BUSINESSEUROPE

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Overview on national measures taken by governments to react to the economic consequences of the COVID-19 outbreak

This is an overview of measures based on input from members and research by BusinessEurope. This is a living document that will be regularly updated on the dedicated Extranet. It is an informal collection of inputs from members and should be used for internal purposes and for information only. As the situation unfolds rapidly we cannot guarantee that all information received and displayed in the document is entirely up-to-date at any given point in time.

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1. EU response

- **EU finance ministers** on 4th March issued a statement regarding their commitment to provide a co-ordinated response and to use all appropriate policy tools to achieve strong, sustainable growth and to safeguard against the further materialisation of downside risks.
- **Commission President von der Leyen** on 10th March, promised to 'to use all the tools at our disposal to make sure the European economy weathers this storm'.
- **The ECB** on 12th March announced, in particular, plans to temporarily relax capital requirements for the financial sector to support lending to the real economy, as well as more accommodative monetary policy through increasing its asset purchases by €120 billion during 2020.
- At a press meeting on EU March 13, **EU leaders** including President von der Leyen confirmed that the EU "general escape clause" was applicable to the situation(which grants Member States leeway to break with fiscal rules in the face of an emergency that is unusual and outside their control), and that there will be granted maximum flexibility under state aid rules in government efforts to support the economy, while also announcing a 37 billion euro Coronavirus Response Investment Initiative to support the healthcare sector and labour markets generally (drawing from unused structural funds).
- The **Eurogroup** met on March 15 and confirmed the applicability of the "general escape clause" in light of the virus outbreak, while noting that member states had already commenced fiscal stimulus corresponding to 1% of GDP. The Eurogroup issued a statement promising to "do whatever it takes to effectively address the current challenges and to restore confidence and support a rapid recovery".
- On March 16 the **G-7 leaders** issued a statement committing to do "whatever is necessary to ensure a strong global response through closer cooperation and enhanced coordination of our efforts", noting that "while current challenges may require national emergency measures, we remain committed to the stability of the global economy".

- On March 17 Commission Vice-President Vestager circulated to member states a **draft Temporary Framework for state aid** designed to ensure full flexibility to use state aid to support companies/sectors

- On the night of March 18 the **ECB** announced additional quantitative easing of 750 bn euro in 2020, and made clear in its statements that if necessary it was prepared its raise the issuer limit (cap on how large a proportion of one member state's sovereign debt it can hold)

- On March 19 the Commission was able to **adopt an approved temporary framework for state aid**, that gave maximum flexibility, and notably allowing grants to businesses up to 800.000 euro.

- On March 20 **the Commission formally activated the general escape clause** (requesting Council to approve its activation), suspending constraints on public debt insofar the debt increase is associated with the virus outbreak.

- This was formally approved by ECFIN on March 21

- On April 2 the Commission proposed plans to launch a **temporary instrument to Support to mitigate Unemployment Risk in an Emergency (SURE**), which would be backed by 25 bn euro Member State guarantees to unlock 100 bn euro that can be given as loans to Member States applying for help

- On April 9 the **Eurogroup** endorsed a report to the European Council that recommends a 540 bn euro support package that would set up the proposed SURE scheme at 100 bn euro, mobilize resources to the tune of 240 bn euro from the ESM to be granted as loans to member states totalling up to 2% of national GDP earmarked for healthcare-related expenditure, but without conditionalities attached, and make use of EIB funds to increase lending to SMEs by 200 bn euro through a new pan-European guarantee fund.

2. Overview table on various measures at national level

While we strive to keep it up-to-date, we cannot guarantee all country lists are always fully updated

Type of measure	Implemented in	Examples or further details (not meant to be an exhaustive list)
Tax-related measures		
Deferral of Tax payments (Corporate income tax, social contributions, etc)	Numerous countries	• Slovakia: The deadline for paying income tax advance payments for those with a revenue drop of more than 40 percent will be postponed. • The Croatian Government will spare companies that face business difficulties due to the crisis from paying tax obligations (income and profit tax) and contributions (health and pension) for April, May and June.
Deferral of VAT payments	Numerous countries	• Greece has deferred businesses, who are affected by the COVID, their VAT payments by 4 months. • Croatia: The deadline for submitting financial statements for 2019 will be postponed until June 30.
Acceleration of VAT Credit refunds	France, Malta, Luxembourg	• The Luxembourg VAT Authority will reimburse all VAT credit balances below €10000.
Deferral of Fines/Interest on late tax payments	Numerous countries	• Belgium allows fines for late tax payments to be remitted • Netherlands: Temporarily, no penalties for failure to pay taxes (on time) will be imposed.
Tax returns can be filed later	Numerous countries	• Finnish businesses can request more time for filing their tax return, if necessary, if they have a justified reason, such as illness,
Temporary reduction in VAT-rate	Cyprus , Norway	• Cyprus: Temporary reduction of VAT from 19% to 17% for a period of two months and from 9% to 7% for a period of three and a half months for tourism activities. • The Norwegian government will cut its reduced VAT rate from 12% to 7% between 1 April and October 2020. The rate applies to cinema admission, public transport, hotel accommodation services, entrance to cinemas, museums and amusement parks.
Updated Bilateral Tax Treaties on Permanent Establishment of workers	(Belgium-Luxembourg), (France-Belgium)	• Increased tolerance for home office workers in order not to constitute a Permanent Tax Establishment in the Belgium – Luxembourg Tax treaty and Belgium-France Tax treaty.
Subsidies		
Subsidy for wages (workers)	Numerous countries	• Austria to backstop 80-90% of wages for workers that are put on short time work but not terminated (working hours can be reduced by 90%) • Germany already had Kurzarbeit-scheme in place, which is being made more flexible for short-term workers. The Federal Employment Agency will cover 60% of the net salary in case of short term working and will reimburse the social contributions for the lost working hours to the employer • Netherlands: A new temporary measure will be introduced to help entrepreneurs paying wages, in order to prevent unemployment. This measure replaces the current working time reduction scheme, which was not designed for handling a pandemic. Employers who expect a decline of at least 20% in revenue can request an allowance for a period of 3 months of maximally 90% of the total wage sum. • Switzerland is providing around 5 billion for compensation in the event of loss of earnings by self-employed persons and employees with a compensation up to 80% of the last declared income. • The Croatian Government will raise the financial support for workers from HRK 3,250 to a net sum of HRK 4,000 and at the same time, the state will take over from employers the burden of mandatory taxes and contributions, meaning that the effective support will be HRK 5,460 per worker.
Subsidy for wages (self-employed)	Denmark, Italy, Switzerland, the Netherlands	• In Italy compensation of 600 euro, monthly non-taxable, for self-employed workers • Switzerland allows persons to ask for short time compensation for their employees but not for themselves except the self-

		employed individual suffers loss of income due to the publicly ordered closure of their operation or the ban of public events. • Netherlands: Self-employed people will be able to receive social assistance if they meet certain standards, which will be relaxed. This social assistance will include additional benefits to meet livelihood standards and/or a loan for working capital.
Subsidy for other costs (e.g. mortgage)	Denmark, Spain, UK, France, Portugal	• Denmark offers to cover 25-80% of fixed costs for companies that have seen at least 30% decline in sales due to coronavirus, • In Portugal during lay-offs companies are temporarily exempted from social contributions • In France there is a suspension of rent and utility bills owed by small companies.
Non-sectoral state aid (grants)	Numerous	• France: A €1 billion 'solidarity fund' will get created for the microbusinesses, SMEs and independent workers whose turnover is less than €1 million and who suffered a 70% decline of their turnover between March 2019 and March 2020 (cumulative criteria) : these eligible entities will then get a monthly €1 500 grant • Austria to set up "hardship fund" with grants to SMEs • Germany to set up 500 bn euro Business Stabilization Fund, which will give 100 bn in grants to recapitalize companies and extend 400 bn euro loans • Italy: establishment of a show, cinema and audio-visual emergency fund and provisions for the cultural sector; • Malta: A business that was asked to close as part of the Covid-19 measures will get 2 days of assistance per week per employee. This is equivalent to €300 per month per employee. A self-employed person will get the same amount • Switzerland guarantees for bank loans for companies with liquidity problems with a total amount of 20 billion Swiss francs. SMEs can ask their house bank for bridging loans in the maximum amount of 10% of their annual turnover and not more than 20 million Swiss francs by fulfilling certain minimum criteria.
Sectoral state aid (grants)	Numerous countries	• Austria offers direct state aid to industries that are most affected • Croatia: All public tenderers (particularly in health, army and police sectors) will be asked to give preference to domestic agriculture producers and procure up to 60 percent of domestic products. The State will intervene and buy milk surplus from Croatian milk producers. • US offers direct support to airlines • Denmark has given 1.5 bn DKK to its travel fund which backstops failing travel agents and broadened its scope • In the Netherlands, to support firms that are affected by our government's health measures - for example by the closure of restaurants - an emergency desk will be introduced, through which those firms can receive a one-off lump sum allowance of EUR 4000 • Italy: for commercial rentals, tax credit equal to 60% of the March rent; • UK will offer cash grants for retailers and pubs, increase the Business Rates retail discount to 100% for one year and expand it to the leisure and hospitality sectors, and increase the planned rates discount for pubs to £5,000. Will also provide a one-off grant of £3,000 to around 700,000 business currently eligible for SBRR or Rural Rate Relief, to help meet their ongoing business costs • Switzerland has budgeted 280 million Swiss francs in emergency aid and compensation for the cultural sector.
Direct company state aid	Denmark, Sweden, Finland	• Denmark and Sweden each offered 1.5 bn SEK as guarantee to the airline SAS • Finland promises max. EUR 600 million guarantees to airline company Finnair.
Delay tourist tax (fee) payments	Croatia, Switzerland	• Croatia offers delay the payment of tourism fee for companies and tourism charges for private renters • Switzerland grants additional liquidity support for companies in the field of tourism.

Increase in short-time work payments	Belgium	• Increase in short-time work payments (65%--> 70%)
Government to assume part/entire cost of sick leave	Denmark, Estonia, (Malta), Sweden	• In Denmark government pays the full sick leave of employees (normally would only be after 2 weeks) for Covid-19 related absence • In Malta, Quarantine leave: Government to pay companies €350 per employee on quarantine leave • In Sweden The state takes over the sick pay responsibility for two months
Loans/guarantees/payment suspension		
Additional loans e.g. through state lenders (such as German KfW)	Numerous countries	The French state will guarantee €300 billion of bank loans to companies Germany to extend loans through its KfW, e.g. a 50 bn hardship fund with loans to SMEs and self-employed The Estonian KredEx Foundation to Loan collateral amounting to EUR 1 Billion for bank loans already issued in order to allow for repayment schedule adjustments (maximum EUR 600 Million for the surety collection), under certain conditions
State guarantees on loans	Numerous countries	• The Dutch Ministry of Economic Affairs and Climate Policy has expanded guarantees to a higher guarantee percentage, up to 90% of the credit risk of banks for SMEs that want to take out a loan of EUR 1.5 mln maximum but that do not have the required collateral.
Export guarantees	Numerous countries	• In Austria exporting companies can be granted credits up to 10% (large companies) or 15% (SMEs) of their export revenues by the OeKB (österreichische Kontrollbank). AWS (Austria Wirtschaftsservice) will provide guarantees • The Croatian Bank for Reconstruction and Development will: Guarantees to commercial banks supporting exporters under the Export Guarantee Fund and Increase scope of the Export Guarantee Fund to include tourism • Additional loans targeting SMEs for 1.25 bn DKK specifically for export purposes through the state-run Danish Export Credit Agency
Direct purchase of corporate bonds	Finland	• Finland: 1 billion euro fund to invest in corporate bonds. E.g. also about 73 million euros to stave off acute corporate funding pressures.
Rescheduling loan payments with state intervention	France	• Support from the State and the Banque de France (credit mediation) to negotiate with its bank a rescheduling of bank credits;
State-backed loans	Numerous countries	• France will guarantee €300 billion of bank loans to companies
Moratorium of repaying reimbursable grants	Portugal	• In Portugal, 12-month moratorium on repayment of reimbursable grants (incentive systems) for the most impacted companies.
Labour market (incl. social policy)		
Make social benefits available to self-employed	(Estonia), Finland, Netherlands,	• In Finland, Unemployment protection for entrepreneurs and freelancers is ensured. In order to be eligible for unemployment insurance, you don't have to close your business. • In the Netherlands self-employed and entrepreneurs will be able to receive social assistance if they meet certain standards, which will be relaxed. This social assistance will include additional benefits to meet livelihood standards and/or a loan for working capital. • In Norway self-employed and freelancers receive sickness benefits from day 3, and care money from day 4.
Help for apprentices	Norway, Switzerland	• Apprentices now receive an income hedge on par with apprenticeship pay. • Switzerland provides a total of 14 billion Swiss francs for the purpose of short time worth which now also includes people in an apprenticeship.
Help for students	Denmark	• Additional state-guaranteed loans made available to students who may lose student-part time jobs

Extra/longer allowance for workers absent to care for sick relatives or take care of small children	Cyprus, Norway, Poland, Italy, Malta	• Cyprus grants special leave to parents with kids up to the age of 15 that have no support and have to stay at home since the government has closed all schools until April 10th. In Norway the period of care money (for parents staying home with children home from school) is doubled. • Italy: parental leave for additional 15 days at 50% of remuneration for working parents or otherwise babysitter bonus 600 euro worth; • Government will cover additional two months leave for parent who has to stay at home to take care of the children as a result of school closures with an €800 per month benefit.
Fired workers can retain their full salary	Norway	• Employees receive a "full salary" for 20 days upon termination. The cost is distributed with two days to the employer, and then 18 days from the state with pay, but limited up to 600.000 NOK/ 60.000 EUR. This will ease the burden on many jobs.
Greater flexibility in laying off workers	Finland	• Notice period for layoffs is reduced from the current (from 14 days to 6 weeks) to five days. The right to lay-offs is also extended to fixed-term workers.
Increased availability of unemployment benefit	Finland, Norway, (Malta), Switzerland	• In Finland Own-risk days in unemployment benefits are cancelled in the event of lay-offs and redundancies. Unemployment insurance is immediately accessible. Working conditions to be eligible for income-related unemployment benefits are shortened. • Maltese or EU citizen who becomes redundant will get €800 per month as unemployment benefit • In Norway the income limit for receiving unemployment benefit is set at 0.75 G (7.500 EUR). This group also ensures at least 80 per cent of its income up to 3G during the layoff period • Switzerland prolongs unemployment benefits up to 120 days and suspends the duty of the unemployed to submit tangible proof of their efforts to find work.
Suspension of pension payments	Estonia, Finland,	• In Estonia Payments into the II pillar of the pension fund are temporarily suspended. • In Finland Employers' earnings-related pension contribution shall be reduced by 2,6% of salaries. It will be implemented as soon as possible and will be valid until the end of 2020. It will ease the companies' payments by EUR 910 million. Pension companies refrain from paying customer bonuses for a period when employers' pension contributions are reduced. • People in rental property and who lose their job and did not qualify for rent subsidy, will now benefit from the scheme
Regulatory changes		
Moratorium on insolvency	(Croatia), Spain	• In Spain companies can have insolvency protection, but insolvency proceedings are suspended • In Croatia commercial banks to have an accelerated loan rescheduling process without clients being reclassified to being "default"
Relaxation of regulation	Austria, Denmark, Greece, Switzerland	• Austria to suspend working time provisions to offer greater flexibility (e.g. working overtime in healthcare) • A number of regulations of the transport sector to be suspended temporarily in Denmark in order to secure distribution of goods in the country. • In Greece certain administrative requirements, such as the obligation to report overtime, are suspended in order to facilitate the gradual access of workers to avoid overcrowding in the workplace and public transport. • Switzerland relaxes labour regulations whereby hospitals and clinics are given flexibility in working hours and rest periods as long as the well-being of nursing staff and doctors is guaranteed.
Doubled salary for people in isolation or in risk of contagion	Spain	• With respect to those employees isolated or in risk of contagion, they shall receive a supplement of up to 100% of their salaries.

Extra parental leave		• In Italy parental leave for additional 15 days at 50% of remuneration for working parents or otherwise babysitter bonus 600 euro worth
Public Sector		
Public authorities to pay contractors up front rather than use entire length of time before deadline	Italy, Denmark (encouraged)	
Force majeure clause for public tenders to be granted to private contractors, and not be invoked by public actor	Belgium, Denmark	• Companies in Belgium will not be fined (sued) or have contract suspended if they cannot fulfil a contract in time due to coronavirus circumstances • In France no penalties for delay in fulfilling contracts.
Financial sector		
Contracyclical capital buffer lowered or suspended	Denmark, Finland, Sweden	• Other measures o Financial Supervisory Authority (FIN-FSA) decided to lower Finnish credit institutions' capital requirements. The reduction is implemented by removing the systemic risk buffer and by adjusting credit institution-specific requirements so that the structural buffer requirements of all credit institutions will fall by 1 percentage point, all in all. The decision will increase the lending capacity of the Finnish banks by around EUR 52 billion.
Ease capital requirement for insurance sector	Finland	• Postponement option for pension insurance payments (Tyel and Yel) as well as easing the pension insurance company capital requirements.
Other		
Compensation for events cancelled	Denmark, Estonia	• Denmark: Following government order to cancel events with 1.000+ attendees the government offered to compensate event organisers for the losses • Estonia compensates for the direct costs of cultural and sporting events cancelled due to coronavirus in March-April, up to EUR 3 million.
Helicopter money	US	• Stimulus package proposed by the White House would give 1.000 USD to every American citizen
Direct money to people in sectors forced to close down	Greece	• In Greece there will be, inter alia, a compensation of 400-500 euros to approximately 600,000 workers in businesses closed by government decision.
Offer gift certificates and vouchers for shops	South Korea	• Provide retailers in traditional markets with vouchers designed to support their marketing activities, such as joint promotion • Issue vouchers for local products • Give a 20 percent raise in wages to seniors in government's elderly job programs if they agree to receive 30 percent of their pay in local gift certificates
Country promotion/marketing campaigns	Iceland, United Kingdom	• Once the situation returns to normal, a marketing campaign will be launched to promote Iceland as a tourist destination and Icelanders will be encouraged to travel domestically.
Corona - Business task force	Lithuania	• A state-level task force on business emergency coordination was formed.
Grant for investing in telework equipment	Malta	
Dedicated helpline/Information website	United Kingdom	• UK has set up a dedicated helpline for businesses in need. The UK Finance ministry has also set up a dedicated coronavirus webhub.

3. Magnitude of measures, expressed as % of GDP

Updated March 27

Note that the table combines several sources, not all of which distinguishes between tax deferrals and other liquidity-providing measures

	Immediate fiscal impulse	**Deferrals (Tax, VAT etc.)**	**Other liquidity (loans, guarantees)**	**Total**
France*	1.1%	9,4%	12.4%	22.9%
Germany*	4.4%	14.6%	32.2%	51.2%
Italy*	0.9%	13.0%	7.3%	21.2%
Spain*	0.3%	2.0%	8.9%	11.2%
United Kingdom*	1.4%	1.4%	15.0%	17.8%
Hungary*	0.4%	8.3%	0%	8.7%
Denmark	2.6%	Included under other liquidity	10.8%	13.4%
Luxembourg		Included under other liquidity		Around 14%
Portugal****		Included under other liquidity		Around 5%
Netherlands****	Around 2%	Included under other liquidity		Around 2%
Ireland		Included under other liquidity		Around 5%
Finland****		Included under other liquidity		Around 7%
Austria****		Included under other liquidity		Around 10%
Belgium****	Around 3%	Included under other liquidity	Around 10%	Around 13%
Poland****	Around 3%	Included under other liquidity	Around 7%	Around 10%
Sweden	1%	Included under other liquidity	10%	12%
Norway *****	2.3%	Included under other liquidity	3.3%	5.6%
Switzerland *****	4.6%	Included under other liquidity		4.6%
Greece*****	2.%	Included under other liquidity		2.0%
	Fiscal stimulus	-	**Loans**	
China *****	1.25%	Included under other liquidity		1.25%
New Zealand *****	4%	Included under other liquidity		4%
Australia ******	Approx. 3.7%		Approx. 0.3%	Approx. 4%
Canada******	Approx. 0.6%		Approx. 3.6%	Approx. 4.2%
S. Korea ******	Appro. 3%		Approx. 1.5%	Approx. 4.5%
Japan *****	0.3%	Included under other liquidity		0.3%
Eurozone**	3%	Included under other liquidity	16%	
United States*** (recent package is 2T usd, around 10%)	At least 2.5%	Included under other liquidity	At least 4%	
United States*	5.5%	2.6%	4.1%	12.2%

Bruegel, March 25 ** Eurogroup, april 9 * own calculations based on currently incomplete available information about US stimulus package, may be revised. **** Oxford Economics, March 27, figures are approximates,* *****Danske Bank
****** *Financial Times based on IMF, March 30 2020,*
(In EU-US comparisons one should bear in mind that the US has weaker automatic stabilizers, e.g. according to one widely cited study corresponding to 38% of lost income in the EU vis-à-vis 32% in the US
https://www.sciencedirect.com/science/article/abs/pii/S0047272711001642?via%3Dihub)

4. Overviews of measures taken by external sources

Updated March 27

Danske Bank. overview over measures taken and economic magnitude of measures
https://research.danskebank.com/research/#/Research/article/bea54ee4-2291-428a-ae34-c0877348b3dc/EN

Bruegel: https://www.bruegel.org/publications/datasets/covid-national-dataset/
IMF https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19

OECD (General measures) https://t.co/Z3I5BG53nF?amp=1
World Bank http://www.ugogentilini.net/?p=817
ETUC https://www.etuc.org/en/publication/covid-19-watch-etuc-briefing-notes
Oxford Uni https://www.bsg.ox.ac.uk/research/research-projects/oxford-covid-19-government-response-tracker
OECD (Tax measures): https://www.oecd.org/tax/covid-19-tax-policy-and-other-measures.xlsm

The Tax Foundation https://taxfoundation.org/coronavirus-country-by-country-responses/?utm_source=Global+Allies&utm_campaign=265a2c2da9-EMAIL_CAMPAIGN_2020_03_25_02_11&utm_medium=email&utm_term=0_eaf61be05b-265a2c2da9-429433205&mc_cid=265a2c2da9&mc_eid=1efd2e1db9

5. Country overviews of measures taken by country

Austria

- **CoVid-19 Crisis Management Fund**
  Budget of **up to EUR 38 billion**, with the **main objective of improving liquidity**. Measures include:
  - EUR 9 billion state guarantees and state liabilities for loans,
  - EUR 15 billion emergency aid for industries most affected,
  - EUR 10 billion for tax moratoriums.
  - Hardship fund for SMEs (direct cash aid, not to be paid back)

- **COVID-19-Short Time Work ("Kurzarbeit")**
  - Financial means of EUR **400 Mio.**
  - **Short time work is planned for three months.**
  - **Key Points of COVID Short Time Work:**
  - **Before starting short time work, the employee has to consume all annual leave and overtime**.
  - **Wage guarantee**:
    - Up to EUR 1.700 of gross wage, 90% of the previous net wage.
    - Up to EUR 2.685 of gross wage, 85% of the previous net wage.
    - Beyond EUR 2.686 gross wage, 80% of the previous net wage.
  - **The employment contract must not be terminated during the short time work period, and in the first month after short time work**, barring exceptional circumstances that require special negotiations.
  - During short time work, working hours can be reduced by an average of up to 90%.
  - Normal working hours can be changed in agreement with the employee.

- **COVID-19-Law on Special Care**
  § 18b Labour contract law: In case of (partial) closure of institutions (e.g. schools) due to official measures, **employers can now grant special care leave even to those employees who would normally have no entitlement to stay at home** to take care of their children (up to 14 years old). This care leave is limited to three weeks. During this time, employees will receive a third of their gross wage, paid for by the government.

- **Work Inspections & Working Hours**
  During the occurrence of COVID-19, **deviations from the working time provisions are possible** (e.g. extensions to the normal working hours). This **applies to all industries with an extraordinary need for work** (e.g. healthcare).

- **Measures of the Austrian National Health Insurance Fund:**
  The Fund has put together a package of measures to relieve the pressure on affected companies, such as **deferral of contributions**, **payment by instalments**, **waiving of late-payment fee, suspension of notices of seizure and bankruptcy applications.**

- **Corporate and Income tax**
  Corporate and income tax advance payments for 2020 can be **reduced or set to zero**.

- **Guarantees and Financing**
  Exporting companies can be granted **credits up to 10%** (large companies) or **15%** (SMEs) of their export revenues by the OeKB (österreichische Kontrollbank). AWS (Austria Wirtschaftsservice) will provide **guarantees with special conditions** for companies who are affected by the COVID-crisis to facilitate financing credits.

Belgium

- Private individuals and businesses can suspend loan payments, including mortgage loan payments, from now until 30 September (dependent on conditions)
- Companies can follow a so-called 'payment plan': In this payment plan, companies can 'spread' payments of VAT, social contributions and fines. They can also delay payments of corporate income tax and regular income tax. The Belgian authorities have confirmed that they will allow companies to delay the filings by over two weeks and payments by two months.
- Fines to companies for late payments can be remitted.
- Increase in short-time work payments (65%--> 70%) + €150
- Federal government will not charge companies with fines if they can't fulfil a public contract in time.
- These measures only apply to companies that can show that they have been directly hit by the coronavirus (e.g. a decrease in turnover, a significant decrease in orders and / or reservations, consequences of a "chain reaction" with partner companies,…). The deadline for getting this `payment plan' is June 30.
- The government will pay gas, water & electricity bills for technical unemployed-people for one month, worthy of €202.
- Increased tolerance for home office workers to not constitute a Permanent Establishment in view of the Belgium – Luxembourg Tax treaty and Belgium-France Tax treaty.
- Guarantee: The government will guarantee state-backed credit lines for companies for the duration of 12 months (€50bn) to cover losses incurred on future loans. Losses up to 3% of the capital loaned will be fully borne by the financial sector. Losses of between 3% and 5% will be shared – half for the government and half for the financial sector. Losses that are greater still will be borne for 80% by the government and 20% by the financial sector.

Bulgaria

Last updated: April 21

I. On 13th of March, the National Assembly declares a state of emergency until April 13, which is extended until May 13. The state of emergency is declared based of Article 84 of the Constitution.

On the 23rd of March, the National Assembly adopted the **Law on Measures and Actions during the State of Emergency (LMASE).** It was amended on the 09th of April. The Law gives the authority to the minister of healthcare to impose restrictions on the population residing in the country to limit the spread of the pandemic. It also contains the specific measures that have an important impact on businesses, employees and employers for the period of the state of emergency:

- *Employment-related measures:*

- *General rules in LMASE*
  - The employers were given the opportunity to provide half of the annual paid leave to their employees without their consent.
  - Depending on the nature of work the employers could assign the distance work (telework) or work from home for the employees, without their consent;
- *Amendments of the Labour Code, introduced through the LMASE, valid for the period of the announced state of emergency:*
  - A new article, providing the opportunity for the employer to assign temporarily telework or work from home without employees' consent. This measure can be introduced with employer's order (contrary to the requirement to conclude written amendment of the labour contract that normally would have to apply).
  - A new paragraph in an existing provision, allowing the employer unilaterally to introduce part-time work for full time employed workers. It cannot be set below half of the normal working hours (i.e. it should be minimum of 4 hours).
  - The employer can temporarily cease the activity of the entire enterprise, part of it or of some employees. This might derive from a state body order (restaurants, trade malls, coffee shops) or be based on the employer's order and his concrete economic state.
  - In companies, where the employer has issued an order to temporally stop business activities, the employer may provide 100 % of employee's annual paid leave without his/her consent
  - For the period of stoppage, **the employer must pay 100 % of the employee remuneration.**
  - To recover partially employers' expenses, the government introduced the so-called '60/40' measure, where the employer is entitled to 60 % of the employee insurance income for January 2020 and 60 % of the employer's part of social contributions where the employer is obliged to pay the other 40 % and to maintain the employment of those workers for an additional period equal to the period for which he received compensation. An additional requirement is that the employer must not dismiss any employees (for economic reasons) for the entire period where the compensation is received. BIA reacted negatively to the whole model of this measure as we did not found it to be useful for the majority of companies, relying on turnover to pay remuneration. The employers' organisations drafted their own legislative proposals in order to make the measure suitable for the employers' needs. However, it was not recognized by the competent authorities.
- *Extended/deferred deadlines for different obligations:*
  - The validity of identity cards which expires from March 13 to October 31, 2020, is extended by six months. In this period the ID is valid only on the territory of Bulgaria;
  - Until the end of the state of emergency in the event of delay in payment of obligations of private entities, debtors under credit agreements and other forms of financing (factoring, forfeiting and others) provided by banks and financial institutions, and under leasing contracts, no interest and penalties are charged, the obligation cannot be declared early due and the contract cannot be rescinded due to default, and no items can be seized.
  - Until the state of emergency is lifted, the management authorities of the resources from the European Structural and Investment Funds are entitled to: unilaterally modify contracts for financial support through grants in accordance with the need for crisis measures, including to increase the amount of the contracted grant; extend grants under simplified rules; increase the overall resource for operations;
  - Extended tax deadlines:
    - The deadline for companies to submit their annual corporate tax return, as well as the corporate and expenses tax payment, is extended until June 30, 2020;
    - The deadline for publication of the annual financial reports and the annual activity reports is extended until 30.09.2020;
    - The submission of the annual tax return and for payment of the due tax on the annual tax base under the tax return according to the Personal Income Tax Act is also extended to 30 June 2020.

- *Cancelled organized tourist trips:*
  - New rules for compensation in the event of cancelled organized tourist trips: the tour operator might offer a voucher to the customer for the amount paid. If the customer refuses to accept the voucher, the tour operator shall reimburse all payments made by the consumer for the cancelled trip within 1 month as of the termination of the state of emergency.

II. Other measures:

- The government increased the capital of Bulgarian Development Bank (BDB) by up to 500 million levs, which will serve as a guarantee that businesses will receive credits in the amount of 2.5 billion levs through commercial banks.
- Up to 200 million levs will be used for non-interest consumer loans up to 4500 levs for employees on unpaid leave with a maximum repayment term of 5 years.
- The Operational Programme "Innovation and Competitiveness" launch from the end of the April procedure to provide liquidity to micro and small enterprises, worth 173 million levs. The grants are limited between 3000 and 10000 levs to viable enterprises with a decrease of at least 20% in their turnover for the month, preceding the date of application submission.
- The Fund of Funds[1] mobilises 400 million levs in response to the economic consequences of the crisis, which includes designing of a new guarantee product for SMEs, support for self-employed individuals and small start-ups, increased flexibility of the facility in the field of venture equity investments in start-ups and innovative businesses.

III. Measures by the Bulgarian National Bank (BNB):

- On March 19 Bulgarian National Bank (BNB) announces that is applying a 9.3 billion leva package of measures in connection with the COVID-19 epidemic. The purpose of the measures is to preserve the resilience of the banking system and, at the same time, to increase its flexibility to reduce the negative effects of the pandemic constraints on citizens and businesses. The key measures aim to further strengthen banks' capital and liquidity as follows:
  - Capitalization of the total volume of profits in the banking system worth 1.6 billion leva;
  - Cancelation of the increase in the anticyclical capital stock projected for 2020 and 2021, resulting in 0.7 billion leva;
  - Banking system's liquidity is increased by 7 billion leva by reducing foreign bank exposure to commercial banks.
- In addition, BNB has implemented additional measures to ensure the smooth functioning of the currency board, cash circulation, payment systems and banking supervision.
- On April 9, the Governing Council of the Bulgarian National Bank approved the draft **Procedure for Deferral and Settlement of Liabilities Payable to Banks and their Subsidiaries**. Commercial banks that have accepted to implement the approved procedures for deferral and settlement of payable liabilities will announce publicly the proposed concessions on their websites, the banks' public premises and in any other appropriate manner.
- The approved private moratorium provides opportunities for changes in the principal and/or interest payment schedule of liabilities, without changing any key parameters of the loan agreement, e.g. the already agreed interest. Liabilities may be deferred for a term of up to 6 months, ending on 31 December 2020. The deferred liabilities must have been regularly serviced or not more than 90 days past due as of 1 March 2020.
- Customers should declare explicitly to their servicing bank that they wish to avail of the proposed concessions.
- Three standard mechanisms are provided for:
  - Mechanism No 1 – deferral of principal and interest for up to 6 months;
  - Mechanism No 2 - deferral of principal for up to 6 months;
  - Mechanism No 3, applicable to revolving products.

- Banks may also agree with their customers different individual deferral and concession schemes, other than the ones provided under this procedure.

IV. Measures by the Bulgarian Industrial Association (BIA):

- On 27th of February BIA issued **recommendations to the economic operators** in view to tackling the COVID19 situation, that consisted of organizational and practical measures;
- On 12th of March BIA launched a **survey**, aimed at the companies, that have to help the analysis of the situation and to plan measures, based on objective information;
- On the BIA's website was set a **focus panel** with information about the COVID19, that is updated in a timely fashion, incl. useful links to the Orders of the Health Minister, recommendations of the Ministry of Health, WHO, etc.;
- On 18th of March BIA launched the **Electronic Mutual Assistance Exchange**. The e-Exchange is a place where companies can post advertisements for the search for or offering of goods and services or for hiring employees who may lose their jobs during a state of emergency.

The duration and scope of the measures may vary depending on the development of the epidemic situation in the country.

[1] The core business of the Fund of Funds is to structure and manage financial instruments co-financed from the European Structural and Investment Funds during the programming period 2014-2020.

Croatia

Updated April 2

<u>The Croatian Bank for Reconstruction and Development will:</u>

- Impose a moratorium on credit obligations for existing clients
- Allow taxpayers to defer payment or to arrange an instalment payment plan for their tax liabilities, social security contributions and certain non-tax levies without being subject to interest being imposed during the period of deferral of payment (payments in installments
- Introduce a grace period in repayments
- Provide liquidity loans to companies to cover wages, overhead and operating expenses in cooperation with commercial banks
- Guarantees to commercial banks supporting exporters under the Export Guarantee Fund
- Increase scope of the Export Guarantee Fund to include tourism

<u>Support to commercial banks</u>

- Introduction of "standstill" arrangements, i.e. three-month suspension of collection of debts
- Liquidity lines with three-year maturity
- Accelerated loan rescheduling process without clients being reclassified to being "default"

<u>Government will:</u>

- Increase the allocation of "ESIF Micro Loans" supporting micro- and small enterprises, and reduce interest rates whilst increasing maximum guarantee rates for "individual guarantee" scheme (the amount that the state will guarantee)
- 90 extension of repayment obligations for co-funded projects
- Allowing EU aid beneficiaries to suspend/delay project implementation, repayment of reimbursement
- Possibility of state intervention to purchase surpluses in livestock, crop and food and vegetable production
- Implement various loan schemes
- Delay the payment of tourism fee for companies and tourism charges for private renters

- State aid to provide capital and liquidity for endangered tourism businesses, for cultural and creative industries,
- Suspension of universal service obligation for postal services
- Suspension of collection fees for extraordinary transports on public roads and temporary suspension of 10-% increase in tolls for vehicles of certain types during the summer

The Croatian Government presented yesterday, 1st April 2020, new, second package of measures aimed at suppressing the effects of the coronavirus crisis.

- The Government will raise the financial support for workers from HRK 3,250 to a net sum of HRK 4,000 and at the same time, the state will take over from employers the burden of mandatory taxes and contributions, meaning that the effective support will be HRK 5,460 per worker. The total value of this measure is HRK 8.5 billion. The employers are required to keep the workers and secure all the existing jobs. The measure worth 3,250 has already been introduced in the first set of Government measures and has been used so far by 65,000 companies for 400,000 workers.
- Secondly, the Government will spare companies that face business difficulties due to the crisis from paying tax obligations (income and profit tax) and contributions (health and pension) for April, May and June. Those companies with the revenue drop between 20 percent and 50 percent are entitled to deferrals and interest-free instalment payments of up to 24 months. Companies with usual revenues of less than HRK 7.5 million, which encompasses roughly 93 percent of all Croatian companies and will have revenue drop of more than 50%, will be completely exempted from paying their taxes and contributions. The companies with the usual revenue of more than HRK 7.5 million, with the revenue drop between 50 percent and 100 percent will be released from paying taxes and contributions in the next three months proportionally to their revenue drop (e.g. if the revenue drops for 75 percent, the company will pay only 25 percent of its fiscal obligations).
- The third important fiscal measure is the postponed payment of VAT (value added tax) until invoices are paid in full, not upon their issue. The deadline for submitting financial statements for 2019 will be postponed until June 30.
- All public tenderers (particularly in health, army and police sectors) will be asked to give preference to domestic agriculture producers and procure up to 60 percent of domestic products. The State will intervene and buy milk surplus from Croatian milk producers.
- The Government proposed the set of measures for tourism sector, will discuss with the social partners (unions) the possibility to correct salaries or temporarily suspend the agreed raise of public sector salaries.
- The Government announced the new loan of HRK 45 billion on the domestic and foreign financial market, with the EU institutions and the World Bank.

Czech Republic

Updated April 16

I) Financial aid and support *(Government and state controlled financial institutions)*

- On March 16, the Czech-Moravian Guarantee and Development Bank (CMZRB) has **launched COVID credit** applications. The target group are SMEs and self-employed, whose economic activities are limited due to the outbreak of the coronavirus infection and related preventive measures. **It aims at facilitating access to operational financing for those businesses through interest-free loans.** The loans range from 18 000 EUR to 540 000 EUR. Entrepreneurs will be eligible to use it for example to pay employees' salaries, energy costs, rents, to finance supplies, to pay supplier-customer invoices, to pre-finance receivables, etc.
- **CMZRB also provides a guarantee** for commercial loans for small and medium-sized enterprises (for companies, not self-employed).
- **There is an enormous demand** *(after approx. 3200 applications the original amount has been depleted, given that all of them will be approved, which we will see after those will be processed. The first support has already been provided to companies.* ***No further applications are being accepted now****.)*

- **In order to raise the capital, at least 360 millions of EUR (approx.) will be transferred from the „Operational Program Enterprise and Innovation for Competitiveness“.** Details and parameters are being prepared.

COVID II – new program which is not providing loans but preferential supported guarantees for commercial loans.

The Czech-Moravian Guarantee and Development Bank (CMZRB), together with the Ministry of Industry and Trade launched the COVID II program on April 2. CMZRB provides entrepreneurs with guarantees for commercial bank loans and contribute to the payment of interest – up to approx. 36 000 EUR. The guaranteed operating credit of the COVID II program should support around 7000 business projects worth approximately 715 million EUR. The program is financed from the Operational Program “Enterprise and Innovation for Competitiveness” under the Ministry of Industry and Trade. Commercial banks are prepared for the COVID II program.

- This is “de minimis” support, which will be provided in the so-called round calls. A total of approx. 53.5 million EUR will be available in each round, once the capacity is full, the round will be closed for applications and the next round will be announced 10 working days after the end of the previous round. The first one started on Thursday, April 2.
- The guarantee can be up to 80% of the principal of a commercial loan with a guarantee period of up to 3 years. Guaranteed loans are up to approx. 535 thousand EUR and financial contribution for the payment of interest is up to approx. 36 thousand EUR.
- The program can finance, through commercial loans, the cost of wages, energy, rent, payment of supplier-customer invoices, pre-financing of receivables, acquisition of material or inventory.
- The total allocation for the program is approx. 180 million EUR.

COVID III – in preparation, 360 *million EUR allocations, guarantees of commercial credits*

Support through guarantees for commercial credits (or credit restructuring) for large companies

- A relatively robust program of bank loans guarantees is being prepared to support large companies *(SMEs are supported by CMZRB through loans and loan guarantees – see above)*. Its parameters are being intensively discussed with EGAP - Export Guarantee and Insurance Corporation, the Ministry of Finance and the Ministry of Industry and Trade. In many cases we have already contributed to a better setup and availability of this support - some parameters have been changed according to our suggestions. Now we focus mainly on achieving a higher maximum guaranteed loan limit (now 1.4 billion CZK; 3-5 billion CZK is required). Once approved, the EGAP should provide guarantees for operating (up to 3 years) and investment (up to 5 years) loans to companies over 250 employees. Up to a quarter of the company's turnover, ranging from 5 million CZK to 1.4 billion CZK (we want to increase it). A maximum of 80% of the loan can be guaranteed. For the purposes of this support, an exporter is considered to be a company with 20% of its turnover generated by exports, but subcontracting to the company carrying out the final export is also included. The maximum available “insurance capacity” of EGAP is now around 7 billion EUR.
- **State Export Guarantee and Insurance Corporation (EGAP)** reacts as well and provides a special package to ease the situation for exporters. The measures include:
- Introduction of the Fast Track, i.e. priority processing of insurance applications for exporters looking for new customers due to the global coronavirus pandemic.
- Significantly reduced fees for exporters seeking EGAP insurance products covering new risks.
- Shortening the period of time required to recognize claims (waiting time) for insured credits from 6 to 3 months and for insured guarantees from 3 months to 1 month in order to help resolve any cash flow problems of exporters.
- **Czech Export Bank (CEB)** even during the viral pandemic provides its clients with full services and, in cooperation with the EGAP export insurance company, now offers financial products and services under favorable conditions. CEB is ready to help all exporters, regardless of the company size, by providing products that will support exports of Czech goods abroad.

- **The Ministry of Foreign Affairs of the Czech Republic** announced the Emergency Package for Czech exporters. Embassies of the Czech Republic and the Ministry of Foreign Affairs offer assistance to Czech entrepreneurs in case of problems with the realization of commercial supplies abroad, especially in case of administrative barriers imposed on importers by local authorities. With respect to restrictions of the movement of persons, the Ministry offers assistance in finding new contacts and opportunities in areas that will be a part of national stimulus packages. These services are for free.

Emergency package contains mainly:

1) Practical information on conducting foreign operations in the coronavirus situation with a number of restrictions in the target country;
2) Assistance of embassies in solving problems with performing of trade cases;
3) Finding and analyzing opportunities, assisting in identifying and verifying suitable partners.
4) Assistance and information sharing through a series of webinars and online consultations.
5) Offer to use services of local experts to assist the businesses on site during the negotiating and implementing phase.

Synergy with commercial banks:

- *According to the Czech Banking association, banks will be willing to postpone the repayment of consumer loans and mortgages for three months. In particular, they want to be helpful towards small businesses which have difficulty paying debts due to the coronavirus epidemic.*

II) Tax measures of the Financial Administration of the Czech Republic

- **Extension of the deadline for tax return of income taxes** up to July 1 (it means 3 more months). All taxpayers will automatically be allowed to file their income tax return and pay this tax without any sanction no later than 3 months later, without having to prove the reasons related to coronavirus.
- **Remission of the penalty for late tax claims in all cases where the tax entity individually applies for remission** of interest for late payments or for postponing of tax installments and proves the reasons in any way related to coronavirus. *(E.g. illness or quarantine of accountants or other key employees whose absence prevented them from fulfilling their tax liability.)*
- General waiver of fines for the late submission of a "VAT control report" of EUR 35 - incurred between 1 March and 31 July 2020.
    - In addition the Directorate General for Finance will be instructed to individually waive fines for failure to submit this control report for the period from 1 March to 31 July, if caused by coronavirus.
- Flat waiver of the administrative fee for filing an application for delay or installments of the tax; remission of the interests on late payment etc.

IIa) So-called "Liberation package"

- Electronic Sales Records system (EET) - the obligation to electronically record sales for entities in all phases of the EET will be suspended during the emergency period and for the next three months after the end of the emergency period. *(Many companies currently cannot solve technical problems, renew certificates, obtain device maintenance or fulfill various deadlines if they are obliged to start recording this spring).*
- Remission of the June advance on personal and corporate income tax. The June advance *(i.e. the second advance for quarterly payers and the first advance for half-yearly payers)* will not be paid at all.
- General waiver of the fine for late submission of the real estate property tax return or for late payment of the real estate property tax or advanced payment of such a tax.
- Introduction of the "**Loss carryback"** institute for both physical persons income tax and legal persons income tax for 2020. It will be redeemable in the tax return for 2019 and 2018.
- **Exclusion of flat value added tax payments on selected goods that are delivered free of charge** *(since 12 March 2020 until the end of the state of emergency),* such as: test kits and diagnostic test tools for COVID-19, protective clothing and the alike, thermometers, disinfectants and sterilization products, other

medical devices and medical consumables. The remission of VAT also applies to the supply of goods used free of charge for the production of such protective equipment.

- Postponement of Road Tax advances payments due in April and July.
  + one extra measure: six months' holiday in paying health and social insurance contributions for 514,000 self-employed persons who have only business income. Self-employed sole traders and entrepreneurs will not have to pay monthly insurance advances between March and August 2020. Subsequently, in the 2020 final bill, their levy will be reduced by 6 times the amount of the minimum advance. They will pay only the extras above the compulsory minimum and in deferred time.

III) Labor market

- **Targeted employment support program** *(kurzarbeit) "Antivirus"*
- **The Government of the Czech Republic has approved (March 31) the introduction of the so-called *"kurzarbeit"* for companies that have been subject to restrictions due to the spread of coronavirus. The Confederation of Industry of the Czech Republic cooperates closely with the government.** The goal is to reduce the impact of the COVID-19 pandemic on Czech labor market.
  - The period of validity of the Program is provisionally fixed until 30 June 2020, with a possibility of eventual extension. The program can be used to pay a contribution to reimburse employers' eligible costs incurred after March 1, 2020.
  - **The aim of the program is to compensate for wage costs, or part thereof, in the form of wage or salary reimbursement payable to employees for periods of work-related obstacles caused by quarantine, emergency and crisis measures related to the spread of COVID-19 in the Czech Republic and abroad.**
  - The Program is implemented by the Labor Office of the Czech Republic. The Ministry of Labor and Social Affairs will ensure (through the Labor Office of the Czech Republic) the payment of the following contributions to employers *(upon request of the employer, the Labor Office will conclude an agreement on the payment of the contribution(s) with the employer): /it is not a special law, but the agreement between the Labor Office and the employer/*
- **In the updated version as of April 1 there are two regimes *(it is simplified, but from our point of view one important mode/regime is still missing)*:**

  A) Support for the company in order to compensate the wages of each employee who has been ordered to quarantine or who cannot work because company had to close or restrict operations in connection with the government crisis resolutions and emergency measures by public health authorities, including competent authorities abroad.
  (80% of eligible expenses, but maximum approx. EUR 1 400,- per employee)

  B) This regime contains all the other situations previously marked as B to E
  The contribution belongs to a company that cannot allocate work to employees and it is anticipated that these barriers are related to the COVID-19 infection. Those are mainly obstacles to work caused by the absence of a significant proportion of employees at the workplace, as a result of obstacles to work on their part. Other reasons are also reduction in the sales of employers' production or a lack of inputs.
  (60% of eligible expenses, but maximum approx. EUR 1040,- per employee)

The business representation (SPCR) wants to add another regime – C - in order to help companies that cannot practically interrupt operations at all. It includes steel mills and coke production units, refineries, chemical plants, various glass works etc.

C) This regime is not in place, but we lobby for it. We want the above mentioned uninterruptible manufacturing to be supported as follows: The state should pay 50% of the eligible expenses per employee, if the demand declines by 30% or more, and the production decreases by 20% or more.

IV) Employment of foreigners

- During the state of emergency, foreigners legally residing in the Czech Republic are entitled to stay in the Czech Republic and do not have to deal with residence issues.

- Work permits and short-term Schengen visas are extended for a period of up to 60 days from the end of the state of emergency, but their employer must extend their employment contract.
- For employees with employee cards, the otherwise valid six-month limitation for employer change is not applicable.
- Employees with blue or employee cards, in case of transition to an employer carrying out emergency measures or assisting in the implementation of emergency measures in the state of emergency, shall notify this change no later than on the day of commencement - normally 30 days in advance.

V) Other measures

- There is an on-line project https://spojujemecesko.cz/ which associates and supports the initiatives of volunteers, companies and the state. It is a state administration project with the support and cooperation of the Czech Confederation of Industry. As a part of this you can also visit https://covpoint.org/ where companies can offer support to the state or to other companies. There is a market place for services and goods too.
- The European Commission has authorized the Czech Republic for state aid for small and medium-sized enterprises that produce medical and protective equipment to combat coronavirus. The total amount can reach up to 3.6 million EUR. COVID-19 Technology program of the Czech Ministry of Industry and Trade focuses on investment support for SMEs in the production of medical and protective materials.

Some of the measures are still being refined or updated.

Cyprus

- Grant of special leave to parents with kids up to the age of 15 that have no support and have to stay at home since the government has closed all schools until April 10th.
- A Work Suspension Plan that will apply for companies that were forced to shut down by a Ministerial Decree. This plan provides for unemployment benefit during the suspension period with the prerequisite that no dismissals go forth. Note that companies were forced to shut down in the following areas of economic activity:
  a. All private businesses in the list below will be closed from Monday 16/3 for four weeks.
     i. The decision covers malls, department stores, cinemas, theatres, libraries, museums, archaeological sites, betting shops, casinos, sports venues and clubs, theme parks, barbershops and hairdresser salons, beauty parlours, cafes, bars, and all food and beverage businesses excluding those that only do delivery, take away and drive through services.
  b. Hotels must suspend their operations until April 30.
- Supermarkets, pharmacies, private health services, bakeries, kiosks, and petrol stations will remain open under certain conditions (re number of visitors at any given time and health related measures that will have to be taken).
- A Work Suspension Plan for companies that have a turnover decrease of 25% of more. Details are going to be announced.
- A Small Enterprise Support Scheme for companies that employ up to 5 people. A 70% of salaries will be subsidized. Details are going to be announced.
- A scheme to compensate employees/self-employed who work/provide services for the Ministry of Education and who have been impacted by the shut down on schools (note these are not public sector employees). They will be paid their salaries/entitlements in full.
- A special sick leave allowance scheme for vulnerable groups and people who are put in self-isolation.
- An extension of the deadline self-employed people have to submit an objection to the Social Insurance Services for their actual income in order to submit contributions.
- A service to old people/quarantined people/people in self isolation and vulnerable groups to help them with shopping and other needs so they minimize their movements. Full collaboration with the private sector, NGOs, supermarkets etc.
- Suspension of an increase in contributions to the NHS for two months (increase would have been effected end of March).

- Support Scheme for students who remain abroad during the upcoming Easter Holidays and do not travel back. This is a lump sum of 750euros per student. No income criteria.
- Introduction of a legal cap on prices of sanitary products.

The Support Programme that has been formulated is structured and specific, both in range as well as in expenditure, and it is valued at 700 million euros, an amount equal to the 3% of the GDP. Costs may vary with further measures that maybe adopted in the process.

Further measures include the following:

- Temporary reduction of VAT from 19% to 17% for a period of two months and from 9% to 7% for a period of three and a half months.
- temporary suspension for two months of the VAT due for companies with turnover less than €1 m. and businesses whose turnover decreased by more than 25%.
- special arrangements for persons who are included in the scheme of paying overdue tax debts.
- extension of the period for tax submission for two months.
- suspension of the requirement to hold guarantees under public and private contracts for the supply of services or products that will be delayed due to crisis.
- financial support for the recovery of the tourism sector between June-September 2020 in cooperation with airlines and tour operators as well as actions to enhance the attraction of tourists during the period October 2020 - March 2021.
- Setting price ceiling for personal hygiene products (masks, antiseptics, antibacterial liquids, soaps, etc.).

Denmark

Last updated March 25

Labour market initiatives

- Government has suspended rules on sick leave until January 1, 2021. Thus the government pays sick leave from day 1 (instead of the usual 30 days) when employees are quarantined or sick with Covid-19. Self-employed receive sick leave payment from first day of absence instead of after 2 weeks.
- Greater flexibility awarded to scheme which allows companies to endorse employees to temporarily work part-time, with employees receiving supplementary unemployment benefits during the period.
- Tri-partite agreement on temporary wage compensation to companies in the private sector for employees in danger of being laid off. The agreement will be in force for a period of 3 months (9 March – 9 June 2020) and applies to companies forced to lay off at least 30% of staff or more than 50 employees.
- Similar scheme of compensation paid for by the state for self-employed that suffer large loss of income
- Law under way to ensure economic compensation for companies that will face shortage of labour as a consequence of corona (6-months' period), if the companies keep the employees with pay. The aim is to avoid redundancies and risk of losing valuable part of the companies' work-force.
- Work-share can be used directly after an agreement with the employee instead of a waiting period of one week after the initial registration at the job center. Plus enhanced flexibility in use of scheme. The measure will be applicable for a period of 13 weeks with possibility to apply for an extension.

Other initiatives

- Suspension of company payments of VAT and other taxes.
- Contracyclical capital requirements set to zero which allows banks to provide more liquidity to companies.
- 1 bn DKK set aside to provide guarantees for companies.
- Additional loans targeting SMEs for 1.25 bn DKK specifically for export purposes through the state-run Export Credit Agency
- A number of regulations of the transport sector to be suspended temporarily in order to secure distribution of goods in the country.

- Following government order to cancel events with 1.000+ attendees the government offered to compensate event organisers for the losses
- Public authorities are allowed to prolong deadlines for bids for tenders (e.g. if companies are likely not currently in a position to commence work on projects).
- For three months government to compensate 25-80% of fixed costs for companies severely affected by the crisis (across size and industry)
- 1.5 bn SEK guarantees for SAS (along with similar 1.5 bn SEK guarantee from the Swedish state)
- 1.5 bn DKK to additional guarantees for to cover customers' losses from travel operators filing for bankruptcy
- Public procurement: public procurer allowed to pay contractor in advance of up to 1 mil DKK, and refrain from filing lawsuits if companies are delayed or fail to meet their contractual obligations if this inability is due to Covid-19
- Expanded student loans scheme to help students that lose their part-time student jobs
- Suspension of the upper limits on municipal and regional spending on construction works

Estonia

State resources are directed to support companies through KredEx Foundation and the Estonian Rural Development Foundation. The package also includes labour market support of the Estonian Unemployment Insurance Fund, sickness benefits, tax incentives. The package allows for deferral of tax debt for 18 months, temporary suspension of second pillar pension scheme payments, as well as partial compensation for direct costs of cancelled events.

KredEx Foundation measures:

- Loan collateral amounting to EUR 1 Billion for bank loans already issued in order to allow for repayment schedule adjustments (maximum EUR 600 Million for the surety collection), under the following conditions:
  - if the bank relaxes the repayment schedule of the existing bank loan which has not been secured by KredEx Foundation, then KredEx foundation will secure the loan;
  - he maximum guaranteed amount is EUR 5 Million per company,
  - if possible, fixed guarantee will be restored or the guarantee rate will be increased to cover more than 80% of the guaranteed liability.
- KredEx Foundation business loan – amounting to EUR 500 Million, subject to the following conditions:
  - KredEx Foundation issues a revolving business loan to a company in order to overcome liquidity problems caused by the coronavirus, including, where necessary, the payment of bank loans,
  - the maximum loan amount is EUR 5 million per company,
  - the interest rate is approximately 4% per year.
- KredEx Foundation investment loan – amounting to EUR 50 million, under the following conditions:
  - KredEx Foundation grants an investment loan to the company so it would be possible to take advantages of the business opportunities created by the coronavirus, and other new business opportunities.
  - the maximum loan amount is EUR 5 Million per company,
  - the interest rate is approximately 4% per year.
- The labour market service provided by the Estonian Unemployment Insurance Fund to cover for wage reduction – amounting to EUR 250 Million, under the following conditions:
  - the benefit can be used by a compliant employer to cover the period of two months from March to May 2020;
  - the benefit of no more than EUR 1000 per month per employee in need of the support is paid as gross amount.
  - the benefit is calculated based on the gross wages of the employee over the period of the previous 12 months, plus remuneration payable by the employer to the employee which is no less than EUR 150 in gross amount. The Unemployment Insurance Fund and the employer will pay all labour taxes on wages and benefits.

- For the period of March to May, the state will compensate the first three days of sick leave for all incapacity leave applications.
- Rural companies can apply to the Rural Development Foundation for guarantees (up to EUR 50 million), business loans (up to EUR 100 million) or land capital financing (up to EUR 50 million).
- Self-employed workers are subject to an advance social tax support measure.
- Payments into the II pillar of the pension fund are temporarily suspended.
- The State compensates for the direct costs of cultural and sporting events cancelled due to coronavirus in March-April, up to EUR 3 million.
- The Members of the Government supported the proposal of the Minister of Finance to suspend the tax interest calculation for a period of two months and to allow tax debt to be rescheduled at lower interest rates than are currently in force.

Finland

Updated 9 April

Financial measures announced by Finnish government on 17th March:

- 5 bln euro further support to economy.
- The State Pension Fund will buy 1 billion euros worth of commercial papers.
- The government will increase Finnvera Oyj's (Export Credit Agency) capacity to guarantee working capital loans to small and medium-sized companies by 2 billion euros.
- 1 billion euro fund to invest in corporate bonds. E.g. also about 73 million euros to stave off acute corporate funding pressures.
- Companies having difficulties paying taxes due to the coronavirus situation can request a payment arrangement with eased terms starting 25 March 2020. According to the new terms, the first instalment of the payment arrangement will fall due in three months after the arrangement has become active, as opposed to just one month. The Tax Administration will automatically include in the arrangement any new tax debts that form after the payment arrangement has been taken into use until 31 May 2020. In addition, the rate of late-payment interest on taxes included in a payment arrangement will be lowered from 7% to 4%. The lowered interest rate would only apply to taxes that are included in a payment arrangement and that fall due after 1 March 2020. The arrangement is available for businesses/entrepreneurs that do not have taxes in recovery by enforcement and have filed all the required tax returns and reports to the National Incomes Register (earnings payment reports and employer's separate reports).
- Businesses and private individuals can request more time for filing your tax return, if necessary, if you have a justified reason, such as illness, that prevents from filing the tax return by its original deadline. However, the Finnish tax administration does not grant more time for filing VAT returns. However, a request can be made for a fine for late payment to be removed. If you have a justified reason for filing late, such as illness, you may not have to pay a fine.
- Postponement option for pension insurance payments (Tyel and Yel) as well as easing the pension insurance company capital requirements.
- To review further measures based on the negotiations with the social parties (enclosed proposal made by parties 19th March).
- Other measures o Financial Supervisory Authority (FIN-FSA) decided to lower Finnish credit institutions' capital requirements. The reduction is implemented by removing the systemic risk buffer and by adjusting credit institution-specific requirements so that the structural buffer requirements of all credit institutions will fall by 1 percentage point, all in all. The decision will increase the lending capacity of theFinnish banks by around EUR 52 billion.
- The Bank of Finland has decided to restart its activities in the domestic corporate paper markets. The size of the programme is initially EUR 500 million. The decision was announced on 15th March

New package of measures on 20 March:

The first supplementary budget will safeguard the resources of the authorities and increase the appropriations allocated to companies. The scope of the supplementary budget will be around EUR 400 million. Further supplementary budgets will be introduced over the coming weeks.

- The guarantee mandate of the state-owned special financing company Finnvera will be increased by EUR 10 billion to a total of EUR 12 billion. The increase in the mandate will allow additional financing of € 10 billion for businesses.
- Employers' earnings-related pension contribution shall be reduced by 2,6% of salaries. It will be implemented as soon as possible and will be valid until the end of 2020. It will ease the companies' payments by EUR 910 million. Pension companies refrain from paying customer bonuses for a period when employers' pension contributions are reduced.
- An increase of EUR 150 million in Business Finland's mandate to be used for fast-start business support activities. An increase of EUR 50 million is proposed to support business development projects.
- Own-risk days in unemployment benefits are cancelled in the event of lay-offs and redundancies. Unemployment insurance is immediately accessible. Working conditions to be eligible for income-related unemployment benefits are shortened. These measures will cost the state more than EUR 100 million.
- Notice period for layoffs is reduced from the current (from 14 days to 6 weeks) to five days. The right to lay-offs is also extended to fixed-term workers.
- Unemployment protection for entrepreneurs and freelancers is ensured. In order to be eligible for unemployment insurance, you don't have to close your business.
- The Government promises max. EUR 600 million guarantees to airline company Finnair.
- An increase of EUR 26 million is proposed for the control of infectious diseases. An additional budget of EUR 12,8 million is proposed for the operating costs of the Institute for Health and Welfare for coronavirus expenditure.
- An increase of EUR 5,6 million is proposed to the police for additional expenditure due to the coronavirus epidemic.
- An amount of EUR 200 million is proposed for non-specific expenditure linked to exceptional circumstances.

Package of 27 March

- The state will direct a total of EUR 1 billion in direct support for companies in the coronavirus-crisis. Of this sum, EUR 700 million is earmarked for grants from Business Finland and EUR 300 million for grants from the ELY Centre (Centre for Economic Development, Transport and the Environment).
    - ELY Centres support small businesses that have suffered from market and production disruptions caused by the coronavirus around the country. ELY Centres fund companies that employ between 1 and 5 people. Financing is available for small enterprises in all sectors, except agriculture, fisheries and forestry, and processing of agricultural products.
    - Business Finland has opened two new financial services due to the corona virus situation. They are intended for SMEs in Finland, employing between 6 and 250 people, and for medium size companies, which may have more than 250 employees but with a turnover of less than EUR 300 million per year. Financial services are targeted at the following sectors: tourism, tourism auxiliary services, creative and performing industries, and all sectors whose production chains have been or will be affected by the coronavirus situation. With funding, the company can identify, plan and implement new development measures to prevent and fix market and production chain disruptions caused by the coronavirus epidemic.

Package of 9 April

The package of support intended to safeguard business activities will be increased by approximately EUR 1 billion.

- Business development support for SMEs will be increased by EUR 200 million in relation to previous decisions.
- Business Finland's grant authorisations will be raised by EUR 100 million to support companies.
- An increase of EUR 300 million is also proposed in Business Finland's authority to grant loans.

- A further EUR 150 million in discretionary government grants to municipalities compared to previous decisions is proposed to enable municipalities to support those who are sole self-employed.
- Capital funding of EUR 150 million is proposed for Tesi (Finnish Industry Investment Ltd) to set up a new stabilisation programme to help in easing the liquidity difficulties caused by the virus crisis.
- A one-off increase of EUR 7.5 million is proposed for the operating expenses of the ELY Centres (Centres for Economic Development, Transport and the Environment).
- EUR 10 million for the operating expenses of Business Finland, to meet the costs of processing of business support applications.
- An increase of EUR 20 million (approximately 340 person-years) is proposed for the operating expenses of the TE Offices (Employment and Economic Development Offices).
- The Government proposes that EUR 30 million be allocated to companies engaged in business activities in rural areas.
- EUR 10 million to companies engaged in fisheries as temporary aid for combating the negative effects of the coronavirus epidemic and for controlled adaptation to the crisis.
- A transfer of EUR 6.5 million to the Development Fund of Agriculture and Forestry (Makera) is proposed to prepare for an increase in the guarantee liabilities on state guarantees granted from the Fund, and for an increase in guarantee losses.
  - **Guarantees of up to EUR 600 million for shipping companies to operate and maintain cargo transport essential to the security of supply during the coronavirus crisis.**

France

Updated March 27

Economic measures enshrined in the legislative package of the 23th March:

I. For the firms:

- **Liquidity assistance for the firms and associations in order to limit the number of bankruptcies and lay-offs:**
  - The State will guarantee €300 billions of bank loans to companies;

    All companies will be eligible for these loans. A loan can amount up to 3 months of the 2019 turnover. These loans will be available from the 25 of March to the end of the year.

    No reimbursement will be demanded during the first year.

    The state guarantee on these loans will amount to (in percentage):

    - 90% for the firms employing less than 5 000 workers and generating a turnover inferior to €1.5 billion;
    - 80% for the firms generating a turnover inferior to €5 billions;
    - 70% for the firms generating a turnover superior to €5 billions.
  - A €1 billion 'solidarity fund' will get created for the microbusinesses, SMEs and independent workers whose turnover is less than €1 million and who suffered a 70% decline of their turnover between March 2019 and March 2020 (cumulative criteria) : these eligible entities will then get a monthly €1 500 grant. Practical details will be clarified in the upcoming days.
  - Mobilization of BpiFrance (nationl public investment bank) to guarantee bank loans;
  - Deferral of fiscal and social protection contributions;
  - Suspension of rent and utility bills owed by small companies.

- **Flexibility to temporarily adjust labor law to safeguard employment and production lines**:
  - Possibility of limiting the lay-offs through the use of the short-time working scheme (augmentation of the compensations, extension of the scheme's beneficiaries);
  - Possibility of branch or firm-specific agreement allowing the employer to impose the use of up to 6 days of paid leave;

  - Possibility for the employer to impose or change unilaterally the dates where the short time working scheme is applied within the firm;
- **Modification of the firms' obligation towards their clients and suppliers** (in regard to payment deadlines and penalties);
- **Adjustment of the public procurement rules** (payment deadlines, execution of the contract, contract termination, …);
- **Simplification and adaptation of the business accounting rules** (especially regarding the deadlines).

II. For the households

- **Extension of the period during which jobless people can claim unemployment benefits;**
- **Facilitation of the access to child care services against the backdrop of closed nurseries;**
- **Forbidding rental expulsions until the 31 of May;**
- **Maintaining the access to both social rights and health services** (supplementary health insurance, family allowance, …)
- **Sick leave is now covered from day one** (no more waiting period).

Germany

Making reduced hours compensation benefit (Kurzarbeitergeld) more flexible

- Facilitation for short-time work - the threshold of employees that need to be affected by it was lowered from 1/3 to 10%
- Already in January the possible period for short-time work was extended from 12 to 24 months
- The Federal Employment Agency will cover 60% of the net salary in case of short term working and will reimburse the social contributions for the lost working hours to the employer
- Partial or complete waiver of the need to build up a negative balance in working hours
- Short-time working allowance will also be available to temporary workers

Tax-related liquidity assistance for businesses

- options for deferring tax payments and reducing prepayments will be enhanced, and enforcement rules will be adapted.
- It will be easier to grant tax deferrals. Revenue authorities will be able to defer taxes if their collection would lead to significant hardship. The revenue authorities will be instructed to not impose strict conditions in this respect.
- It will be easier to adapt tax prepayments. As soon as it becomes clear that a taxpayer's income in the current year is expected to be lower than in the previous year, tax prepayments will be reduced in a swift and straightforward manner.
- Enforcement measures (e.g. attachment of bank accounts) and late-payment penalties will be waived until 31 December 2020 if the debtor of a pending tax payment is directly affected by the coronavirus.

A protective shield with unlimited volume

In a first step, existing liquidity assistance programmes will be expanded to make it easier for companies to access cheap loans. This can mobilise a large volume of liquidity-enhancing loans from commercial banks. To this end, our established instruments complementing loans offered by private banks will be extended and made available to a greater number of companies:

- Conditions for the KfW-Unternehmerkredit (business loan for existing companies) and the ERP-Gründerkredit-Universell (start-up loan for companies that are less than 5 years old) will be loosened by raising the level of risk assumptions (indemnity) for operating loans and extending these instruments to large enterprises with a turnover of up to €2 billion (previously, the limit was €500 million). Higher risk

assumptions of up to 80% for operating loans of up to €200 million will increase banks' willingness to extend credit.

- In the case of the "KfW Loan for Growth", the programme aimed at larger companies, the current turnover threshold of €2 billion will be raised to €5 billion. In future, these loans will take the form of syndicated loans and will not be restricted to projects in one particular field (in the past, only innovation and digitalisation projects were eligible). Risk assumption will be increased to up to 70% (from 50%). This will improve larger companies' access to syndicated loans.
- For companies with a turnover of more than €5 billion, support will continue to be provided on a case-by-case basis.
- For guarantee banks (Bürgschaftsbanken), the guarantee limit will be doubled, to €2.5 million. The Federation will increase its risk share in guarantee banks by 10% to make it easier to shoulder risks, which are difficult to assess in times of crisis. The upper limit of 35% of operating resources in guarantee banks' total exposure will be increased to 50%. To accelerate liquidity provision, the Federation is giving guarantee banks the freedom to make guarantee decisions up to €250,000 independently and within a period of three days.
- The large guarantee programme (parallel guarantees from the Federation and the Länder), which was previously limited to companies in structurally weak regions, will be opened up to companies in other regions, as well. In this programme, the Federation covers operating loans and investments with a surety requirement upwards of €50 million and a guarantee rate of up to 80%.

These measures are covered by existing state aid rules. These special programmes are now being submitted to the European Commission for approval. The Commission President has already indicated that, in light of the coronavirus crisis, she will ensure that state aid rules are applied in a flexible way. The EU and Eurogroup finance ministers will advocate the necessary flexibility on the Strengthening European cohesion.

An additional package (March 22)

- Bailout fund (WSF) with 500 bn euro, that will take stakes in rescued companies (100 bn to recapitalize companies, 400 bn to assume debt from companies).
- Suspension of the debt brake initiated (constitutional limit on issuing new debt in excess of 0.35% of GDP)
- 50 bn hardship fund with loans to SMEs and self-employed
- Alongside loans from the German KfW (above), this would increase total borrowing for Germany by around 350 bn euro, or around 10% of GDP)

Greece

Updated April 9

- **Specific measures for companies forced to suspend operations due to governments restrictions**
- The government has established a list of economic sectors that are eligible for state support due to the impact of COVUD-19. The list is dynamic and will change with corresponding ministerial decrees as the crisis unfolds
- All tax obligations (VAT, corporate and income tax) and social security contributions are suspended until 31.08.2020
- Provision of € 2 bn of guarantees to boost liquidity to companies. The measure will be implemented through the issuance of guarantees by the Hellenic Development Bank (HDB) to financial intermediaries. The measure will partially guarantee eligible working capital loans originated by financial intermediaries.
- € 1 bn scheme of repayable advances targeted at companies having temporary financial difficulties due to the coronavirus outbreak, as demonstrated by a significant reduction of their activity. It will be eligible to companies up to 500 employees.
- 25% reduction on all taxes and social security contributions paid in April with the official deadlines
- Payment of capital on regularly serviced loans is suspended until September
- Compensation of € 800 for self-employed and owners of businesses that employ up to five people
- 75 day delay in the deadline for paying checks

- 40% reduction on professional leases for March and April
- Possibility for certain business to remain exceptionally open on Sundays and public holidays for a period of maximum six months. These measures relate to businesses which produce, transport and provide food, fuel, medicine and paramedical material – as well as shops and firms which sell the related items.
- Option for employers to suspend contracts of employment in case their business is affected and their turnover is significantly reduced (provided they are included in the list of codes for economic activity affected)
- Possibility to continue business operations with minimum personnel. The employer may designate personnel for the continuation of business operations in a safe manner by employing each employee for a minimum of two (2) weeks per month, continuously or intermittently. This work arrangement may be organized on a weekly basis. This arrangement may apply for a maximum of 6 months and is conditional upon the employer maintaining the same number of employees.
- Option to transfer the staff of a group company within the same group of companies. The employer whose business is severely affected or is suspended may transfer staff from a group company to an undertaking of the same group, subject to an agreement between them. It has the obligation to retain the same number of employees before the transfer.
- Employers in sectors and companies affected by the crisis (as defined by the list of codes of economic activity) are given the possibility to pay out the Easter bonus (due on 15th April) by 30 June 2020, the latest without incurring penalties.
- Suspension of employer obligation to register ex ante changes / modifications of working hours, overtime, legal overtime or work time arrangements during the period of crisis. Changes should be registered ex post, on a monthly basis, within the 10 days of the next month
- Possibility to telework remotely work until 30/4/2020, in line with the provisions of the employment contract. The employer can impose teleworking unilaterally without requiring any amendment in the written contract

Specific measures for employees working in companies forced to suspend operations due to governments restrictions

- Prohibition of redundancies: this measure applies to all employers, who are suspending their business following the public authority order, and for as long as the emergency measures last. Applies also to employees that have their employment contracts suspended. This provision entered into force on 18 March 2020. If redundancies are made during this period, they are considered void.
- Retention clause for all employees who contract has been suspended (45 days). The provision entered into force on 21 March 2020 and is going to last for one month. It concerns all the affected enterprises based on the CAD designated by the Ministry of Finance
- Right to special compensation which amounts to 800€ and provides full insurance coverage. The compensation concerns all employees whose contract is suspended until 20/4/2020, or whose employment contract has been terminated between 1/3/2020 and 20/3/2020.
- Possibility to opt for a special purpose leave until 26/4/2020. The special purpose leave may be given in installments - to working parents of children up to 15 years of age. The duration of the leave shall be at least 3 days provided that the employee uses one day of his normal leave for every 3 days of the special purpose leave. ¾ of the cost of the special purpose leave will be covered by the employer and the remainder by the state. The legislative framework provides for different arrangements depending on the status of the parent, e.g. private / public sector / self-employed / single parent / divorced.
- The employer must accept the absence of employees' from work if they and/or their relatives present coronavirus related symptoms as defined by the national organisation of public health. This applies also for pregnant women on a mandatory basis. The employer is obliged to pay all remuneration during the absence of these employees, unless the enterprise has suspended its operation under the state order.
- Obligation to remove workers belonging to vulnerable groups (as defined by the National organisation of public health whose health status may be jeopardized)

- Rent reduction for employees in companies that have been shut down and employees whose employment contacts have been suspended. Employees are exempt from the obligation to pay the full 100% and may pay with a 40 % discount for March and April 2020 (2 months) provided it is their primary residence.
- Extension of payments' deadline for to 3 months (until 30 June 2020). This measure concerns all the payments, installments, adjustments or facilities to insurance funds ending on 31 March 2020 without interest rates and surcharges.

Horizontal measures

- The state will pay interests of regularly services loans for a period of two months (with the possibility of a further two month extension)
- Reduction of VAT from 24% to 6% for products that are essential for protection against the coronavirus
- Possibility to have an immediate reimbursements of taxes for amounts up to € 30000
- Suspension of payment of VAT, payable at the end of March, for 4 months, in sectors and areas where the business is suspended by government order for more than 10 days. In addition, no interest or surcharge shall be payable on the amounts due when the deadline for payment and suspension of payment is extended.
- Suspension of payment of certified debts to the tax authorities, as well as installments of partial payment arrangements of certified debt, payable at the end of March, for 4 months in sectors and areas where business is suspended by government order for more than 10 months days.
- Establishing a mechanism, based on the available data from the Independent Public Revenue Authority, e-banking transaction and figures from the Ministry of Labour, that will monitor developments in the labour market and social security contributions, so that timely, targeted and effective intervention in the economy and in the regions where there is a significant decline in economic activity.
- Administrative requirements, such as the obligation to report overtime, are suspended in order to facilitate the gradual access of workers to avoid overcrowding in the workplace and public transport. Existing provisions on overtime and minimum rest time are not affected. A facility is provided for teleworking where possible.
- Support measures for businesses and workers affected by the pandemic, amounting to € 2 billion in the first phase. They will include, inter alia, a compensation of 400-500 euros to approximately 600,000 workers in businesses closed by government decision.

Hungary

Last updated: March 25

Details of first package (announced on 18th March):

1. **Suspending loan payments**

For the extent of the state of emergency, all payment obligations related to loans paid out before 18th March 2020 to businesses or private individuals are suspended. The moratorium affects all bank loans and financial leasing contracts, and beyond principal and interest payments, the moratorium extends to fees as well.The moratorium ends on 31 December 2020, but it can be extended by a government decree. The moratorium also extends to loan contracts that would expire during 2020 - the deadline of obligations arising from these contracts is postponed until 31 December 2020.Those who want to keep paying their instalments can do so; the decree does not affect debtors' rights to keep making payments in accordance with the original conditions.

2. **Sectoral relief**

Until 30 June 2020, the decree forbids landlords to terminate non-residential rent contracts or increase rent for businesses in the economic sectors worst hit by the pandemic, namely tourism, hospitality services, event organising, gambling, entertainment industry, film industry, performance arts, and sporting services. This too

can be extended by a government decree. For the months of March, April, May, and June, these sectors were also exempted from paying most contributions after their employee's wages, only healthcare contributions are still to be paid, although the decree introduces a 7710 Forint cap on that as well. Private entrepreneurs performing passenger transport services (taxis) under the so-called "KATA" tax regulation will not have to pay their flat tax for those same months, which means the deadline of their next tax payment corresponding to the month of July is 12 August. These measures affect approximately half a million Hungarians (5% of population).

3. **More flexible labour regulations**

The decree also relaxed employment regulations, *"in order to help employers and employees come to agreements easier."* In practice, this means that some provisions of the 2012 Labour Code (which prevents employers from altering work schedules fewer than four days in advance) were suspended until the 30th day after the end of the state of emergency. The government decree allows employers to alter work schedules anytime. Employers can also unilaterally order employees to work from home or work remotely and introduce measures to check the health condition of their employees. The decree states that these temporary rules overwrite collective agreements and allows employers and employees to divert from the Labour Code's regulations in individual agreements.

4. **Personal loans**

Starting from 19th March, the government decree also sets a limit on the annual percentage rate of all new consumer loans (except for mortgages) at the Central Bank's base interest rate (currently 0.9%) plus five percentage points. It is unclear what the consequences of a 5.9% limit on the ARP of consumer loans - including personal loans and even credit card debts - will be; the introduction of similar measures is usually preceded by weeks of preparation, but the decree entered into effect hours after the announcement.

5. **Closing borders**

Hungary closed borders to all foreigners except for residence permit-holding EEA citizens and spouses and parents of Hungarian citizens on 16 th March after declaring a state of emergency on the 18th March. As of 16th of March, universities and schools are closed, education will continue remotely. All events are banned, cafes, restaurants, non-essential stores have to close at 3:00 PM each day (pharmacies, drug stores, grocery stores, tobacco stores, and gas stations can remain open longer). Hospitals in Hungary no longer accept visitors, doctors, medical staff, and public officials require special permits to travel abroad. on 16th March, the government has allocated more than 8 billion Forints (~€24 million) for the coronavirus response.

Details of second package (announced on 23rd March):

1. On top of taxi drivers, 81 thousand more private entrepreneurs and small businesses will be exempted from paying the "KATA" flat tax and social security contributions after their employees. The measure will affect performing arts, beauty services, repair services (gas, water, glass, etc), sporting services, and other sectors, but the exact list will be released later in the government decree.
2. The government also grants exemptions for all "KATA" flat tax debts occurring after 20 March.
3. Hungarian media providers will get tax reliefs to balance missing ad revenues.
4. All evictions and foreclosures will be suspended until the end of the state of emergency, just like the enforcement of tax debts.
5. Child care allowances and child care benefits expiring during the state of emergency will be prolonged until the special legal order terminates.

Iceland

- Businesses experiencing temporary difficulties due to a fall in revenue will be given flexibility, e.g. extended deadlines for taxes and other public charges.

- Efforts will be made to provide temporary relief to the tourism industry, including temporarily reducing industry-specific tax payments.
- Once the situation returns to normal, a marketing campaign will be launched to promote Iceland as a tourist destination and Icelanders will be encouraged to travel domestically.
- Measures to stimulate private consumption and demand will be enacted, e.g. tax reduction or increased benefits.
- Ongoing and planned infrastructure projects will be accelerated.
- The Government will cooperate with the Icelandic Financial Services Association on their response to foreseeable liquidity and payment difficulties of tourism companies.
- The HF-Fund (former HFF-Fund) will transfer funds from the Central Bank to increase the ability of banks and creditors to provide credit to both companies and individuals.

Measures of 21 March

- Part time workers can claim up to 75% of unemployment benefits to avoid job losses. Those who are under the risk of losing their jobs will be eligible for unemployment benefits which allow them to move to part time hours for their employer (as low as 25% of their previous employment hours or salary) and claim additional support from the government.
- Postponement of taxes until next year, hotel taxes abolished until end of 2021
- Reductions in bank taxes and state guarantees on loans to eligible companies
- Initiation of a special project still this year to increase investment in transport, public construction and technology infrastructure – details to be released later

Ireland

- A €200m Strategic Banking Corporation of Ireland (SBCI) Working Capital scheme for eligible businesses impacted by COVID-19. Loans of up to €1.5m will be available at reduced rates, with up to the first €500,000 unsecured. Applications can be made through the SBCI website.
- Application of interest to late payments of VAT suspended for January/February
- Application of interest to late payments of employer PAYE(income tax)liabilities suspended for February/March
- A €200m Package for Enterprise Supports including a Rescue and Restructuring Scheme available through Enterprise Ireland for vulnerable but viable firms that need to restructure or transform their business.
- The maximum loan available from MicroFinance Ireland will be increased from €25,000 to €50,000 as an immediate measure to specifically deal with exceptional circumstances that micro-enterprises – (sole traders and firms with up to 9 employees) - are facing. Applications can be made through the MFI website or through your local LEO.
- The Credit Guarantee Scheme will be available to COVID-19 impacted firms through the Pillar Banks. Loans of up to €1m will be available at terms of up to 7 years.
- the Department of Employment Affairs and Social Protection and the Department of Business, Enterprise and Innovation will provide a joint First Responder support service through the Intreo Offices 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.
- Firms that need to reduce hours or days worked can avail of the Department of Employment Affairs and Social Protection Short Term Work Support by contacting their local Intreo Office, see gov.ie/en/service/c20e1b-short-time-work-support.
- 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.

Italy

Updated with indepth material on April 6

On March 16th the Italian Government presented a 25-billion-euro package (accounting for 20 billion of net borrowing, 1.1% of GDP) as an immediate response to the COVID-19 outbreak in order to strengthen the Italian health care system and support companies, workers, and families. The aim is to protect citizens' health, support businesses, and preserve employment levels and incomes. The Government will step up its intervention to tackle the unfolding of the crisis.

The four pillars of the package are: 1. Strengthening the National Health Care System and the Civil Protection Department 2. Preserving employment levels and incomes 3. Pumping a huge amount of liquidity to help businesses and households 4. Suspending tax payments and providing tax incentives for workers and businesses 5. Strengthening the National Health Care System and the Civil Protection Department (3.2 billion euro)

1. The Government has mobilized all the needed resources to ensure staffing and tools for the health care system, the civil protection department and law enforcement bodies in order to assist people affected by the disease and prevent, mitigate and contain the epidemic. More specifically, the Government will proceed immediately to hire medical and nursing personnel to reinforce the units of the military health care services, and to involve the private hospitals. Rules have been introduced to allow, if necessary, the requisition of private facilities and properties in order to enhance medical facilities and health care networks across the country. The Government has also streamlined the purchasing procedures for medical protection equipment. This allowed, among other results, the timely acquisition of 5000 assisted ventilation equipment and millions protective masks. Delivery of such devices is currently in progress and will be completed within 45 days.

2. Preserving employment levels and incomes (around 10.3 billion euro) Preserving jobs and incomes is crucial to shield families and businesses from the economic consequences of the coronavirus pandemic. To this end, the Government has allocated 10.3 billion euros to strengthen social safety net, in particular temporary unemployment benefits for employees in every productive sector, including businesses with less than five employees. The purpose is to keep people in employment and avoid firings due to a temporary crisis. This measure is complemented with an allowance of 600 euro for the month of March for self-employed workers – almost 5 million people who generally do not have access to ordinary social safety nets – and seasonal workers. Other measures in the package include: - Families may apply for a suspension of their mortgage repayment if business shutdowns caused by the pandemic threaten their livelihoods. - Parents may claim up to 600 euro to pay for babysitting. Alternatively, they can apply for an extended parental leave of 12 days at 50% of their salary. In March and April, paid leave granted to people who look after a disabled family member is extended to 12 days per month instead of three days. - Hiring of additional 1000 doctors. - Additional resources to pay overtime work to police and security personnel. These measures aim to protect workers' incomes and, at the same time, allow companies to re-organize the workplace to safeguard employees' health and safety. Furthermore, on Saturday March 14th, the Government, the trade unions, and the employers' associations signed a Protocol defining a set of guidelines to ensure the maximum health and safety standards for workers who keep working. This also allows to ensure the application of containment measures on the workplace. The implementation of the Protocol is expected to minimize the pandemic's impact on economic activity while ensuring uniform implementation of safety requirements all over the country, as defined by the health authorities.

3. Pumping up to 350 billion euro of liquidity to help businesses and households (5.1 billion euro) The government intends to prevent businesses and families from suffering from a collapse of revenues and a sudden lack of liquidity also caused by the credit crunch, as in the financial crisis of 2007-2008. To support credit supply the Government's plan has allocated additional 5.1 billion euro that will leverage credit up to 350 billion euro to professionals and firms, in particular SMEs and MidCaps, and will top up this amount in order to further increase the guaranteed amount of credit for enterprises of any size. The package consists of the following tools:

- Moratorium on loan repayments for small and medium-sized businesses, including mortgages and overdrafts (increased liquidity by 220 billion euro).

- Enhancement of the SME Guarantee Fund. The size of the Fund has been increased by more than 150% bringing the guaranteed funding from the current 40 billions to over 100 billions.

- Incentives for financial and non-financial companies to transfer non-performing or stranded loans through the conversion of their Deferred Tax Activities into Tax Credits. The intervention will allow businesses to access to additional liquidity and credit for up to 10 billion euro.

- State guarantee for Cassa depositi e prestiti (CDP), which will itself provide additional guarantees and liquidity to banks in order to allow the expansion of financing and liquidity for medium to large enterprises that do not benefit from the SME Guarantee Fund. A guarantee worth 500 million euro is expected to have a multiplier of 20, which can therefore generate new funds up to 10 billion.

- Further measures to support credit to all firms – large companies as well – through the banking channel, by including a guarantee on the first loss and/or subsidised financing, in line with the forthcoming temporary new state aid framework.

4. Suspending tax payments and providing tax incentives for workers and businesses (1.6 billion euro) The Government has suspended a number of tax payments to help taxpayers, and introduced tax incentives and credits to support the economy. The key measures included in the law-decree are the following: Tax and social security payments due in March have been suspended for a large number of taxpayers. These include all businesses and self-employed with turnover below 2 million euros, as well as taxpayers belonging to sectors heavily hit by the emergency (e.g. tourism, transportation, restaurants and cafes, movie theaters, amusement parks, organization of fairs and events). Once resumed, these tax payments can be made in up to five instalments. In addition, withholding taxes on the remuneration paid to self-employed taxpayers with turnover below 400.000 euros and without employees have been suspended for the months of March and April. Tax controls, field audits, coercive collection, litigation and tax compliance obligations have been suspended until June. There are some exceptions, such as the information that intermediaries have to file in order to populate the pre-filled tax returns for year 2019 and the tax payments that have not been suspended. Tax credit for sanitation. All expenses for sanitation, protection of workers and containment of the contagion benefit from a tax credit of 50% of the expenses incurred (up to a tax credit of 20,000 euro per taxpayer). Special bonus for employees. A bonus of 100 euros is granted to all employees who keep working with income below 40.000 euros, proportional to the days of presence at the work premises. Tax credits and deductions for COVID-19 donations: All donations in cash or in kind to support the containment of the contagion are deductible for corporations and generate a 30% tax credit for individuals (up to a tax credit of 20,000 euro per taxpayer). Tax credit for commercial rents: Stores and small shops which are closed because of the emergency are granted a tax credit equal to 60% of the rent for March.

5. Additional measures in support to Central and Local Public Administrations, including Municipalities are worth 4.5 billion euro. Impact on deficit and on public finance sustainability The first package will lead to a net borrowing increase of about 1.1 percentage points of GDP (about 20 billion) in 2020 and to a temporary deviation, already authorized in both houses of the Italian Parliament by absolute majority of their components, from the adjustment path towards the medium-term objective. The overall expenditure, limited to 2020, aims to ensure an increased capability to effectively deal with the extraordinary emergency and they will be treated, due to their nature of one-off expenses, as budget components that do not impact on the structural budget balance, which is a key indicator in national and European fiscal rules. The temporary nature of this intervention will ensure that public finances sustainability is not jeopardized. The extraordinary intervention decided today is based on solid foundations, as evidenced by the excellent budget results achieved in 2019, with a growth in revenues higher than expected and a drop in net borrowing to 1.6% of GDP. It is the lowest deficit in the last twelve years and more than half a percentage point lower than both the 2018 figure and the forecasts formulated in October for the Draft Budgetary Plan. This is the result of policies implemented to fight against tax evasion and of a rigorous, coherent and credible behaviour of the Government, both on the revenues side and in containing public expenditure. The debt-to-GDP ratio stabilized in recent years. The larger deficit needed for emergency interventions will probably lead to an increase in the ratio in 2020. In the next Economic and Financial Document, the Government will present a policy scenario consistent not only with a relaunch strategy

for the Italian economy, but also with a declining path of the debt-to-GDP ratio in the three-year programming period and on a longer-term horizon.

Legislative Decree n. 18 of 17 March 2020 The main measures related to enterprises focus on 4 main axes:

1) Support for workers and enterprises,

- **redundancy fund -** extended to all national territory, to all employees of all productive sectors, even to companies that already benefit from extraordinary layoffs, for a maximum of 9 weeks;
- compensation of 600 euro, monthly non-taxable, for self-employed workers and those subject to VAT;
- equivalence between disease and quarantine;
- **parental leave** for additional 15 days at 50% of remuneration for working parents or otherwise babysitter bonus 600 euro worth;
- for **air transportation**, enhance of the special fund for sustaining of income and the establishment of a new society fully controlled by Ministry of Finance.

2) Measures to support the liquidity of households and businesses

- **moratorium on loans** to micro, small and medium-sized enterprises (mortgages, leasing, credit openings and short-term expiring loans)
- strengthening of the **SME guarantee fund**:
  - eligibility for the guarantee of debt renegotiation operations;
  - automatic extension of the guarantee in the event of a moratorium or loans suspension;
  - for transactions up to € 100,000, the evaluation procedure is restricted to the economic and financial profiles only;
  - the chance to combine the guarantee of the fund with other forms of guarantee for the tourism sector;
  - possibility to set up special sections of the fund in order to support access to credit for certain economic sectors or business chains, on the initiative of the sectorial Administrations, associations and reference bodies.
  - suspension of the fund's operating terms;
  - extension of the limit for the granting of the guarantee from 2.5 million to 5 million;
- strengthening of the **Confidi** for micro-enterprises;
- establishment of an Integrated Promotion Fund at MAECI;
- instantaneous entry into force of the volatility adjustment for insurance companies;
- introduction of a counter-guarantee mechanism for banks, by CDP, with which to allow the expansion of credit also to medium-large companies affected by the crisis;
- incentive to sell impaired loans by converting deferred tax assets into tax credits for financial and industrial companies;
- establishment of a show, cinema and audio-visual emergency fund and provisions for the cultural sector;
- rules on the reimbursement of residence contracts and on the termination of contracts for the purchase of tickets for shows, museums;
- Increase in advances from the 2014-2020 Development and Cohesion Fund within the Operational Plans of Central Administrations and Development Pacts.

3) Fiscal measures

- **Suspension of withholding tax, social security and social security contributions and compulsory insurance premiums** during March and April, together with payment of VAT in March. The sectors concerned are tourist-hotel, spa, passenger transport, restaurants and bars, culture (cinema, theatres), sport, education, amusement parks, events (fairs/conferences), games rooms and betting centres;
- **suspension of payment periods and tax and contribution payments** for taxpayers with a turnover of up to EUR 2 million (VAT payments, deductions and contributions for March);
- **deferral of the deadline** for payments due to public authorities from 16 to 20 March for economic operators not subject to suspension;

- **disapplication of withholding tax** for professionals without employees, with revenues not exceeding 400,000 euros, on the invoices of March and April;
- **suspension until 31 May 2020** of time limits for winding-up, control, establishment, collection and litigation activities by the offices of the Revenue Agency;
- **suspension of time limits** for collection of tax records, payment and removal, suspension of new files and suspension of executive acts;
- incentives and contributions for **sanitation and safety at work**;
- **for commercial rentals**, tax credit equal to 60% of the March rent;
- provisions on road transport and public passenger transport;
- the suspension until 31 May 2020 of fees for the award of public sports facilities to sports associations and societies;
- urgent extraordinary measures in support of the press chain.

4) Enhancement of the health System and of civil protection

- appropriations for the recruitment of 20000 health workers for the national health system.
- increase of **national emergency Fund** of 1.65 billion;
- the funding for **increase the hospital beds**;
- requirement for **private facilities** to provide for health workers, buildings and their equipment:
- authorization to Invitalia to provide concessional financing or straight grants **for producers of medical devices** and PPE (personal protective equipment);
- possibility for civil protection of **requisition** of health centres, medical surgical and essential goods. Prefects will have at their disposal the requisition of hotels or other buildings;
- preview of price in public contracts, to expedite the purchase procedures and the payment of materials and health tools.

Latvia

- temporary support to employers to cover sick leave payments and employee salaries in idle time
- possibility to defer tax payments up to three years and the deadline for submitting annual reports has been extended to at least 31 July
- State revenue service will refund approved VAT payments already within 30 days of submission of VAT declarations
- ALTUM (national development finance institution) will provide loan guarantees and loans for crisis solutions to businesses affected by COVID19
- Interest rates on loans for tourism sector businesses will be cut by 50% for SMEs and by 15% for large enterprises

Lithuania

On 16 March 2020 the Lithuanian Government adopted the Economic and Financial Action Plan to address the impacts of the COVID-19 virus on the economy, people and businesses. 10% of the country's gross domestic product (GDP), accounting for 5 billion euros, will be allocated to support the measures.

The action plan focuses on ensuring the health of the population, helping small and medium-sized businesses, boosting employment and economy:

- **Provision of necessary resources for the efficient operation of health and public security systems - 500 million euros**
- **Jobs and income protection - 500 million euros**

The Economic and Financial Action Plan provides 500 million euros for measures aimed at maintaining jobs and income. The state will jointly support businesses with job retention for up to three months, by also covering partial downtime or part of downtime allowance for employees. In the case of quarantine in educational institutions or social care and employment centers, a provision foresees sickness benefits for the specialists who take care of children and the disabled. It also provides for self-employed workers who have paid social security contributions: to receive 257 euros / month for up to 3 months when they are unable to carry out their activities due to quarantine, and to extend the credit payment period (excluding interest) for those who became unemployed – from 3 to 6 months with the state guarantee. Also, to allow the possibility of postponement or settlement of payments for electricity and natural gas to the national energy holding company Ignitis UAB, to recommend municipalities to postpone or arrange schedule for utilities and heat energy payments.

- **Maintaining business liquidity - 500 million euros**

The plan provides for immediate tax loans, with postponed or deferred payment schedule, without interest payment; stopping recovery actions on the basis of reasonableness criteria; exemption of taxpayers from fines and penalties; possibility to defer payment of personal income tax; increase the Guarantee Limit for the Agricultural Loans and INVEGA Guarantee Fund by 500 million euros as well as extend the terms for the guarantees; enable businesses to defer or postpone payments for the electricity and natural gas consumed to the national energy holding Ignitis UAB. It is also recommended that municipalities exempt businesses from commercial real estate and land taxes, and allow to defer or arrange utility bills and payments for heat energy.

- **Boosting the economy - 1 billion euros**

The Economic and Financial Action Plan provides for accelerating investment programs, speeding up payments and increasing the intensity of funding. It also allows reallocation of EU investment funds to health, employment and business fields, accelerates the use of state budget for current expenditure, use all funds from the Climate Change, Road Maintenance and Development programs and accelerate the renovation of apartment buildings. In addition, it is planned to recommend the Bank of Lithuania to take measures to increase the lending potential of banks by 2.5 billion euros: (1) reduction of capital requirements for credit institutions; (2) Reduction of liquidity reserves; (3) Reduction of other supervisory measures.

Moreover, an additional 500 million euros state guarantee ceiling is foreseen to create or supplement the existing financial instruments. Also, to establish a COVID-19 Impacts Reduction Fund open to contributions from legal and natural persons.

A 1 billion euros stimulus package for the economy will encompass 500 million euros additional investments and 500 million euros additional guarantees.

- **Ensuring liquidity of the state treasury**

The Economic and Financial Action Plan provides for the Government to borrow additional 5 billion euros.

- **Task force on business emergency coordination**

A state-level task force on business emergency coordination was formed. LPK is represented by its President Robertas Dargis.

Luxembourg

Updated April 2

1. Advance on the reimbursement of Extraordinary Family Related Leave

In the context of the coronavirus pandemic (COVID-19), the government decided to grant extraordinary family-related leave to the parent who has to provide care for their child.

In order to reduce the time taken to reimburse employers for family leave, the Joint Social Security Centre (CCSS) will make an advance payment which can be transferred directly to the employer's bank account. In this context, we would like to draw the attention of the concerned companies to the fact that a letter from the CCSS has been sent to them detailing the procedures for obtaining the advance on leave for family reasons.

2. Measures at the level of social security contributions to be implemented in the context of the COVID-19 crisis by the Joint Social Security Centre.

The Joint Social Security Centre (CCSS) and the Minister of Social Security, Romain Schneider, have taken a series of measures to support companies and the self-employed by offering them greater flexibility in their management of the payment of social security contributions. Read the temporary measures that will enter into force from 1 April 2020 HERE

3. French cross-border workers: exceptional measure between Luxembourg and France

The French and Luxembourg authorities have agreed that, from Saturday 14 March 2020, the presence of a worker at his home to carry out his activity there may not be taken into account in calculating the 29-day period. Moreover, cross-border workers residing in France need two documents to prove the ned to cross the borders: A certificate, and the new simplified certificate of derogatory travel.

4. Commuter certificates for professional commuters (German-Luxembourg border)

In the context of the current corona crisis, the German Federal Police carry out checks at the borders with Luxembourg. The new certificate of the Federal Police can be placed behind the car windscreen. The form provided by the government on 15 March remains valid and will continue to be accepted by the German Federal Police.

5. Belgian cross-border workers: exceptional measures between Luxembourg and Belgium

In order to facilitate the entry of cross-border workers into Luxembourg during border controls, the Luxembourg government has issued a certificate attesting to the employment relationship with the employee. Moreover, as from Saturday 14 March 2020, the presence of a worker at home, in particular to carry out teleworking, will not be taken into account in calculating the 24-day period of the rule of tolerance.

6. New simplified measures for companies applying for coronavirus-related short-time work

The Economic Conditions Committee (Comité de Conjoncture) held an extraordinary meeting on 18 March under the co-chairmanship of Dan Kersch, Deputy Prime Minister, Minister of Labour, Employment and the Social and Solidarity Economy, and Franz Fayot, Minister of the Economy. From now on, there is

- an accelerated procedure for companies directly affected by a government decision. An online system will be available on the ADEM website in the coming days.
- a "force majeure / coronavirus" short-time working scheme. The form in question can be downloaded from adem.lu and from guichet.public.lu.

The entire text is available HERE.

7. Information note: Tax Measures to support companies and the self-employed

In response to the crisis linked to the spread of Covid-19, the Government decided to implement several tax measures in favour of legal entities and individuals.

Tax advance facilities and payment deadlines will be granted to companies and self-employed persons. In addition, these same persons may apply for a four-month payment deadline for taxes due after 29 February 2020.

More information in the official press release.

II **THE GOVERNMENT'S ECONOMIC STABILIZATION PROGRAM COVID-19**

On 25 March, Finance minister Pierre Gramegna, Economy minister Franz Fayot and minister for Small and Medium-Sized Enterprises, minister for Tourism Lex Delles presented the Covid-19 Economic Stabilization Program at their joint press conference. Please find the entire program as well as a summary of the objectives and measures in the form of infographics.

The stabilization program counts for 8.8 billion euros (around 14% of GDP).

Three categories of aid are provided:

Immediate expenses: partial unemployment (1 billion), aid for VSEs and the self-employed (50 million), minimal (300 million), leave for family reasons (200 million per month)

One of the most expensive measures is short time working. Some 8,000 files have already been submitted and are being processed.

A direct financial assistance of 5,000 euros is offered to very small businesses (less than 9 employees) and the self-employed who had to stop their activity or see it considerably slowed down (hairdressers, restaurants, architects ...).

Financial assistance up to 500,000 euros in the form of a repayable advance to cover operating costs is available to all businesses of all sizes, as well as to self-employed workers.

deferrals: indirect taxes (300 million) and social security contributions (3 billion).

The cancellation of tax advances for the first two quarters of 2020, the early reimbursement of VAT, the deferral of payment (without interest) of tax or the flexibility in the management of cash and payment of social security contributions had already been announced.

State guarantee: guarantee of 2.5 billion euros to finance the economy by the end of the year through a moratorium on bank loans and guarantees from SNCI bond.

A moratorium is granted by some banks on the repayment of existing loans, including on interest.

Administrative ease will be guaranteed for both measures. Strict controls only executed when the crisis is over.

Suspension of the expiry period of building permits

The one-year expiry period for building permits provided for in Article 37(5) of the amended Act of 19 July 2004 on municipal planning and urban development, which did not expire before the state of crisis, is suspended for the duration of the state of crisis. This suspension temporarily halts the course of the crisis without erasing the period that has already elapsed. Read the regulation here.

Suspension of time limits for the negotiation of a social plan

The Grand Ducal Regulation of 1 April 2020 derogating from the time limits laid down in article L. 166-2. of the Labour Code suspends the time limits applicable, during the negotiation of a social plan in the context of collective redundancies, and, where applicable, the related conciliation procedure, for the duration of the time of crisis.

Suspension of one of the reasons for withdrawing early retirement benefits

The Grand Ducal Regulation of 1 April 2020 derogating from article L. 585-6. of the Labour Code temporarily suspends one of the reasons for withdrawing early retirement benefits, namely that of resuming an activity generating an income which, over a calendar year, exceeds half of the minimum social wage applicable to the employee concerned per month.

This Grand Ducal Regulation applies only to companies pursuing one of the activities referred to in Article 3 (2) or Article 5 passage 1 of the Grand Ducal Regulation of 18 March 2020 introducing a series of measures to combat Covid-19.

Suspension of the trial periods of employees affected by partial unemployment for cases of force majeure (coronavirus)

The Grand Ducal Regulation of 1 April 2020 derogating from articles L. 111-3., L. 121-5., L. 122-11. and L. 131-7. of the Labour Code suspends the probationary period for employees linked to a company that has had to stop its activities or slow down its activities in such a way that it is obliged to put its staff on "short-time working for force majeure Covid-19", following the time of crisis.

Modification of the modified Grand Ducal Regulation of 18 March 2020 introducing a series of measures to combat Covid-19

The Grand-Ducal Regulation of 1 April 2020 modifying the modified Grand Ducal Regulation of 18 March 2020 introducing a series of measures in the fight against Covid-19 modified the cited Grand Ducal Regulation in article 5 by adding the activity "les services de transport, de transbordement et d'expédition de marchandises et de fret" (translated:"transport, transhipment and freight forwarding services").

As a result, it is also possible for employers concerned by this modification to refuse any leave during the time of crisis and to work up to 60 hours/week, provided they have the authorization of the Minister of Labour, Employment and the Social and Solidarity Economy.

- Companies directly affected by government orders eligible for a short-time working scheme
- Reimbursements for unemployment caused by government closures at 80% of normal salary
- Commuter certificates for cross-border workers to allow them to cross borders that are otherwise closed
- Companies can apply for cancellation of tax advances for the first 2 quarters of 2020, and can apply for a four-month payment deadline for taxes due after February 29
- All VAT credit balances below 10.000 euros will be reimbursed

Malta

Last updated: April 21

- Government to finance €800 per month for full-time employees and self-employed, and €500 per month for part-time employees, in critical sectors that were affected by Covid-19 measures. These include hotels, restaurants, certain retail outlets, travel agencies, transport operators, entertainment. This will also be extended to all those activities hit by forced closure as a result of public health measures
- Government and social partners agreed that employers will guarantee a minimum top-up of €400 per month per employee for those on higher wages to ensure that these employees receive a minimum of €1,200 per month
- Nothing prevents employers from giving more than the agreed minimum top-up to employees on a higher wage. At the same time, employers that cannot afford the top-up will have to obtain permission from the Director of Labour
- Government will also finance €160 per month for full-time employees in sectors hit by reduced consumption, including manufacturing, some retail outlets and the information sector
- The Maltese Government in April announced an interest rate subsidisation scheme through a number of authorised local commercial banks:

- Businesses and self-employed workers hit hard by the coronavirus pandemic are being offered a subsidy of up to 2.5 per cent on the interest rate charged by banks, should they decided to take a loan to cover expenses. Under this scheme, which is estimated to cost €20 million per year, applicants would benefit from a subsidised interest rate for the first two-years of the loan. The bank's normal loan eligibility criteria still apply.
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Retained measures:

- A Maltese or EU citizen who becomes redundant will get €800 per month as unemployment benefit
- Government will cover additional two months leave for parents who have to stay at home to take care of the children as a result of school closures with an €800 per month benefit. This benefit applies where both parents work in the private sector
- Government will provide an Eur800 per month benefit for disabled people who work in the private sector but choose to stay at home
- Quarantine leave: Government to pay companies €350 per employee on quarantine leave
- Taxes due in March and April, including provisional tax, VAT and social security contributions, have been postponed to a future date
- Incentives/grants for companies to invest in teleworking equipment
- Government to provide Eur900 million for loan guarantees to enable business to access bank finance

Economic impact:

The measures announced will be sustained for three months but can be reviewed depending on how the situation develops. This is expected to cause public debt to increase by about 8%. Government anticipates that the debt-to-GDP ratio will still be less than 50%, giving it enough fire power to increase the aid package at a later stage if the situation does not improve.

- €1.6 billion in liquidity for companies: €700 million in tax deferrals and €900 million in guarantees. The €900 million in government guarantees to companies are expected to open up the availability of credit and loans to the tune of €4.5 billion that would give companies additional liquidity
- Quarantine leave: Government to pay companies €350 per employee on quarantine leave
- Government will cover additional two months leave for parent who has to stay at home to take care of the children as a result of school closures with an €800 per month benefit.
- A company registering 25% less sales will benefit from 1 day per week per employee. This amounts to around €37 per week, equivalent to around €147 per month per employee. Measure is capped at €800 per month.
- A business that was asked to close as part of the Covid-19 measures will get 2 days of assistance per week per employee. This is equivalent to €300 per month per employee.
- A self-employed person will get the same amount
- A self-employed person who also employs others will get 3 days per week of assistance for himself and 2 days per week for every employee
- A Maltese or EU citizen who becomes redundant will get €800 per month as unemployment benefit
- A third country national who becomes unemployed will get no financial assistance but JobsPlus will help to find alternative work
- People in rental property and who lose their job and did not qualify for rent subsidy, will now benefit from the scheme
- Foreign workers: A company that makes anybody redundant cannot apply for a work permit for a third country national. Malta will stop accepting new third country national work permit applications
- Taxes due in March and April, including provisional tax, VAT and social security contributions, have been postponed to a future date. VAT credit refunds will also be accelerated.
- Incentives/grants for companies to invest in teleworking equipment

Netherlands

Updated April 2

On March 17 the Dutch government further announced:

1. A guarantee facility for SME loans (BMKB) is already in place and working – EUR 665 million of an available budget of EUR 765 million, 0.08% of GDP. The Ministry of Economic Affairs and Climate Policy has expanded guarantees to a higher guarantee percentage, up to 90% of the credit risk of banks for SMEs that want to take out a loan of EUR 1.5 mln maximum but that do not have the required collateral. This measure was recently expanded for SMEs coping with risks associated with the nitrogen ruling (adopted) and is further expanded to apply to SMEs affected by COVID-19.

2. The social assistance decree, aimed at self-employed persons, (Bbz, Besluit bijstandverlening zelfstandigen 2004) will be expanded, meaning that the self-employed and entrepreneurs will be able to receive social assistance if they meet certain standards, which will be relaxed. This social assistance will include additional benefits to meet livelihood standards and/or a loan for working capital.

3. A new temporary measure will be introduced to help entrepreneurs paying wages, in order to prevent unemployment. This measure replaces the current working time reduction scheme, which was not designed for handling a pandemic. In the new scheme, employers will be supported more quickly than before. Employers using the scheme must commit to not firing their employees on economic grounds. Employers who expect a decline of at least 20% in revenue can request an allowance for a period of 3 months of maximally 90% of the total wage sum. The Employee Insurance Agency (UWV) will pay a deposit beforehand, and it will be determined afterwards whether a firm has received too much or too little support. The Dutch government will work on the details of the proposal in the coming period and will send a request to the European Commission regarding stateaid rules. The costs will strongly depend on the number of applications. If 25% of all employers apply for an average of 45% of their wage bill, the costs will be around 10 billion euros in the first 3 months. These costs will increase when the number of applications rise.

4. Businesses can request for a special deferral of payment in income tax, corporate tax, VAT, energy tax and wage tax. Temporarily, no penalties for failure to pay taxes (on time) will be imposed. Businesses that already forecast lower profits due to the epidemic can request a reduction of the provisional tax assessment and will be able to pay less initial tax in order to avoid liquidity problems. To avoid immediate liquidity problems, the requirement for a “third expert” will not have to be included in the request immediately (but after two weeks). Moreover, the tax authorities will temporarily decrease the recovery interest rate from 4% to 0.01%.

5. The so-called GO-regulation, through which SMEs can secure a 50% guarantee from the government on their bank loans and bank guarantees, will be expanded. The maximum ceiling guaranteed will be increased from EUR 400 million tot EUR 1.5 billion and the maximum GO-facility per firm will be increased from EUR 50 million to EUR 150 million. This will enable both small and large firms to benefit from this policy.

6. In order to support small firms and start-ups with little financial reserves, we will expand the Qredits-programme. Through this program, we expect to support approximately 3000 to 6000 firms by a deferment of payment for a period of a maximum of six months and by giving those firms a discount on their rent payments for the same period.

7. Agricultural and horticultural SMEs will be supported by temporarily relaxing the guarantee for working capital, which is part of the existing decree Borgstelling MKB-Landbouwkredieten (BL). The decree will ease acute liquidity problems for agricultural and horticultural business who experience those problems due to the COVID-situation. The credit is for a maximum of 2 years.

8. The central government will discuss with local governments on how they can support local entrepreneurs within the current regulatory frameworks. In order to support the liquidity of local firms, the central government will discuss whether it is possible to postpone the collection of local taxes, including tourist taxes.

9. To support firms that are affected by our government's health measures - for example by the closure of restaurants - an emergency desk will be introduced, through which those firms can receive a one-off lump sum allowance of EUR 4000. The conditions for this allowance are currently being drafted.

The Dutch Ministry of Social Affairs and Employment published on 31st March the Temporary Emergency measure to bridge Employment.

The conditions are:

1. No dismissal for business reasons during the time for which financial compensation is requested.
2. Expectation to have at least 20 % loss of revenue starting on 1 March.

Request can be made for three months and can be extended for three months.

The Emergency measure will be effective from 6 April.

Amount of compensation:

Depends on loss of revenue. Maximum is 90% of wage costs (wage + 30% additional costs).

For example:

- 100% loss of revenue: 90% wage costs compensation
- 50% loss of revenue: 45% wage costs compensation
- 25% loss of revenue: 22,5% wage costs compensation

Deposit: 80% of expected compensation.

If too much compensation is received: obligation to pay back the amount that was too much. If too little compensation is requested, the difference will be paid afterwards.

Norway

Updated April 9

April 8: Phasing out of measures

On April 8 the Norwegian Government decided to face out some of the measures applied from 12th March; reopen the kindergartens and lower grades in primary schools from 20.th and 27.th of April, and to let some of the businesses locked down operate again, se more below. Thais has been done after advice from and close consultation with both the education authorities, the business associations/NHO, and the health authorities, and is risk based.

There has also been an expert group advising the Government with a thorough report on the economic consequences of the prolonged close down of different sectors in society (unfortunately only in Norwegian), which also point at reopening of the schools as the most important measure in a short time perspective.

Please note that the reopening of the different sectors will take place after best-practise standards of behaviour are developed in cooperation between the business sectors and the health authorities. We and our sector federations will take part in this work.

The NHO has supported the Governments approach so far.

Kindergartens and schools

April 20: Kindergartens open. The prerequisite is that this can be carried out in a contagious defense manner. Kindergartens can use the time until April 27 to prepare the opening if they need it.

April 27: Schools open for 1st - 4th grade in primary school. The school leisure scheme also opens. High schools open to students who follow vocational training in school. The prerequisite is that this can be carried out in a contagious defense manner.

April 27: Universities, colleges and vocational schools open to some students and staff. Students and staff in recruitment positions who are in the final stages of their studies and projects, and who are completely dependent on equipment at the educational institution, can return to universities, colleges and vocational schools from April 27. They must follow the same rules of distance as in working life, and work from home whenever possible.

Cabins

April 20: The prohibition on overnight accommodation is repealed.

Businesses

April 20: Many health-care companies with one-on-one contact, such as physical therapists and psychologists, will be able to operate more as usual if regulatory requirements for infection control measures are followed. *Industry standards will be developed in consultation with the Norwegian Institute of Public Health and the industry.*

April 27: One-to-one contact services such as hairdressers and skin care providers will be able to stay open if they meet the requirements for infection control measures. *Before reopening, contamination requirements will be developed in collaboration between the industry and the Norwegian Institute of Public Health*. If the industry agreement on infection protection can be complied with, such businesses can also open earlier than April 27.

Other measures

The ban on *cultural and sporting and other events* that do not meet basic contamination requirements will apply until June 15.

Sports activities can be carried out when the Directorate of Health's distance and group recommendations are followed.

The municipalities are instructed to ensure that those who are in quarantine or isolation can stay at a hotel or other place designated by the municipality.

The hospitals must prepare for normal operation after Easter.

The Directorate of Health will work with the county authorities to ensure that the municipalities restore normal activity in the health and care service.

The following measures are unchanged

- Frequent hand washing and disinfection.
- Quarantine or home isolation in case of illness, close contact with the sick, return home after foreign trips, etc.
- Avoid hand greeting and pinching.
- Those who live together can socialize normally.
- Remember good cough and nasal hygiene.
- Schools from 5th - 10th grade will still be closed and students will receive homeschooling.
- High schools and higher education institutions will still be closed, with the exceptions announced on April 7.
- Distance limit of two meters, except for people who live together on a daily basis. In stores and pharmacies where two meters can be difficult to comply with, a distance of at least one meter should be kept.
- A maximum of five people can be together, except for people who live together on a daily basis.
- It is encouraged to avoid using public transport and to avoid unnecessary leisure travel.
- The health authorities recommend a home office if possible, and this is clarified with the employer.
- Fitness centers, swimming pools, water parks and the like are closed.
- Visits to nursing homes and other institutions for vulnerable groups are not allowed.

- Most dining places will be closed, with the exception of those who serve food and can comply with the rule of at least two meters distance between guests and those serving, and meet other basic requirements for infection control.
- A number of public services are closed, such as passport offices, police public service, libraries etc.
- More stringent border controls - foreigners without a residence permit in Norway will be expelled from the border.
- The Ministry of Foreign Affairs advises against all foreign travel that is not strictly necessary.

The Parliament on March 31 agreed on a new support package, with the following suggestions:

- Those who are laid off with unemployment allowance should be given the opportunity for education
- The low VAT rate is reduced further, to 6 %
- Payment of alcohol tax and fuel tax is postponed
- Industry in the non-EU/ETS sector is exempt from carbon dioxide tax
- Payment of excise duties for the fuel industry and the brewery industry is postponed until June 2020
- Investment decisions for the Carbon Capture and Storage (CCS) full scale industrial projects will be presented in the state budget 2021 and an investigation into CCS for the combustion plants in Bergen, Trondheim and Stavanger will be initiated.
- The Parliament calls on the Government to submit, in a revised budget, more climate measures for the Norwegian oil and gas industry and measures to enter into a zero-emission development agreement for fast ferries.
- The Government will submit to the Parliament a financing model to ensure the development and implementation of offshore wind power
- The economical framework for municipalities is increased by NOK 3.75 billion
- One billion of students' extra loans are revised to scholarships
- Increased funding for the innovation support scheme by NOK 100 million
- One billion NOK is allocated for maintenance work in the public sector
- Environmental Technology Fund (Environmental Technology Scheme) raised to NOK 750 million
- Down payment on autopass for ferries and tolls is reduced by one third
- The framework for the Compensation Fund for Culture, Sport and Volunteering is increased by NOK 100 million
- Further strengthening of the travel guarantee fund
- The Housing Bank's loan limit is increased by SEK 5 billion

• Compensation scheme for "fixed costs" (new proposal) NOK 20 - 40 billion

The scheme will compensate for part of the inevitable fixed costs for companies that are severely affected by the infection control measures. It will be in place for 2 months, but could be extended, and will be available through digital portals and the banks in 2 – 3 (max) weeks. The details and criteria will be in place next Friday and will be developed together with the major business federations, and will be inspired by the Danish scheme.

• Grants for young growth companies - NOK 2.5 billion (new proposal)

This includes strengthening of the innovation grants schemes by NOK 2 billion and the establishment grants by NOK 500 million.

• Innovation loans - increased loan limit by NOK 1.6 billion, to NOK 3 billion (new proposal)

Innovation loans can be used for part financing of investment projects for start-ups, innovation, restructuring, internationalization and development.

• Interest support fund - NOK 300 million (new proposal)

The purpose is to provide companies affected by the crisis with payment relief through installment deferral and deferral of interest payments for existing or new innovation loans and district-directed risk loans.

• Grants for private innovation environments - NOK 50 million (new proposal)

The aid scheme will help these environments to maintain their services to start-ups and growth companies.

• Business-oriented research - NOK 250 million (new proposal)

The increase will help to keep R&D activities running throughout the entire business sector, to avoid the termination of research projects and activities.

• Capital for fund and matching investments - NOK 1 billion (new proposal)

The government proposes to increase the investment capital of Investinor (public investment fund) to improve access to capital for early stage companies.

• Extended unemployment benefit period for laid off workers (new proposal)

Unemployed and laid-off workers who are about to expire the maximum period of unemployment benefit will be extended their unemployment benefit period through June.

• Extended unemployment benefit period for laid-off workers (new proposal)

For laid-offs, there will be a corresponding extension of the unemployment benefit period in that the Ministry of Labor and Social Affairs provides for a temporary regulation to extend the period employers are exempt from payroll obligations for those who were laid off before March 1, 2020. For the time being, this applies out of June.

• Disbursement scheme unemployment benefit (new proposal)

The government opens the way for NAV (national social security authority) to be able to offset the payment of unemployment benefit. Thus, those who have lost their income will be able to get money into the account quickly, without having to wait for the unemployment benefit application to be processed.

The Norwegian government has taken strong measures to fight the Covid-19;

- "closed" the borders and banned foreigners from entering the country/to be put in quarantine for 14 days, goods will still be allowed to enter
- closed all schools and universities,
- closed bars, restaurants etc. but shops are still allowed to be open
- banned sectors treating people form operating (hairdressers, phycists, opticians, dentists etc)
- closed down non essential public offices for public availability.

On March 16 a settlement was presented that includes, among others, the following measures:

- The employer's period of layoff is reduced from 15 to 2 days.
- The employer period for sick pay and care allowance is reduced to 3 days. This will mean a lot to businesses in a very demanding situation. Employers do not receive an extra bill when the workforce disappears. This applies to sick pay related to the coronary pandemic.
- Self-employed and freelancers receive sickness benefits from day 3, and care money from day 4.
- The period of care money (for parents staying home with children home from school) is doubled.
- Deferred VAT payment. Payment of the employer's contribution on May 15 and VAT on April 15 this year is postponed. The 12 percent VAT rate is reduced to 8 percent. Along with deferred payment of other taxes, these are crucial measures in a period when companies have limited revenues. We also have to gradually clarify whether companies can be exempted from any taxes and fees.
- Apprentices now receive an income hedge on par with apprenticeship pay.
- Self-employed persons also receive an income hedge equivalent to 80 per cent of average income for the past three years, limited up to 600.000 NOK/60.000 EUR.
- Employees receive a "full salary" for 20 days upon termination. The cost is distributed with two days to the employer, and then 18 days from the state with pay, but limited up to 600.000 NOK/ 60.000 EUR. This will ease the burden on many jobs.
- The income limit for receiving unemployment benefit is set at 0.75 G (7.500 EUR). This group also ensures at least 80 per cent of its income up to 3G during the layoff period.

In addition there will be more credit available;

- Loan and guarantee schemes for business on a total of NOK 100 billion (EUR 10 billion)(more if needed) to help ensure that the companies get the credit they need. The credit will be handled through the ordinary banks.
- The Norwegian central bank has lowered its interest rate to 1% and reduced the capital demands for banks to free capital for businesses

Poland

Updated April 23

Overview

FINANCIAL SHIELD 2.0: 100 billion PLN = 4, 5 % of GDP for companies with reduced turnover

(together with the previous shield: 320-330 billion PLN, which stands at 14.5 % of Polish GDP/ doesn't include EU funds)

1. 25 billion PLN will go to micro-companies
2. 50 billion PLN to small and medium enterprises
3. 25 billion PLN to large enterprises

Micro-companies: - up to 324,000 PLN for 3 years, non-returnable subsidy up to 75 percent for 12 months, provided that you conduct business and maintain a level of employment

Small and medium enterprises (10-249 employees): - up to 3.5 million PLN for 3 years, non-returnable subsidy up to 75 percent for 12 months, provided that the business is conducted and the employment level is maintained.

Large enterprises (over 250 employees): - equity and liquidity financing up to 1 billion PLN, non-returnable subsidies up to 75 percent.

Main goals:

1. maintaining production or providing services - it depends on the nature of the company
2. employee salaries and flexible adaptation of the company to changes on the market
3. 1/4 can be used to pay off company loans
4.

- First repayment in the second year
- Conditions: paying taxes in PL; maintaining your business; not firing employees
- There are no certificates, but only electronic statements verified ex-post Measures proposed by the National Bank of Poland:
- Increased liquidity, refinancing of bonds
- Promissory note loan (equivalent to TLTRO in the euro area); perspective of refinancing by the NBP of PFR debt taken by consortium
- Lowering interest rates by 50 basic points - up to 0.5%

On the 18th of March, Polish government announced the anti-crisis shield which supposed to help Polish economy to counteract the consequences of coronavirus epidemy. Value of the package: 212 billion PLN (€47 bln):

Pillar I: Employees

- For entrepreneurs with lower turnovers: 40% of salary covered by state and at least 40% by employer to the level of average salary in Poland.

- For self-employed, contract agreement and work contract employed: possibility to cover up to 80% of minimum salary in Poland.
- Extended care allowance: 3-4 billion PLN from the social insurance fund.
- Credit installment prolongata.

Pilar II: **Entrepreneurs:**

- Up to 5,000 PLN micro-loans, guarantee and liquidity solutions; loans and credits on preferential terms, among others for industries most affected by the crisis (transport).
- Increased guarantee from Bank Gospodarstwa Krajowego* (up to 80% loan) - postponement of loan repayments by banks.
- Deferring payments to ZUS (Social Security Institution) and spreading repayments into instalments.
- Temporary restoration of stores and trade supplies on Sundays.

Pillar III: **Health care**:

- 7.5 billion PLN for infectious hospitals, medical equipment, modernization of the hospital base etc.

Pillar IV: Stability of financial system:

- Capital - liquidity package.
- Deposit protection.
- Anti-Usury Act - the fight against unjustified price increases

Pillar V: Public investments:

- 30 billion PLN, digitization, modernization of schools, environmental protection, reconstruction of infrastructure, local roads.

* A state development bank whose mission is to support the social and economic development of Poland and the public sector in the fulfilment of its tasks.

Portugal

Last update 23 April

- **Cash flow support**: Credit line, with state guarantee, to support companies' cash flow (400 M €). The maximum each company can borrow is 1,5 million euros, the state guarantees 80% of the debt, subject to an interest rate plus a spread (limited by law).
- **New credit lines** with favourable conditions for companies (SMEs and small and mid caps) in all sectors (€6,2 bn):
- Support of economic activity (€4,5bn)
    - restaurants and similar (€900m)
    - tourism (€600m)
    - events and similar (€200m)
- **Credit moratorium**: 12-month moratorium on repayment of reimbursable grants (incentive systems) for the most impacted companies. During the period companies are exempted from paying the existing credits as well as the interest rates.
- **Postponement of tax and social contribution payments**: companies are given the choice of paying monthly taxes in 6 instalments without interests.
- **Simplified lay off regime:** Simplified regime of temporary lay off for companies in “emergency crisis” (having their activity suspended for reasons related to the epidemic or with a considerable

fall in their turnover defined as 40% fall in the previous 30 days compared with the 2 months before). Workers receive 2/3 of their wage, of which 30% is paid by the employer and 70% by social security. During lay off (and an extra month), companies are exempt from social security contributions.

Romania

Last updated: March 25

Fiscal

- **the postponement of payment of tax liabilities:** all principal tax liabilities which become due by taxpayers during the period of the state of emergency are postponed for payment without accrual of interest and late payment penalties until the elapse of a 30 day-period as of the date when the state of emergency ceases**.**
- **Changes regarding the corporate income tax:** The quarterly anticipated payments of the annual corporate income tax for 2020 can be made at the value of the calculation of the current quarterly corporate income tax, while the methodology for the calculation of the corporate income tax shall remain the same for the entire year 2020.
- **Extension of payment deadline for local taxes:** payment of the tax on buildings, land and means of transport for all taxpayers was prolonged from 31 March until 30 June while taxpayers will still be able to benefit from a 10% discount of such taxes if the due amounts are properly paid until June 30.
- **The suspension/not commencement of the enforcement proceedings** by garnishment in respect of certain budgetary liabilities during the state of emergency;
- **the prolongation of certain deadlines for the restructuring plans**
- Tax authorities decisions:
- The reimbursement of VAT tax during the month of March for all the accounts that are settled and for which decisions of reimbursement were issued;
- The implementation of a new mechanism for VAT reimbursement which aims to rapidly solve the VAT reimbursements starting with April 1st, 2020;
- The suspension of fiscal control (fiscal inspections, anti-fraud controls), with the exception of the verifications that can be done remotely and of the tax evasion cases, where there are clues in this regard;

Labour & social

- According to the Romanian Labour Law, employment contracts can be suspended **(technical unemployment)** in case of temporary reduction / interruption of the activity, and with the payment by the employer of an indemnity of at least 75% of the basic salary corresponding to the job. **New provisions have been introduced during the state of emergency.**
- the employees' indemnities may be borne from the unemployment insurance budget up to the limit of 75% of the medium gross salary (i.e. 75% of lei 5,429)**,** provided that the employer is under one of the cases provided by the GEO (below). The indemnity amounts are subject to income tax (10%) and social contributions (except for employer's labour insurance contribution) to be paid by the employer.
- The employees' indemnities may be borne from the unemployment insurance budget, if:
- employer discontinues in whole or in part the activities based on the decisions issued by the competent public authorities as per the law, during the emergency state period (eg. restaurants, cinemas, etc.) - based on the Certificate of emergency situations issued by the Ministry of Economy OR
- employer reduces activities due to the effects of the COVID-19 epidemic and does not have the financial capacity to pay all the salaries of their employees, but in such case indemnities will be covered by the unemployment budget only for maximum 75% of employees – based on a written statement of the employer acknowledging both a diminishing of revenues at least 25% compared to the average revenues for the months January-February 2020 and the lack of financial capacity to pay all employees
- Employers should grant **leave to one of the parents for the supervision of the children under 12 while the schools are closed** in case there is no option to work from home. Allowance for each day off is 75% of the salary of a working day, but no more than the correspondent per day of 75% of the average gross wage in

the country (in 2020 the average gross wage gain is 5,429 lei). Since the state of emergency started, **telework** is the rule where possible.

Slovakia

- Extension of VAT payment date and removal of interest or penalties on late filings due to COVID-19. **The state will pay 80 percent of the employee's salary in companies that have had to close in the past weeks. The employees who stayed at home will get their salaries from the state.** The payment will also include tax and payroll taxes for the employee.

- Contributions for the self-employed and employees in companies that have recorded a drop in revenues will depend on how much they were affected. In April, the state will contribute €180 per employee for salaries in companies whose revenues dropped by more than 20 percent. Companies with a more than 40-percent drop in revenues will get €300 per employee from the state. Those whose revenues dropped by 60 percent will get €420 per employee, and those with more than 80 percent drop will get €540. The calculations for March will be halved. The aid was going to go to 800,000 employees and about 200,000 self-employed. The state will start paying the contributions on April 15.

- Bank guarantees will amount to half a billion euros for employers, to be able to finance their business. Employees in quarantine and parents who are at home with their kids will get 55 percent of their gross salary (up to the maximum assessment base = 2,026 EUR) from the state. The maximum to be paid is EUR 200,000 per month and company. The amendment to the Law on Social Insurance aims to introduce first measures to tackle Covid-19 impact on the economy. In a nutshell, the law proposes to establish an employee's entitlement to sickness benefits paid by the Social Insurance Agency from the 1st day of temporary incapacity for work, in amount of 55% of the daily assessment base, in the case of quarantine measures and isolation ordered / ordered in connection with the spread of the Covid-19 disease. For quarantine or home isolation, it was also proposed to extend the disbursement period for nursing care for children up to 11 years of age or 18 years of age for a child with long-term adverse health conditions for the entire period of quarantine and isolation as well as for the entire period of closure of the facility (school, pre-school, social services facility) at the discretion of the competent authority.

- payment of payroll taxes will be delayed for those whose revenues drop by more than 40 percent.
- The deadline for paying income tax advance payments for those with a revenue drop of more than 40 percent will be postponed. Entrepreneurs will start paying the advance payments as of October.
- Companies will be able to include loss carryback since 2014 (including) if they have not included their loss carryback so far.

Spain

Last updated: April 21

Measures introduced by the Royal Decrees-Law adopted on 17, 27, 29, 31 March and 21 April, after the declaration of the State of Alarm on 14 March which has been prolonged for the third time until 9 May.

a) **Slow and very gradual return to economic activity as from 13 April after a strict lockdown that restricted the economy to the essential activities** from 30 March to 9 April.
b) The temporary **restriction of non-essential travels** has been extended **until 15 May**, in line with the recommendation made by the European Commission on 8 April.
c) **Financing for companies: Loan guarantees** to companies managed by the national promotional bank (ICO): from a **total amount of EUR 100 billion**, **two tranches** of the loan guarantees have been launched with a fund of **EUR 20 billion each**. It will amount to 80% of the new loans and renewals requested by SME and independent contractors, while for other companies it will cover 70% of new loans granted and 60%

of renewals. Additionally, these guarantees will be extended to cove the financing system based on commercial paper in the alternative fixed-income market.

d) **Tax payments: flexibilization allowed for tax payments** during a period of six months and **moratorium** in Social **Security contributions** for **SME** and **self-employed**. A new **tax moratorium** was **approved,** whereby the deadline for the presentation and payment of tax returns and self-assessments (VAT return, Corporate Income Tax and Personal Income Tax) of those that invoice up to EUR 600,000 has been extended until May.

e) **Additional tax measures:** the aim is to align taxable bases to the real situation to free up EUR 1.1 billion to guarantee business liquidity. Furthermore, reduced VAT rates will be reduced for electronic books, magazines and newspapers. For the heath material supplies of national products to public institutions, not-for profits and hospitals the VAT rate will be zero.

f) **Additional measures for specific sectors (research and sports):** deferral and re-financing of state loans granted to science and technological parks. Creation of a foundation attached to the National Sports Council, with a provision of funds from the sale of audio-visual rights.

g) **Suspension of mortgage payments** for businesses, self-employed and persons having lost their job during the epidemic.

h) **Obligation to ensure energy supply and basic services.**

i) **Suspension of the term to apply for insolvency**. Courts will not accept the insolvency applications submitted by creditors during the State Alarm and during the two months following its termination.

j) **Extension of Social Security subsidies** for permanent **seasonal contracts**, and for farm workers.

k) **Teleworking will be privileged until June** and the possibility of working time adaptation, including working time reduction, will also be privileged until June.

l) **Working time adaptation/reduction of working hours**: Employees may request an alteration of working hours (including changes in shifts) or the reduction of working hours (up to 100%) to take care of a spouse or partner, or dependent family members up to the second degree of kindship, for COVID-19-related reasons.

m) **Reduction in Social Security contributions if** there is a **commitment to preserve employment**: (i) Companies with less than 50 employees will be exempted from paying Social Security contributions (employer quota only) during the term of the measures, and (ii) companies with more than 50 employees will have a 75% discount on the employer quotas.

n) **Unemployment subsidies**: All employees affected by the suspension/reduction measures will be entitled to the unemployment allowance irrespective of whether they personally fulfil or not the requirements set by law to access such allowance. Those workers that lost their new job during the trial period will be allowed to perceive unemployment allowances.

o) If **cases where the business activity needs to be suspended or reduced**, some **degree of flexibilization** has been introduced to speed up the process to allow a temporary lay-off regime (**ERTEs**). And the scope of ERTEs has been extended so that those essential sectors most affected by the pandemic are also allowed to apply them. This temporary lay-off regime should last until the **State of Alarm** is over.

p) **Increase workers' protection**: the **COVID-19 impact cannot be considered as an objective reason to dismiss** based on force majeure or economic, technical or organizational causes. This implies an increase of redundancy costs for employers, as any permanent lay-off due to COVID-19 will be considered as an unfair dismissal. Aiming at protecting workers not already covered by previous measures, the Spanish government established a new paid leave (by employers) for those employees concerned by the restriction of the economic activity to the essential sectors. The total amount of non-worked hours must be returned to the employer as from the end of the State of Alarm until 31st December 2020.

According to the Spanish Government, the **estimated economic impact** of the **main measures taken so far** to fight the COVID-19 **is EUR 134.496 million** (aprox 13% GDP), **of which EUR 124.877 million have been allocated to economic measures** (aprox 10% GDP)[1]**.**

[1] Data given by the Prime Minister in his Parliamentary appearance on 22 April.

Sweden

Last updated: March 25

	Date	Cost
Government measures		
Almi Företagspartner receives a capital injection of SEK 3 billion, Svensk Exportkredit's loan framework will be increased from SEK 125 to 200 billion and the Export Credit Committee will make decisions on credit guarantees that mean new and improved opportunities for companies to borrow.		See text
SEK 1 billion is given to culture and sport as a result of the effects of the corona virus	March 20	1 bn SEK
State credit guarantees to airlines and extended credit guarantee framework for the Export Credit Committee to dampen the effects of the corona virus. The credit guarantees may amount to a maximum of SEK 5 billion for loans to airlines that on 1 January 2020 had a Swedish permit to conduct commercial operations in aviation and which have their main business or registered office in Sweden. Of these SEK 5 billion, SEK 1.5 billion is directed to SAS.	March 17	5 bn SEK
The state will compensate municipalities and regions for extraordinary measures and additional costs in health care and care linked to the corona virus.	March 16	
The benefit deduction is canceled between March 11 and May 31 by the state paying sickness benefit for the first day of the sickness case, and for self-employed days 1-14	March 16	
The public health authority, the National Board of Health and the Swedish Medicines Agency receive additional resources . The Public Health Authority receives a supplement of SEK 41 million for mainly personnel costs. The National Board of Health and Welfare receives a subsidy of SEK 20 million, primarily for personnel costs, training efforts and equipment. The Swedish Medicines Agency receives a grant of SEK 5 million for its work together with the regions to secure drug supply in Sweden. The grants correspond to the authorities' own assessments of what they need at present. In addition, the National Board of Health and Welfare's loan frame is tripled from SEK 100 to 300 million, in order to be able to buy, among other things, protective equipment and sampling equipment.	March 16	
Resources are being increased for the so-called transmission carrier allowance as the number of individuals entitled to this compensation is assumed to increase.	March 16	
The state temporarily takes over the sick pay responsibility for two months. The state is proposed to temporarily take the full cost of all sick pay costs in April and May.		
Liquidity enhancement is provided through the tax account for VAT, employer contributions and employees' provisional tax from 1 January. The deferment covers three months' tax payments and is submitted for a maximum of 12 months. The new rules are proposed to apply on April 7, 2020, but can be applied retroactively from January 1, 2020. This means that companies that have paid tax in their tax account for January to March can receive the tax refund from the Swedish Tax Agency.		300 bn SEK if the system is used fully
Short-term leave is introduced from 16 March. the employer's wage costs can be reduced by half, while the employee receives	March 16	2.4 billion SEK

more than 90 percent of the salary. The aim is for affected companies to be able to retain their staff and switch up quickly again when the situation turns. The new regulations will come into force on April 7, but will be implemented from March 16. They will be valid during 2020. The Growth Agency will administer the support and will receive SEK 20 million. There are three fixed levels of reduction in working hours in the proposal: 20, 40 or 60 percent, which means reduced costs by 19, 36 and 53 percent for the employer in the three different cases. The new regulations will come into force on April 7, but will be implemented from Monday, March 16. The state will bear three quarters of the cost in 2020. This means that companies and employees can start planning to receive compensation for layoffs from 16 March. Salary ceiling of 44,000 sek.		
Other measures		
Measures to facilitate the provision of credit		
The Riksbank expands purchases of securities by up to SEK 300 billion this year. The purchases will, if necessary, include both government and municipal bonds and housing bonds. The purchase of government bonds starts immediately.	March 16	
The Riksbank 's INKING s lending rate for overnight loans to banks from 0.75 to 0.20 percentage points above the repo rate.	March 16	
Riksbank e rbjud s banks to weekly borrow an unlimited amount of money secured with three-month maturity at an interest rate of 0.20 percentage points above the repo rate.	March 16	
National Bank island ka r flexibility around which guarantees (also housing bonds) banks may be used when borrowing of the National Bank .	March 16	
The Riksbank lends up to SEK 500 billion to the companies through the banks to secure the credit supply (at least SEK 100 billion should reach the companies).	March 13	
Finansinspektionen reduces the countercyclical capital buffer to zero in order to safeguard a well-functioning credit supply.	March 16	

Switzerland

Last update: 16th of April

1 General regime

- Since March 17th, the federal government has declared the “extraordinary situation”. The following measures are in force until April the 26th:
- Border controls have been imposed: only citizens, residents and persons with work permits or travelling through the country/transporting goods can enter the country.
- A countrywide ban on gatherings of more than five people is in place. All private and public events are banned.
- Citizens are recommended to stay at home, especially the sick and the elderly. However, no curfew was declared, neither for persons at risk nor for areas particularly hit by the epidemic.
- Schools are closed nationwide.
- .Only businesses providing essential goods remain open: bars, restaurants, sports and cultural spaces are closed.

- According to the federal ordinance, businesses without direct contact to customers (manufacturing plants, construction, etc.) can continue running their operations as long as they are able to observe the minimal distance and safety measures and ensure the safety of their workers at the work place. However, cantons can ask for extraordinary measures and close manufacturing plants to cease operation if they follow criteria set down by the federal authorities. This is the case in the Canton of Ticino (Italian-speaking region, which is as heavily struck by the pandemic as the neighbouring region of Northern Italy).
- Army personnel have been called in to help customs officials police borders with other countries.

2 Economic measures of the government to support specifically hard-hit sectors and companies

- So far, the government has enacted a package of measures **worth over 60 billion Swiss francs**, intended to safeguard jobs, guarantee wages and support the self-employed and businesses hardest hit by the expected downturn caused by the virus.**Special regime on loan guarantees**
- The bulk of the cash – now 40 billion Swiss francs (on the 3rd of April the volume of guarantees was increased from 20 to 40 billion Swiss francs) – will go into guarantees for bank loans for companies with liquidity problems and for "very modest" interest rates:
- SMEs can ask their house bank for bridging loans in the maximum amount of 10% of their annual turnover and not more than 20 million Swiss francs. The companies must fulfil certain minimum criteria; thus, companies need to declare that the corona pandemic and the restrictive business measures have reduced their sales substantially.
- Up to an amount of 500’000 Swiss francs the bridging credits are being paid without interest rates and within very short time frames (between 30 minutes and one day).
- The amount of loans higher than 500’000 Swiss francs will be guaranteed to 85% by the federal government and to 15% by the lending bank. Companies must pay an interest rate of 0.5%.
- Companies should pay back the credits within 5 – 7 years.
- As many SMEs are holding an account with PostFinance is the financial services unit of Swiss Post, this unit has exceptionally been included in the programme.
- Companies in need of more than 500 million Swiss francs cannot benefit from this programme.By the 2nd of April, more than 75’000 loan agreements with an estimated total volume of 14.3 billion Swiss francs had been concluded.

Additional liquidity support for companies

- Postponement of payment of social security contributions of the employer.
- Possibility to extend the payment period for direct federal tax, VAT, other steering taxes and customs duties without interests on arrears.
- Rapid verification of the accounts payable invoice and rapid disbursement by federal administrative units without taking advantage of the payment deadlines
- Measures in the field of tourism and regional politics

Additional measures of the Swiss National bank to ensure liquidity in the market

- Through the COVID-19 refinancing facility (CRF), lending banks can refinance themselves by the SNB to very favourable conditions (-0.75% interest rate).
- Rise of the allowance for bank deposits with the SNB which are exempt from negative interest rates
- The SNB has lifted its countercyclical capital buffer intended for the mortgage market which will allow companies to better use their real estate assets.

Extension and simplification of short time working

The federal government is providing a total of 14 billion Swiss francs for the purpose of short time working:

- The government pays 80% compensation for lost working hours for a maximum of 12 month over a 2-year period.
- Short time working compensation for employees on fixed-term contracts and for persons working for a temporary work organisation.

- Short time work compensation extended to employees on call, apprentices as well as for personnel like employers (e.g. GmbH shareholders)
- Cancellation of the waiting period for short time working compensation
- Employees no longer must reduce their overtime before they can benefit from short time working compensation.
- Interim employment will no longer be deducted from the short time working compensation. This creates a financial incentive to fill vacancies in areas such as agriculture or logistics.
- Urgent simplifications in the processing of applications and payments for short-time work
- In order to relieve the burden on law enforcement bodies and companies, various accounting procedures will be simplified.
- By the 15th of April, requests from over 120'000 companies for short time work for 1.5 million employees (25 percent of the work force) have been registered.

Debt collection and bankruptcies

- A temporary legal standstill under the Federal Act on Debt Collection and Bankruptcy (SchkG) was in force until 4th April. After the end of the statutory debt collection holidays on 19th April, debt collection will be possible again.
- The Federal Council wants to prevent corona-related bankruptcies and the associated loss of jobs. In accordance with a new ordinance which comes into force on 20th April, it provides for temporary relief from the obligation to notify over-indebtedness, which would normally lead to immediate bankruptcy, and the possibility of a temporary, unbureaucratic COVID 19 deferral, particularly for SMEs.

Measures for job seekers

- • Unemployment benefits are prolonged up to 120 days
- • Suspension of the duty of the unemployed to submit tangible proof of their efforts to find work

Relaxing of labour regulations

- Due to the extraordinary amount of work and scarce personnel resources hospitals and clinics have difficulties to meet all labour law requirements. In this emergency, they are given flexibility in working hours and rest periods as far as possible. However, the primary goal is still to ensure that the doctors, nursing staff, specialist employees and all other persons who make their valuable and committed contribution to coping with this extraordinary situation are sufficiently protected.

Compensation for loss of earnings of self-employed persons, employees and artists

- The Federal Council is providing around CHF 5 billion for compensation in the event of loss of earnings by self-employed persons, employees and artists.
- Self-employed individuals who suffer loss of income due to the publicly ordered closure of their operation or the ban of public events can ask for compensation.
- Since 16th April, compensation will also be paid to self-employed persons who are only indirectly affected by the official measures to combat the corona pandemic because they are allowed to continue working but have less or no work as a result of the measures, such as taxi drivers.
- Compensation up to 80% of the last declared income.
- Self-employed persons can ask for short time compensation for their employees but not for themselves.
- • Compensation to parents with children in need of care due to school closures
- • Compensation to persons quarantined by a doctor
- Those measures are also applicable for self-employed artists and creative workers.
- • The entitlement for parents who have to look after their children with disabilities at homes is to be extended up to the children's 20th year of age.
- The additional costs of extending the Corona compensation claim to hardship cases are estimated to be 1.3 billion Swiss francs, assuming a term of two months.

Emergency aid for cultural enterprises and sport events

For the cultural sector, the federal government has budgeted 280 million Swiss francs in emergency aid and compensation. 100 million Swiss francs are currently budgeted for sports organisations to compensate for the cancelling or postponement of events. The following measures are envisaged:

- Interest-free loans for non-profit enterprises to insure their liquidity.
- Emergency aid to cover the living expenses of cultural workers who cannot benefit from the compensation scheme for loss of earnings due to measures ordered by the authorities.
- Compensation of cultural businesses (profit and non-profit) for loss of earnings due to cancelling or postponement of events.
- Financial aid for cultural associations having to cancel or postpone events.
- The details of those measures are currently being elaborated and must be adopted by Parliament.
- Additionally, cantons and municipalities are supporting ailing companies and self-employed persons in the current crisis. The cantons alone are planning to provide more than 250 million Swiss francs in à fonds perdu contributions and 1.5 billion Swiss francs in refundable loans

Measures in the field of trade/border controls

- Entry restrictions for people from all Schengen and non-Schengen states at the Swiss border with a few specific exceptions.
- Furthermore, the Swiss Federal Customs Administration is also authorised to impose administrative fines on persons who violate restrictions on cross-border passenger traffic at border crossings since 2nd April 2020.
- Border controls and canalisation of goods traffic at specific border crossings. Green lanes have been established at some border crossings to prioritize the procedure for essential and perishable goods. Specific request for imports of important goods outside working hours and for additional types of products are subject to authorisation by the regional customs authorities.
- Importations of medical protection equipment into Switzerland by federal and regional public officials are exempted from custom duties until further notice. This duty-free import of medical protection equipment has also been extended to imports by all importers for the next 6 months (more specifically from 8th April to 9th October 2020). The list of products classified as medical protection equipment is based on the list established by the World Customs Organisation.
- Swiss Federal Customs Administration allows the use of digital documents or copies of origin certificates for tariff preferences until further notice with regard to importations into Switzerland.
- Exportations of medical protection equipment are subject to approval except for exportations to EU and EFTA-states.
- Swiss Federal Customs Administration is implementing different measures to relieve the burden on its corporate clients such as deferment and instalment.
- Administrative deadlines for certain simplified customs procedures have been extended.
- The Federal Council will not extend the judicial vacations in civil and administrative proceedings. They end as planned on 19th April 2020 at midnight. This applies also to judicial proceedings in customs matters.

Swiss government ready to expand the support programme if necessary

The current rescue package of 60 billion Swiss francs of the government is equivalent to 8.7%of GDP. The finance minister said that the programme could be expanded if necessary. The government is prepared to spend “as much as necessary.” UBS Group has calculated the Swiss federal government could spend roughly 127 billion francs in addition to the 60 billion francs already announced without endangering its AAA credit rating.

United Kingdom

Last update 15 April

- **Coronavirus Job Retention Scheme** accessible for all businesses. The details of the scheme include:
  - The government will pay up to 80% of furlough workers' salary (up to £2,500 per month)
  - This is a grant and the first grants will be paid within weeks; it should all be up and running before the end of April
  - The pay will be backdated to 1 March 2020
  - The scheme will run for a maximum of 3 months and employees cannot work during that period.
- **Coronavirus Business Interruption Scheme**
  - The loans will now be interest free for 12 months, not the previously indicated 6 months. From the week of 23 March, small firms (up to £45m in turnover) will be able to apply for a loan facility of up to £5m with no interest payable for the first 12 months. It offers firms both interest and fee-free loans via one of the following financial products: an overdraft, a term loan, invoice finance or asset finance. To access these loans, businesses should contact their banks or finance providers directly.
- **Q1 VAT & Tax payments will be deferred**
  - There will be no VAT payments between now and the end of June
  - Businesses will have until April 2021 to pay this back
  - This is a £30bn package.
  - All businesses that have outstanding tax liabilities as a result of cashflow issues can request extra help through HMRC's Time to Pay system. A dedicated helpline has been launched
- **Additional measures**
  - The Chancellor also announced the Universal Credit standard allowance would be increased by 12% over the next 12 months
  - The minimum income floor for Universal Credit will be suspended
  - Self-assessment payments are deferred until January 2021
  - The Chancellor also announced a £1bn support package for renters to cover around 30% of market rents.
  - The Bank of England has a new lending facility for large businesses experiencing severe short-term disruption to cashflows – the Covid Corporate Financing Facility. Companies that need £5m or more will be able to contact their existing bank to request commercial paper under the Bank of England scheme. Initially available for 12 months, the CCFF will provide funding to business by purchasing commercial paper of up to one-year maturity, issued by companies that make a material contribution to economic activity in the UK. This will cover UK incorporated companies, including those with foreign-incorporated parents and with a genuine business in the UK. This scheme is open now and applications can begin being made.
  - For small retail, leisure and hospitality businesses, the Business Rates retail discount in England has been raised to 100% for the 12 months of 2020-21 for all retail properties, and retail properties that have a rateable value of below £51,000 will also be eligible for a grant of up to £25,000 distributed by local authorities.
  - Small businesses will also be able to reclaim Statutory Sick Pay paid for sickness absence due to coronavirus, for up to two weeks of an employee's salary. The rebate mechanism for this is being developed at present
  - The government has launched a plan for the national effort on Personal Protective Equipment (PPE), with guidance on who needs PPE and when, the distribution, and the future supply. There is also a new PPE hub, which includes information on PPE and infection prevention and control (IPC)
  - The government has updated the Self Employment Income Support Scheme with further guidance for the self-employed, or a member of a partnership, to claim grants due to a loss of income

6. Economic measures taken in countries outside Europe

South Korea

Updated April 9

On April 8 South Korean President Moon Jae-in said the government would make an additional 36 trillion won ($29.5 billion) worth of cheap loans available for exporters hit by the coronavirus. Loan guarantees will be extended for exporters, while debt will be rolled over for small businesses. Fresh measures worth 17.7 trillion won will be rolled out to boost consumption and support domestic demand, he added, without giving details.

This announcement adds to planned economic rescue package of 100 trillion won ($80 billion) in late March

March plan:

11,7 trillion won supplementary budget plan, among others for measures such as,

- Expand the emergency loans for business operation, and provide facilities investment support for SMEs in the disease-hit areas of Daegu City and North Kyeongsang Province
- Provide loan guarantees through the Korea Credit Guarantee Fund and Korea Technology Finance Corporation
- Invest in accounts receivable insurance funds
- Invest in export financing
- Provide wage support for small merchants
- Promote a rent cut in traditional markets by offering 100 percent support for fire prevention in the entire market in the case of at least 20 percent of shops getting rent cuts
- Support the resuming of business after shut-down due to a visit by the virus-infected
- Promote expanding to online markets
- Provide retailers in traditional markets with vouchers designed to support their marketing activities, such as joint promotion
- Issue vouchers for local products
- Give a 20 percent raise in wages to seniors in government's elderly job programs if they agree to receive 30 percent of their pay in local gift certificates
- Redeem 10 percent of the prices paid for home appliances with a high-energy efficiency rating
- Increase the budget for homecare allowance in the case of childcare shifting from daycare institutions to homecare
- Increase job seekers' allowance for young adults, and reintroduce job seekers' allowance for those from low income households
- Expand the employment support designed to promote employment retention and job training

United States

Last updated: April 23

On April 22 a 484 bn USD deal was reached to resplenish the Small Business rescue Fund ("Paycheck Protection Programme") which had previously been set up with 300 bn USD and was about to be depleted. The new act will earmark 320 bn for this, and also include 75 bn USD in extra support to hospitals and 25 bn USD for expanding coronavirus testing.

On March 25 agreement was reached in the House on a stimulus package. This included support amounting to around 2 trillion usd (around 10 % of US GDP):

- "Helicopter money" I.e. direct payments of 1,200 USD to individuals earning up to 75,000 USD , with smaller payments to those with incomes of up to 99,000 USD and an additional 500 USD per child.

- Expand jobless aid, providing an additional 13 weeks and a four-month enhancement of benefits — including an extra 600 USD per week. Extended to also cover freelancers and gig workers.
- Suspends all federal student loan payments for six months, and the loans will not accrue interest during that period.
- 377 billion USD for struggling companies in federally guaranteed loans to small businesses
- 500 billion USD government lending program for distressed companies, including allowing the administration the ability to take equity stakes in airlines that received aid to help compensate taxpayers.
- It also sends 100 billion USD to hospitals on the front lines of the pandemic.

On March 15 the US Federal Reserve announced

- Its second rate cut during the coronavirus outbreak, the Fed lowered its interest rate by own 1 percentage point, down to zero (0.25% for some rates).
- It also announced it will purchase 700 billion dollar worth of Treasury bonds and mortgage-backed securities (quantitative easing)
- The existing dollar liquidity swap lines with European countries and Japan will also be strengthened

Japan

Updated April 23

On April 20 the government approved a revised supplementary budget for fiscal 2020 on Monday increasing the total stimulus to 117 T yen, up from 108 T in the original package. This reflected universal cash handouts of 100.000 yen to every individual, instead of earmarking 300.000 yen to households whose income had fallen sharply.

The increase from the initial package worth ¥108.2 trillion comes after a sudden policy shift to provide universal cash handouts of ¥100,000 per every individual in Japan, instead of the original plan to give ¥300,000 to each household whose income had fallen sharply due to the virus outbreak.

Previous initiatives:

Expanding special measures on the Employment Adjustment Subsidies

- Due to the impacts of COVID-19, some businesses are forced to curtail their operations in response to the slow-down of the flow of people and goods. The government will significantly expand special measures on the Employment Adjustment Subsidies so as to protect employment and secure the stability of the people's lives even in such a situation. Expand the scope of the special measures to all business owners, clarify eligibility criteria (such as simultaneous closure), and apply retroactively back to January, 2020.
- Increase the subsidy rate for certain areas (SMEs: increase from 2/3 to 4/5; large enterprises: from 1/2 to 2/3)

Robust liquidity supports

- In order to overcome the impacts on local economies, including those from self-restraint from holding events, and bring businesses back on a growth track after the disease is under control, the government will implement financial measures totaling 1.6 trillion yen from the Japan Finance Corporation and other institutions, primarily focusing on micro, small and medium-sized business operators.
- Establish a COVID-19 special loan program (on the scale of 500 billion yen) and reduce the interest rate, as well as provide real interest-free, unsecured financing support to micro, small and medium-sized business operators and others
- Applying safety net guarantee system No. 4 (100%) and No. 5 (80%) of credit guarantee corporations, as well as crisis-related guarantees (100%)
- Support financing and reorganization of domestic supply chains through operations to facilitate crisis response by the Development Bank of Japan (DBJ), and the Shoko Chukin Bank (on the scale of 204 billion yen)

- Call for private financial institutions to actively provide new loans and change terms for existing debt

Responses for the damages to supply chains

- Taking into consideration the burdens on micro, small-, and medium-sized business operators, the government will enable expedited assistance, regarding priority supports on capital investments to respond to the damages, including those on supply chains, and for business owners who work to cultivate new sales channels
- Make use of the Growth Investment Facility and other measures of the Japan Bank for International Cooperation (JBIC) (on the scale of up to 500 billion yen)
- Support reorganization of domestic supply chains through the DBJ, etc (same measure as previous item)

Measures for the tourism industry

- The prevention of the spread of infections is the premise of the recovery of tourism demand. The government will strongly support the tourism industry through the Employment Adjustment Subsidy and liquidity supports for the time being. At the same time, regarding the period in which the government is working on prevention as a forward-looking "run-up" period, the government will develop a foundation to prepare for a turnaround in the future, identifying this infection control period.
- Provide supports in various fields such as diversification of attractions, including the development of attractive tourism content and multilingual signs.
- Consider a post-COVID-19 campaign through the collaboration of the public and private sectors

Strengthening comprehensive supports through promoting the use of the self-reliance support system for people in need

- The government encourages the local governments to provide comprehensive supports tailored to people in need, including those who had to leave their jobs or have decreased incomes due to the impacts of COVID-19.