take on new or redesigned job roles within the same company.

## SINGAPORE

- b. Programme for Hotel Industry Job Redesign  
PnT Programme for Retail

In addition, WSG will introduce the following new programmes to support redeployment:

- a. Job Redesign PnT Programme for Food Services Industry
- b. Digital Marketing PnT Programme
- c. Professional Conversion Programme (PCP) for Meetings, Incentives, Conventions and Exhibitions (MICE), Attractions and Tour and Travel
- d. PCP for Digital Operations Talents for the Furniture Industry

- e. PnT Programme for Air Transport Coordinators

The enhanced support will be time-limited.

**MORE INFORMATION**

For more information, please contact WSG at [www.ssg-wsg.gov.sg/about/contact-us.html](http://www.ssg-wsg.gov.sg/about/contact-us.html)

**III-2. Property Tax Rebate for Qualifying Commercial Properties**

Qualifying commercial properties will be granted a rebate for Property Tax (PT) payable for the period 1 January 2020 to 31 December 2020.



SINGAPORE

| PT payable for   | PT Rebate Rate |
|--|----------------|
| Accommodation and function room components of hotel <sup>10</sup> buildings  | 30 %           |
| Accommodation and function room components of serviced apartment buildings   |                |
| Meetings, Incentives, Conventions and Exhibitions (MICE) space components of three prescribed MICE venues, as follows: <ul style="list-style-type: none"> <li>· Suntec Singapore Convention &amp; Exhibition Centre</li> <li>· Singapore EXPO</li> <li>· Changi Exhibition Centre</li> </ul>   |                |
| Other qualifying commercial properties. Some examples are: <ul style="list-style-type: none"> <li>· Premises of an international airport;</li> <li>· Premises of an international cruise or regional ferry terminal<sup>11</sup>;</li> <li>· Shops (e.g. retail and F&amp;B), including those within hotel buildings, serviced apartment buildings, and the prescribed MICE venues; and</li> <li>· Premises of tourist attractions.</li> </ul> | 15 %           |
| <ul style="list-style-type: none"> <li>· Marina Bay Sands</li> <li>· Resorts World Sentosa</li> </ul> The above 30% and 15% PT Rebates do not apply to Marina Bay Sands and Resorts World Sentosa.   | 10 %           |
| The above 30%, 15%, and 10% PT Rebates do not apply to any premises or a part of any premises used for a residential, industrial or agricultural purpose, or as an office, a business or science park, or a petrol station.  |                |
| IRAS will provide further details on its website by end February 2020.   |                |

<sup>10</sup> A hotel licensed under the Hotels Act.

<sup>11</sup> Refers to Marina Bay Cruise Centre, Singapore Cruise Centre, and Tanah Merah Ferry Terminal.

## SINGAPORE

**MORE INFORMATION**

For more information, please visit the IRAS website at <http://www.iras.gov.sg> or call the hotline 6356 8233.

**III-3. Temporary Bridging Loan Programme for Tourism Sector Enterprises**

A new Temporary Bridging Loan Programme (TBLP) will be introduced to provide additional cash flow support for tourism sector enterprises. Under the TBLP, eligible enterprises can borrow up to \$1 million, with the interest rate capped at 5% p.a., from Participating Financial Institutions. The Government will provide 80% risk-share on these loans.

The TBLP will start in March 2020, and is available for one year till March 2021. Interested enterprises can apply directly to the Participating Financial Institutions.

Tourism sector enterprises<sup>12</sup> are defined as:

- a. Licensed hotel operators;
- b. Attraction operators; Licensed travel agents;
- c. Cruise terminal operators and service providers with core business in Cruise;
- d. Venue operators, event organisers and suppliers with core business in Meetings, Incentives, Conferences and Exhibitions (MICE); and
- e. Tour bus operators and river boat operators.

<sup>12</sup> STB and Enterprise Singapore are prepared to extend support, on a case-by-case basis, to Food & Beverage (F&B) and Retail enterprises which form a contiguous part of a hotel, attraction, MICE venue or cruise terminal, and which rely on visitors to the tourism venue as a major source of revenue.

**MORE INFORMATION**

For more information, please contact Enterprise Singapore at [enquiry@enterprisesg.gov.sg](mailto:enquiry@enterprisesg.gov.sg), or the Singapore Tourism Board at [STB\\_Incentives@stb.gov.sg](mailto:STB_Incentives@stb.gov.sg).

**III-4. Aviation Sector Measures**

The \$112 million Aviation Sector Assistance Package, co-funded by the Government, the Civil Aviation Authority of Singapore (CAAS) and the Changi Airport Group (CAG), aims to help defray business costs and protect jobs, as well as safeguard Changi's air connectivity. The assistance will be provided for a 6-month period. The package will provide immediate relief to affected companies during the COVID-19 outbreak period.

**(a) Airlines**

Airlines operating flights between mainland China and Singapore have been most adversely affected thus far by the COVID-19 outbreak. The following assistance will be provided to them:

- All airlines that had operated scheduled passenger flights between mainland China and Singapore before the COVID-19 outbreak will receive landing credits.
- In addition, those that continue to operate scheduled passenger flights between mainland China and Singapore during the COVID-19 outbreak period will receive 100% Landing Charge Rebates for these flights.

## SINGAPORE

Further support will also be provided to defray airlines' other operating costs:

- 100% Parking Charge Rebate for all scheduled passenger flights;
- 10% Landing Charge Rebate for all scheduled passenger flights to Singapore from points in Southeast Asia;
- 50% Rebate on CAAS's regulatory fees for new and renewed Certificates of Airworthiness paid by Singapore carriers flying scheduled flights in FY2019; and
- 6-month waiver of the planned 1% annual increase in Landing, Parking, and Aerobridge (LPA) Charges for all flights, which had been previously announced on 28 February 2018 and is scheduled to take effect from 1 April 2020.

### (b) Cargo Industry

Freighter airlines and cargo agents impacted by the disruption in supply chains will receive the following assistance:

- 10% Landing Charge Rebate for all scheduled freighter flights;
- 10% Rental Rebate for cargo agents tenanted in Changi Airfreight Centre; and 6-month waiver of the planned 1% annual increase in LPA Charges scheduled to take effect from 1 April 2020.

### (c) Other Airport Stakeholders

Ground handling agents and retail/F&B tenants at the airport are also affected by the decline in traffic. They will receive assistance, such as rental rebates.

#### MORE INFORMATION

More details of the Aviation Sector Assistance Package will be provided by CAAS and CAG to the companies.

### III-5. 50% Port Dues Concession

The Maritime and Port Authority of Singapore (MPA) will be giving 50% port dues concession to cruise ships and regional ferries with a port stay of not more than five days, and passenger-carrying harbour craft. This will be on top of any existing concessions<sup>13</sup>. This measure will be implemented from 1 March 2020 to 31 August 2020 and will cost about \$1 million.

#### MORE INFORMATION

For more information please contact MPA at [AR\\_MPA@mpa.gov.sg](mailto:AR_MPA@mpa.gov.sg).

### III-6. Rental Waivers for Commercial Tenants in Government-owned / managed facilities

To support hawkers, NEA will provide one month's worth of rental waivers to stall holders of NEA-managed hawker centres and markets, with a minimum waiver of \$200.

<sup>13</sup> Existing concessions include port dues concession for vessels under the Maritime Singapore Green Initiative, and 20% port dues concession given to qualifying passenger cruise ships (i.e. ships that make 6 calls within 6 months).

## SINGAPORE

To help alleviate costs for businesses located in other Government-owned / managed facilities, Government agencies such as HDB, PA, SLA, NParks, JTC, URA, STB, and SDC will provide half a month's worth of rental waivers to eligible commercial tenants/lessees who are on leases not exceeding three years, and do not pay Property Tax. Eligible tenants/lessees may include those providing commercial accommodation, retail, F&B, recreation, entertainment, healthcare and other services.

The rental waivers do not apply to any premises or a part of any premises used for a residential, industrial or agricultural purpose, or as an office, a business or science park, or a petrol station.

In total, these rental waivers will cost \$45 million.

**MORE INFORMATION**

For more information, please contact the respective agencies providing rental waivers.



## Budget 2020 - Overview of Tax Changes

The following tax changes were announced by Deputy Prime Minister and Minister for Finance, Mr. Heng Swee Keat, in his Budget Statement for the Financial Year 2020 on Tuesday, 18 Feb 2020.

<https://www.iras.gov.sg/irashome/News-and-Events/Singapore-Budget/Budget-2020---Overview-of-Tax-Changes/>

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## SPAIN

## An overview on Spanish Transitory Measures approved by Royal Decree 463/2020 of March 14 and Royal Decree Law 8/2020, of March 17 to confront the impact of COVID-19

The Spanish Official Gazette (BOE) published on March 18, a Royal Decree Law 8/2020 which includes a set of extraordinary measures addressed by the Spanish Government to respond to the economic and social impact of COVID-19 in Spain.

This new piece of regulation follows the previous Royal Decree 463/2020, March 14, declaring the lockdown of the country as of 14 March 2020. The purpose of this regulation is to limit the spread of the coronavirus while keeping the Spanish economy from tanking.

As a result of the lockdown measures, consumer demand and consumer spending have decreased dramatically and therefore, Spanish companies have seen their sales declining, and they fear that this may potentially result in liquidity problems.

The aim of stimulus measures approved is to minimise the deterioration of the Spanish economy as well as to ensure that such situation is transitory and does not become systemic.

Measures can be divided in three main categories: (i) protecting employees and cash-strapped households; (ii) supporting continuity of the producing activities and industries and employments; and (iii) eradicating COVID-19.

Among those that may be of interest to individuals and companies carrying out business are the following:

### **1. Labour measures. Employees Restructuring and Lay-off Payments**

Measures to allow controlled restructuring of the workforce are introduced by Royal Decree Law 8/2020, March 17. Specifically, Employment contracts suspension and short-term work allowances during the coronavirus-related disruption are now permitted. That rule entitles employers, where the circumstances recommend, to apply force majeure clauses, allowing them to suspend not only salaries but social security-related payments too.

### **2. Public measures. Public contracts**

Contracts entered into by companies and Spanish public entities that cannot be complied with or which obligations cannot be performed as a result of the COVID-19 disruption will not allow the public entity to terminate the contract. Performance of the contract may be suspended and may even allow the company to seek a compensation from public entity.

### **3. Corporate measures. Corporate Governance, Insolvency measures and Listed Companies**

3.1. Corporate Governance: In order to help companies to meet filing deadlines to hold the compulsory annual shareholders meeting, RDL 8/2020 allows for companies to hold telematic meetings of the governing bodies (e.g.



## SPAIN

videoconference) even if their bylaws do not provide it. Also, most of the corporate deadlines are suspended, including the one related to the filing of the annual financials where not only has the deadline been suspended, but the term extended. Similar measures have been approved for other filings such as the auditing report.

3.2. Insolvency measures: The two-month period to request the opening of insolvency proceedings provided for in the Spanish Insolvency Law (Law 22/2003, July 9) is suspended.

3.3. Listed companies: In response to the impact of COVID-19 in the markets and IBEX-35 hitting its historic low, RDL 8/2020 had included several restrictions to the acquisitions of certain assets and stakes in Spain. These apply to foreign investors and to business or companies operating in strategic areas or interests.

Specifically, RDL 8/2020 declares a suspension of the investments made by investors outside the EU or the European Association of Free Commerce as well as those investments in strategic sectors when the investors, as a result of such transaction, holds 10% of the share capital or gains control over the governing body.

Similarly, investments made by foreign publicly owned and sovereign entities are suspended.

#### 4. Tax and Custom measures

4.1. Small and Medium Companies: RD 463/2020 allows the possibility of deferment of certain tax debts for taxpayers with a volumen of transactions not exceeding 6.010.121,04.-€ in 2019, provided that the debt does not exceed 30.000.-€ and is within the jurisdiction of the State

tax administration. Moreover, it has been foreseen that no default interest will accrue during the first three months.

4.2. A suspension and lengthening of tax time periods: It is relevant to point out that this suspension or lengthening (until April 30, 2020 or May 20, 2020, depending on every case) will not apply neither the filing of any tax return (state administration) nor the payment of the consequent tax debt.

4.3. To speed up customs formalities for imports in the industrial sector, so as to prevent effects on the supply chain of goods from third countries or a halt in exports, it provides that the person in charge of the department of customs and excise and other special taxes at the Spanish tax agency (AEAT) will be able to order that the declaration procedure and customs clearance must be conducted by any body or public official from the customs and excise and special taxes division.

4.4. Finally, RDL 8/2020 allow an exemption from the ad valorem stamp tax charge on notarized documents for any deeds recording contractual novations of mortgage loans and credit facilities drawn up under the royal decree-law.

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## TURKEY

## Statement of postponement to tax payments from IOP

The Revenue Administration announced that the taxpayers, who were directly affected by the coronavirus, had started to postpone the concise and VAT payments that they had to pay in April, May and June for 6 months.

### Statement of postponement to tax payments from IOP

The Revenue Administration (Revenue Administration) reported that necessary work was undertaken to delay the payments of taxpayer (income tax withholding) and value added taxes that taxpayers who are directly affected by the coronavirus outbreak should pay in April, May and June for 6 months.

In the statement made by the IOP, it was said:

“The taxpayers who are directly affected by the Corona Virus (COVID-19) outbreak in Wuhan, the People’s Republic of China and spread to many countries, are required to pay the taxpayer (income tax withholding) and value added taxes for 6 months. studies are carried out.

In this context, the fields of activity of the taxpayers whose payments are postponed for 6 months are outlined below.

Detailed explanations and principles regarding implementation will be announced in future statements.

Taxpayer Groups to Benefit from Force Majeure

### Retail Trade and Shopping Centers

Market, buffet, grocery store, delicatessen, greengrocer, ice cream, haberdashery, butcher, construction materials sales, small household goods and white goods sales, furniture sales, home textiles, books and stationery, newspapers and magazines, shoes and clothing retail, toys, medical and orthopedic products, pharmacy, jewelery, florist, marketers, fishermen, patisserie and bakeries, sales of personal care and cosmetic products, etc. activities for retail sale of all kinds of products and shopping malls and those engaged in retail activities

### Cinema and Theater Activities

All kinds of artistic activities such as theater, opera, ballet, cinema, concert accommodation

All kinds of accommodation and related activities such as accommodation activities such as hotels, motels, hostels, resorts, tour operator and travel agency activities, reservation services.

### Food and Beverage Services

Services for the presentation of all kinds of food and beverages such as restaurants, cafes, cafes, coffee shops, tea stoves, canteens, buffets in transportation vehicles.

## TURKEY

**Textile and Garment Activities**

Manufacture and sale of all kinds of textiles and apparel, such as fabric and yarn manufacture, manufacture of all kinds of cotton, wool, lint, fiber and fabric products, and the manufacture and sale of clothing and home textile products.

**Event and Organization**

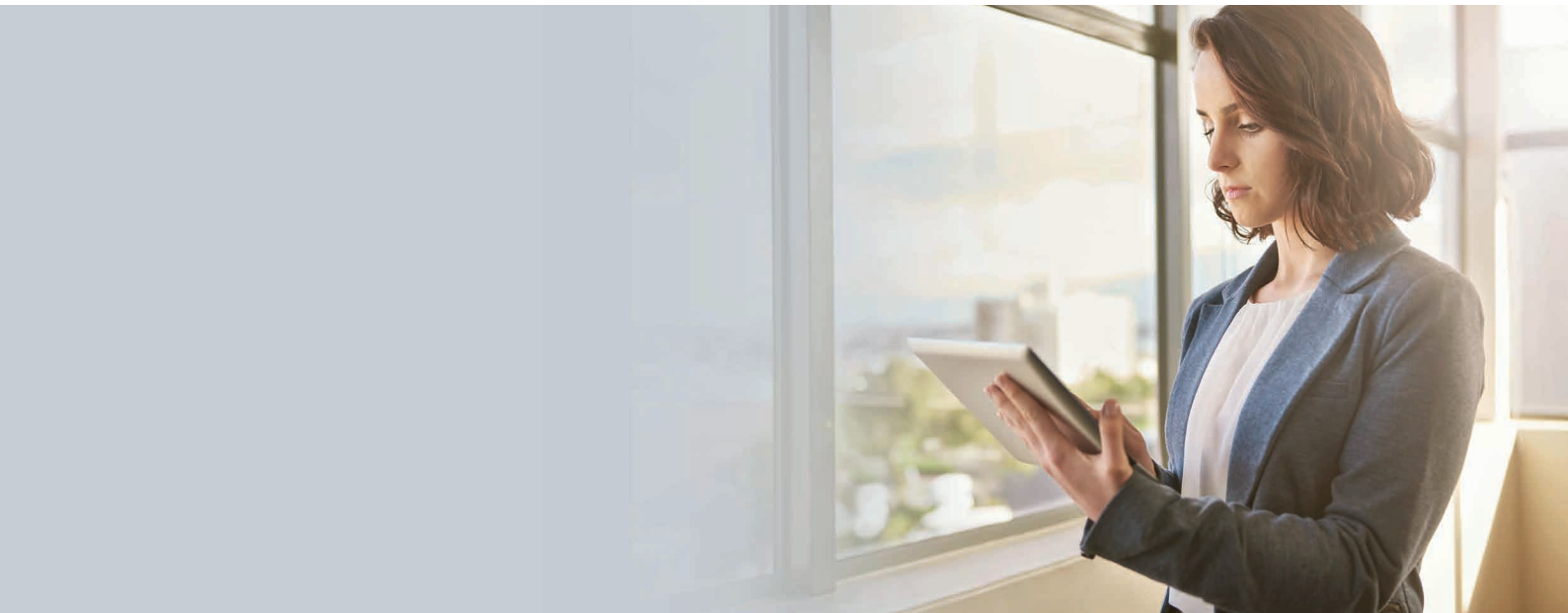
Organization of shows, congresses, conferences, trade fairs and events, and all kinds of activities and organization activities carried out in places such as internet cafes, games, weddings and marriage halls, sports centers “

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## UKRAINE

## On Support Of Taxpayers For The Period Of Implementation Of Measures To Prevent The Occurrence And Spread Of COVID-19

March 17, 2020 The Supreme Council of Ukraine (Verkhovna Rada) adopted the bill #3220 “On Amendments To Tax Code Of Ukraine And Other Laws Of Ukraine On Support Of Taxpayers

For The Period Of Implementation Of Measures To Prevent The Occurrence And Spread Of Corona Virus Disease (COVID-19)»

| Nº | Measure   | Timeline  | Exceptions/Notes  |
|----|---|---|---|
| 1  | Exemption from penalties for violation of tax legislation is introduced | For violations occurred between March 1, 2020 and May 31, 2020    | The exceptions are: <ul style="list-style-type: none"> <li>· breach of requirements for long-term life insurance contracts</li> <li>· alienation of property that is in the tax lien</li> <li>· violations of the rules of accounting, production and circulation of fuel or alcohol</li> <li>· violation of accrual, declaration and payment of value added tax, excise tax, rent.</li> </ul>      |
| 2  | Moratorium on documentary and factual checks is set                     | March 18, 2020 - May 31, 2020                                     | The exceptions are: <ul style="list-style-type: none"> <li>· documentary unscheduled checks regarding budgetary compensation</li> </ul>   |
| 3  | Tax payers will not be charged with penalties                           | For violations occurred between March 31, 2020 and April 30, 2020 | Penalty is not charged for violation: <ul style="list-style-type: none"> <li>· late payment of a single tax payment;</li> <li>· incomplete payment or late payment of the amount of the single tax payment at the same time as the issuance of sums of payments to which the single tax is accrued (advance payments);</li> <li>· undue submission of the reports stipulated by this Law</li> </ul> |
| 4. | Ongoing documentary checks on Unified Social Fee                        | Are on hold for a period between March 18, 2020 and May 18, 202   |   |
| 5. | Deadline for submission of annual property and income declaration       | Is prolonged until July 1, 2020                                   | An individual is obliged to pay the amount of tax liability specified in the annual declaration of property and income for 2019 by October 1, 2020  |

## UKRAINE

|     |  |   |  |
|-----|--|---|--|
| 6.  | Land rent is not accrued and not paid  | For a period between March 1, 2020 and April 30, 2020                                   | Land tax and land rent applied to state and communal land, owned or exploited (including under lease) by individuals or legal entities, and used by them in business activities  |
| 7.  | Temporarily exempted from accrual and payment of a single tax fee “on themselves” by individual entrepreneurs  | For a period between March 1, 2020 and March 31, 2020, April 1, 2020 and April 30, 2020 |  |
| 8.  | Non-residential real estate owned by individual or legal entities is not subject to tax on real estate   | For a period of March 1, 2020 and April 30, 2020  |  |
| 9.  | Individuals placed in health care facilities or on self-isolation under medical supervision in regards with measures to prevent the emergence and spread of coronavirus disease (COVID-19), as well as the localization and elimination of its outbreaks and epidemics will receive 50% of average salary (income) regardless of length of pension insurance record. |   |  |
| 10. | The consumer is relieved of liability to the loan provider for delay in fulfilling his obligations. in accordance with Consumer Loan Agreements.   | For payment delays occurred between March 1, 2020 and April 30, 2020                    | Including, but not exclusively, in the event of such delay, the consumer is exempted from the obligation to pay the loan provider any kind of penalty or other payments, which are stipulated in the consumer loan agreement |
| 11. | In case of late payment of housing and utility services, the penalty in the amount established by law or contracts for the provision of housing and utility services is not paid.  | Until July 1, 2020  |  |

## UNITED KINGDOM

## Summary as to the measures that the UK government has taken to date in responding to the threat of COVID-19

An interim summary as to the measures that the UK government has taken to date in responding to the threat of COVID-19. These are ever evolving, and the scope of each is subject to change, and indeed has changed even over the few days since their introduction.

- The Bank of England has reduced interest rates from 0.75% to 0.25%
- Statutory sick pay is available for employees from day 1 of any absence due to COVID-19 or self-isolation, even with no symptoms.
- Statutory sick pay relief for SME's – this relief is intended to ensure that small businesses are not unfairly penalised for paying their staff when they are unwell, and mitigate the impact of the above point for businesses.
- Business rates have been suspended for 12 months for all firms in the hospitality sector.
- Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
- The Coronavirus Business Interruption Loan Scheme has been introduced (“CBILS”) to support long term viable businesses who need additional finance for cashflow issues.
- The HMRC time to pay (“TTP”) Scheme is available for anyone who is unable to meet their tax obligations in the short term
- Those in financial difficulty owing to COVID-19 will be able to defer payments on their mortgages in the short term.
- the Coronavirus Job Retention Scheme – the government will pay 80% of the salary of any person who would otherwise have been made redundant owing to the Coronavirus crisis. The individual will have to stay home and not perform any services for the company during the period covered
- deferring VAT and Income Tax payments, VAT to 30 June 2020 income tax from 31 July 2020 to 31 Jan 2021
- a Statutory Sick Pay relief package for small and medium sized businesses (SMEs) – the government will pay for 2 weeks of SSP
- a 12-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England
- small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief

## UNITED KINGDOM

- grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
- the HMRC Time To Pay Scheme is being given more flexibility and discretion
- the Coronavirus Business Interruption Loan Scheme offering Government guaranteed loans of up to £5 million for SMEs through the British Business Bank (“CBILS”)
- a new lending facility from the Bank of England under its Covid Corporate Financing Facility to help support liquidity among larger firms (“CCFF”) whereby the bank of England will buy short term debt from large companies
- commercial tenants are included in protections from eviction for missed payments up to 30 June.
- There are also various extensions and deferrals on specific smaller scale schemes that might be impacted, such as an extension of Business Improvement Districts (BIDs) arrangements and deferral of associated ballots.

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## ITALY

**Italian measures for COVID-19**

The first COVID-19 outbreak was confirmed in Lombardy and Veneto on 21 February 2020. In order to avoid the Virus spreading, the Government has approved the first Decree n.6 on 23 February 2020, introducing urgent measures to contain and manage the epidemiological emergency with reference to a limited territory (11 municipalities of Lombardy and Veneto).

The Government, with the aim to minimize the spread of the COVID-19 epidemic all over Italy, has approved on 28 February 2020 a “new” Decree that introduces new measures to support families, employees and enterprises, in the Italian regions affected by COVID-19 epidemic.

On 11 March 2020 the Premier has signed a new Decree that forced the closing of all retails business, except for grocery stores, pharmacies and drug stores. Meanwhile, the Council of Ministers introduced the Decree N.18 (“Cura Italia - Care Italy”) published on Official Journal on March 17th 2020, to face the economic and social emergency all over the Country with a budget package of 25 billion euro.

On 22 March 2020, the Health Minister and the Interior Minister have adopted a new Order which bans the movement of people outside districts where they live. People have the possibility to move only for proven business or health reasons.

Same days ago, on 23 March 2020 the Council of Minister has approved the “last” Decree that

introduced some emergency measures against the spread of the Virus in Italy. The Decree n. 38 of 24 March, 2020, is effective from 23 March to 3 April, and concerns the closing of non-core productive activities in Italy. The Decree contains the list of all the activities which are considered essential in the light of the emergent situation, (the list attached), in addition to bank services, post offices, grocery stores, pharmacies and tobacconists.

The economic key points of the Italian measures approved to face the emergency, concern:

1. funding for the health care system, civil protection and other relevant services,
2. support to employment and workers,
3. liquidity injection for the credit system,
4. period of suspension of taxes, contributions and fiscal fulfilment,
5. measures to support strategic sectors of Italian industry.

Below a summary about the main financial and fiscal measures as approved by the Law Decree n. 18/2020.

**Period of suspension of taxes, contributions and fiscal fulfilment:****a) Suspension of tax and contribution payments and tax fulfilment, without tax penalty:**

**Artt. 60, 61,62**



## ITALY

- **for all the taxpayers:** all tax and contribution payments due (expired on 16 March 2020), are deferred on 20 March 2020 (for example VAT payment, deduction of the additional regional and municipal, withholding tax).
- **for the taxpayers with revenues less than EUR 2 million in 2019:** all tax and contribution payments due from 8 till 31 March are deferred on 31 May 2020.
- **for specific category of taxpayers:** all tax and contribution payments due from 2 March till 30 April are deferred on 31 May 2020. This last suspension concern specific category like for example tourist accommodation companies, travel agencies, tour operator, sport club, swim centres, fitness gym, restaurants, pastry, pub, thermal canter and lottery office.

All the other tax fulfilment not related to payments (tax declarations and communications, intrastate communication, etc. ) due from 8 March 2020 till 31 May 2020 are deferred on 30 June 2020.

The deadline terms for the e-invoice, are not extended.

#### **b) Suspension of assessment activities and tax due to collection agents**

##### **Art.67-68**

The settlement, assessment, tax ligation and collection activities are suspended from 8 March to 31 May 2020.

The payment terms due from 8 March 2020 till 31 May 2020 related to:

- notices of payment,
- verification notices,
- payment and executive order from local authorities are deferred on 30 June 2020.

Payments due to automated checks are currently excluded from this deferment.

#### **c) Approval term for the balance sheet**

##### **Art.106**

The official approval for the balance sheet can be postponed within 180 day from the year end (respect the ordinary term of 120 days). The shareholders' decisions can be taken also by written consultation or by conference call.

#### **Fiscal measures for the families and enterprises liquidity:**

#### **a) Suspension of first home mortgage payment in favour of professionals subject**

##### **Art.54**

The self-employment can suspend up to a maximum of 9 month the first home mortgage payment.

The request needs a self-certification attesting a loss in the quarter after the 21 February 2020 higher than the 33% of the last quarter 2019 revenue.

ITALY

**b) Bonus for employees**

**Art.63**

The public and private employees, who can't adopt the smart-working, collect a bonus of 100 euros, in relation to the number of days that have worked to the site on March.

They must have a total income lower than 40.000 euros.

**c) Tax credit for sanitising of the work environment**

**Art.64**

To encourage the sanitization of the work environment, in favour of businesses and self-employed people is recognized a tax credit. The

tax credit is 50% of the costs incurred for the sanitization of work environments and tools, up to a maximum of 20.000 euros.

**d) Tax credit to shops and stores**

**Art. 65**

In order to support the closure of business activities, the Decree grants a tax credit equal to 60% of the rental price, paid on March, for the building registered in the cadastral category C/1.

The measure excludes the category listed in the attachments 1 and 2 of the 11 March Decree (like for example: pharmacy, supermarket, laundry, funeral home, activities remained opened)

**e) Fiscal benefits for cash donations devolved to COVID-19 emergency**

**Art.66**

To encourage the actions against the COVID-19 epidemic, the government recognizes in favour of individuals and business a fiscal benefit. The measure consist in a detraction of the gross tax equal to 30% of the donation, up to a maximum of 30.000 euros.

**Support to employment and workers**

**a) Extension of social safety net for employment**

**Art. 19, 20, 21, 22**

The package of measures, aims at fostering the job retention, in the fact it represents the core of the economic measures. The measure concerns in the possibility for companies that see their



## ITALY

activity blocked or reduced to put their employees on suspension from work with the cost of wages borne by the State which recognizes the employee 80% of their wages (but up to a certain amount). The company is not obliged to integrate the difference. This public support can be requested from 23 February 2020, for up to 9 weeks.

**b) Special rules for the reduction of working hours due to Covid - 19**

**Artt. 23, 24, 25,**

For public and private employees, the Government recognizes parental leave, cause the closure of school activities. Alternatively, those who can't use the parental leave, there is a bonus for baby-sitting services.

c) Bonus of 600 euros for self-employed and co.co. co and other category

**Artt. 27,28,29,30,38**

Against the recessionary effects, it is provided a 600 euros benefit to professionals and other specific category (e.g. temporary farm labourers, employed in the entertainment industry, seasonal worker in the thermal and tourism industry). This benefit is offered exclusively to professionals registered to a Fairness pension - Separate management INPS, or Fairness pension - Artisan and Merchants INPS.

**Funding to support the enterprises**

**a) Measures to support the enterprise liquidity through the banking system**

**Artt. 49, 55, 56,57**

The Decree provides for some extra measures to solve the liquidity problems for small and medium enterprises. In particular against the fall in turnover due to the Covid-19 emergency.

The support concern:

**Art. 49** the establishment of a Central Guarantee Fund for new bank financing in favour of small-medium enterprises, including the renegotiation of loans. The percentage of guarantee is 80% of the loan (in some cases 90%) and up to 1,5 million of euros;

**Art. 55** Although placed outside the context of tax measures, art. 55 offers companies the option of transforming certain deferred tax assets (DTA) into tax credits when receivables due from defaulting debtors are transferred to third parties. The convertible DTAs are those referring to previous tax losses and previous ACE surpluses that were not used at the time of the assignment of the receivables.

The prerequisite for the conversion is the transfer for consideration of impaired financial or commercial credits, meaning by these the credits with respect to which the non-payment has lasted for at least 90 days. The only transfers made by 31.12.2020 in favour of subjects not belonging to the same corporate group are relevant.

## ITALY

**Art. 56**

the suspension of loans payment (for S-M enterprises) till the 30 September 2020 and in particular:

- a) for revocable credit openings and for loans granted against credit advances existing on February 29, 2020, the amounts granted, both for the part used and for the part not yet used, cannot be revoked in all or in part until 30 September 2020;
- b) for bullet loans with a contractual expiry before 30 September 2020, the contracts are extended, together with their respective ancillary elements and without any formalities, until 30 September 2020 under the same conditions. Any administrative charges for carrying out the transaction remain the responsibility of the creditor intermediary;
- c) for mortgages and other repayment loans, the payment of instalments or leasing instalments due before 30 September 2020 is suspended until 30 September 2020 and the repayment plan of the instalments or instalments subject to suspension is deferred, together with the accessory elements and without any formalities, in a manner that ensures the absence of new or greater charges for both parties; companies are entitled to request the suspension of capital repayments only. Any administrative charges for carrying out the transaction remain the responsibility of the creditor intermediary.

Some further economic measures are expected in the coming weeks. The Government is working on a new financial decree which should support the companies' liquidity need for the next months.

**ATECO DESCRIPTION CONSIDERED ESSENTIAL ACTIVITIES**

- 1 Agricultural cultivation and production of animal products
- 3 Fishing and aquaculture
- 5 Coal mining
- 6 Crude oil and natural gas extraction
- 09.1 Activities of oil and natural gas support services
- 10 Food industries
- 11 Beverage industry
- 13.96.20 Manufacturing of other technical and industrial textiles
- 13.95 Manufacturing of non-woven fabrics and items in these materials (excluding clothing)
- 14.12.00 Packs of shirts, uniforms and other work clothes
- 16.24.20 Manufacture of wooden packaging
- 17 Paper manufacturing (excluding codes: 17.23 and 17.24)
- 18 Printing and playing recorded media
- 19 Coke and petroleum refining products

## ITALY

20 Chemical manufacturing (excluding codes: 20.12 - 20.51.01 - 20.51.02 - 20.59.50 - 20.59.60)

21 Manufacturing of basic pharmaceuticals and pharmaceutical preparations

22.2 Manufacturing of plastics items (excluding codes: 22.29.01 and 22.29.02)

23.13 Making cable glass

23.19.10 Manufacture of glassworks for laboratories, for hygienic use, for pharmacy

25.21 Manufacture of radiators and metal containers for central heating boilers

25.92 Manufacture of lightweight metal packaging

26.6 Manufacture of irradiation equipment, electromedical equipment and electrotherapeutics

27.1 Manufacturing of electric motors, generators and transformers and equipment for electricity distribution and control

27.2 Manufacturing of battery batteries and electric accumulators

28.29.30 Manufacture of automatic machines for dosing, packaging and packaging

28.95.00 Manufacture of paper and cardboard industry machines (including parts and accessories)



## ITALY

- 28.96 Manufacturing of machines for the plastics and rubber industry (including parts and accessories)
- 32.50 Manufacturing of medical and dental tools and supplies
- 32.99.1 Manufacture of safety protective clothing equipment and clothing
- 32.99.4 Funeral case manufacturing
- 33 Repair and maintenance installation of machines and equipment (excluding codes: 33.11.01, 33.11.02, 33.11.03, 33.11.04, 33.11.05, 33.11.07, 33.11.09, 33.12.92, 33.16, 33.17)
- 35 Supply of electricity, gas, steam and air conditioning
- 36 Water collection, treatment and supply
- 37 Managing sewers
- 38 Waste collection, treatment and disposal activities; material recovery
- 39 Remediation and other waste management services
- 42 Civil engineering (excluding the following codes: 42.91, 42.99.09 and 42.99.10)
- 43.2 Installation of electrical, plumbing and other construction and installation work
- 45.2 Vehicle maintenance and repair
- 45.3 Trade in motor parts and accessories
- 45.4 For the maintenance and repair of motorcycles and trade of related parts accessories
- 46.2 Wholesale trade in agricultural raw materials and live animals
- 46.3 Wholesale food, drink and tobacco products
- 46.46 Wholesale pharmaceuticals
- 46.49.2 Wholesale trade in magazine books and newspapers
- 46.61 Wholesale trade in machinery, equipment, machinery, accessories, agricultural supplies agricultural tools, including tractors
- 46.69.91 Wholesale trade in scientific tools and equipment
- 46.69.94 Wholesale trade in fire and accident products
- 46.71 Wholesale trade in petroleum products and lubricants for self-driving cars, fuels for heating
- 49 Land transport and transport by pipeline
- 50 Maritime and water transport
- 51 Air transport
- 52 Storage and transport support activities
- 53 Postal services and courier activities
- 55.1 Hotels and similar facilities
- j (DA 58 to 63) Information and Communication Services
- K (64 to 66) Financial and insurance assets
- 69 Legal and accounting activities
- 70 Business management and management consulting activities

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71 Activities of architectural and engineering firms; technical testing and analysis

72 Scientific research and development

74 Professional, scientific and technical activities

75 Veterinary Services

78.2 Temporary (interim) employment agencies work

80.1 Private surveillance services

80.2 Surveillance System Connected Services

81.2 Cleaning and disinfection activities

82.20 Call center activities<sup>2</sup>

82.92 Third-party packaging and packaging activities

82.99.2 Book, newspaper and magazine distribution agencies

82.99.99 Other business support services<sup>3</sup>

84 Public administration and defence; mandatory social insurance

85 Education

86 Healthcare

87 Residential Social Welfare Services

88 Non-residential social care

94 Activities of economic organisations, employers and professionals

95.11.00 Repair and maintenance of computers and devices

95.12.01 Repair and maintenance of landlines, cordless and mobile phones

95.12.09 Repair and maintenance of other communications equipment

95.22.01 Repair of household appliances and household items

97 Activities of families and living families as employers for domestic staff

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## RUSSIA

## The Government of the Russian Federation, along with other countries affected by coronavirus, is taking measures to support affected industries.

To date, the following measures have been taken on the basis of the government's instructions:

1) Suspension of outgoing tax and scheduled outgoing customs inspections until May 1, 2020, with the exception of unscheduled inspections, which are based on causing harm to the life and health of citizens, natural and man-made emergencies, or result in the issuance of permits, licenses, accreditation certificates, and other documents of a permissive nature (from March 18, 2020). This measure is implemented in the tax sphere through the following steps;

- Tax control measures related to direct contact with taxpayers, witnesses, and other persons (sending tax officials to the territory (premises) of the taxpayer, conducting interrogations, examinations, calls to the tax authority, seizures, taking inventories, etc., will be excluded.
- The consideration of tax audit materials will be carried out using video communication conferences.
- Familiarization with the materials of cases of tax offenses will be done by making copies and sending them through telecommunication channels.
- Until May 1, 2020, the initiating and conducting inspections for compliance with the requirements of the legislation of the Russian Federation on the use of cash registers will be suspended,
- Until May 1, 2020, the initiating and conducting inspections for compliance with currency control legislation will be suspended, except for cases when violations of currency control legislation where verification of compliance with the statute of limitations for administrative liability, which expires before June 1, 2020, has already begun
- In process and incomplete inspections related to monitoring compliance with the cash registers and observance of currency legislation, as well as pending administrative offense cases, will be excluded from direct contact with taxpayers (via telecommunication channels, through the taxpayer's personal account, by mail).

Please note that these measures concern only field inspections. The requests of documents within the framework of office tax audits and pre-inspection analysis can be sent and the organization still needs to ensure that responses are prepared by the established deadline.



## RUSSIA

2) The Federal Tax Service has been instructed to ensure deferred payments of taxes and social contributions (a tax holiday), the period of payment ending on May 1, 2020 for taxpayers in the tourism and air transport industries, as well as those engaged in physical culture and sports, art, culture, and cinematography.

Postponement will be granted in two forms:

- tax claims will be sent no earlier than May 1, 2020 (if this does not entail a violation of the deadlines for sending the claims established by law)
- decisions on the collection of taxes and social contributions will be made no earlier than May 1, 2020 (if this does not entail a violation of the deadlines for making such decisions established by law)

The Ministry of Finance of the Russian Federation should develop a draft law on the suspension of penalties and introduce additional grounds for deferral for these categories of taxpayers. In the future, the measures under consideration may be extended to other industries.

3) The Federal Tax Service of Russia, state corporations, and executive authorities will have to postpone the deadlines for filing bankruptcy applications regarding legal entities which have debts to the budget until May 1, 2020.

It is also planned to take the following measures to enforce the moratorium on bankruptcy:

- By April 1, a draft federal law will be developed that will provide for a moratorium on bankruptcy applications

- A draft federal law will be developed, which will introduce a procedure for restructuring the debts of organizations

In addition, the Russian government has so far announced a number of possible measures that may be taken in the future. Among such measures:

- Provision of a 3-month grace period for social contributions payments for small and medium-sized businesses
- Abolition of import duties and maintenance of the green corridor regime for importers of food and non-food essential products, including medical products

The full list of planned measures which are being discussed now will be sent to you shortly.

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