



Newsletter
April 2020

COVID-19

International publication



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

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ARGENTINA

Tax, Labor and Legal measures. Argentina

General Resolution 4693 AFIP: Emergency Assistance Program for Work and Production DNU 332/2020. Extension of due dates for employer contributions to SIPA

Due to the decrease in productive activity that immediately affects companies, particularly micro, small and medium-sized companies, and in order to mitigate the negative impact of said decrease through Decree No. 332, the Emergency Assistance Program was created to Work and Production (PAETP) through which different benefits were established, including the postponement of maturities for the payment of employer contributions to the Argentine Integrated Social Security System (SIPA) of employers who carry out economically affected activities (does not include social work, ART and compulsory life insurance)

Through General Resolution 4693 (BO: 04/09/2020) the “web” service called “Emergency Assistance Program for Work and Production - ATP” is created, to which all employers must enter so that in cases that are so determined, You can access the benefits provided in Decree No. 332.

The subjects mentioned above must:

- a. Register in the “web” service “Emergency Assistance Program for Work and Production - ATP” between April 9 and 15, 2020, both inclusive.
- b. Provide between the 13th and 15th of April 2020, both inclusive, that economic

information related to their activities that the “web” service “Emergency Assistance Program for Work and Production - ATP” requires, for the purposes of power carry out the evaluations that will be carried out by the Evaluation and Monitoring Committee of the Emergency Assistance Program for Work and Production based on technical criteria.

This information does not preclude any other information that may be requested from taxpayers who have fulfilled the obligation to register, prior notification sent to the electronic tax address, in order to evaluate the origin of the additional benefits provided by the Emergency Work Assistance Program and the production.

On the other hand, the subjects whose main activity is included in the list of activities published on the website and have fulfilled the obligation to register in the “Emergency Assistance Program for Work and Production - ATP”, will enjoy the benefit of postponement of the maturity for the payment of the employer contributions to the SIPA of the accrued period March 2020, having to carry out the same until the dates that, according to the termination of the CUIT of the taxpayer, are detailed below:

CUIT TERMINATION	DATE
0, 1, 2 y 3	16/6/2020
4, 5 y 6	17/6/2020
7, 8 y 9	18/6/2020

ARGENTINA

Taxpayers who have this benefit will be characterized in the “Registry System” with the code “460 - Discount Benefit. 332/2020 ”.

The norm adds that, for an adequate implementation of the benefits of the Emergency Assistance Program for Work and Production, and the postponement contemplated above, the general expiration date of presentation and payment of the affidavit determining contributions and contributions is extended. destined for social security for the period accrued March 2020, according to the following schedule:

CUIT TERMINATION	DATE
0, 1, 2 y 3	16/4/2020
4, 5 y 6	17/4/2020
7, 8 y 9	20/4/2020

Notwithstanding the foregoing, those taxpayers who register and are reached by the deferral benefit scheduled for June 2020, must enter the payment of employer contributions to SIPA according to that.

National Executive Power Decree No. 329/2020 - Prohibition of dismissals and suspensions

The prohibition is made to carry out dismissals of personnel without just cause and for the reasons of lack or reduction of work and force majeure for a period of sixty (60) days counted from the date of publication of the Decree in the Official Gazette.

Suspensions of personnel are prohibited on grounds of force majeure or lack or reduction of work for a period of sixty (60) days from the date of publication.

The dismissals and suspensions that are provided in violation of the provisions of the Decree will not produce any effect, maintaining existing labor relations and their current conditions.

The Decree came into effect from the day of its publication in the Official Gazette (03/31/2020).

GENERAL RESOLUTION (AFIP) 4691 - Personal property. Payment on account for goods abroad is extended

The deadline to enter the payment on account of the tax on personal assets that must be paid by taxpayers reached by the tax, who are owners of goods abroad and do not carry out the repatriation of 5%, is extended to 6/5/2020 thereof. Likewise, the deadline for processing the request for exemption from payment on account is extended to that date in cases where repatriation has been made or when the composition of assets as of 12/31/2019 does not give rise to the payment of the tax surcharge.

*Gabriel Hermida
Auren Argentina
ghermida@bue.auren.com
www.auren.com*



AUSTRIA

Support for COVID-19 impacted businesses and employees – measures of the Austrian Government

The Austrian Government has announced a broad package of measures to help Austrian business through the hard period of time caused by restrictions of social life and the effects on economy.

Austria is providing a total of € 38 billion.

Below we have provided a summary of measures taken so far. These measures are updated regularly, latest update included was announced on April 6th.

Subsidies and support measures for companies and entrepreneurs:

The total framework of all measures of the Corona Aid Fund amounts to 15 billion euros and focuses on companies. The money can be used flexibly by the Fund depending on immediate needs on the one hand for fixed cost grants on the other hand for guarantees. All measures have the goal to ensure the liquidity of companies.

The Fund grants subsidies for fixed costs. Depending on the level of the deficit the subsidies are between 25 - 75%.

The Republic's guarantee covers 90% (100% announced for SMEs - € 800.000 credit limit) of the loan amount of companies. This secures working capital loans. The upper limit for this is a maximum of 3 monthly sales or a maximum of EUR 120 million. This can only be increased in justified exceptional cases. The term is a maximum of 5 years and can be extended by up to 5 years.

The hardship fund focuses on one-person and small entrepreneurs that employ less than 10 persons. These entrepreneurs may apply for subsidies up to € 6.000 in total.

Short-time working:

The aim is to secure jobs, avoid layoffs, maintain company liquidity and the potential of skilled



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workers by reducing the working time in a company for a limited time in order to bridge economic disruptions. There is a special short-time working model to deal with the Corona crisis. This will make it possible to reduce working hours by 90% and still remain in an upright employment relationship with 80-90% wage compensation. Wage compensation is largely financed by the government. This is to keep as many people as possible in employment and avoid layoffs.

Tax-payments:

Reduction of pre-payments of personal income tax and CIT: Pre-payments of income tax and corporate income tax that have already been assessed can be reduced to zero.

Deferral of payments until 30th of September 2020: If the taxpayer has been affected by the impacts of COVID 19 the tax authorities are required to accept the deferral of tax payments, or payment by instalments, on application.

Tax returns: The deadline for submitting annual tax returns as well as monthly VAT returns may be extended.

Social security contributions

The Austrian Social Security Institution for the Self-Employed (SVS) has introduced simplification measures. To apply for those measures online forms on the website can be used.

- Full or partial relief on late-payment interest
- Deferral of payment of contributions
- Payment of contributions by instalments

- Reduction of preliminary calculation base for contributions

Austrian Health Insurance Fund

Following measure may be applied for at the responsible contact at the ÖGK by telephone or by email.

- Relief from default charges in the case of notification delays.
- Deferral of a maximum of three months due to liquidity shortfalls
- Permission of payment by instalment for a maximum period of 18 months
- Suspension of enforcement measures and insolvency applications

AWS bridge guarantees

Companies are provided with state guarantees amounting to 90 % of the loans taken out to bridge a liquidity shortage.

*Daniel Hubner
Hubner & Allitsch
Daniel.hubner@hubner
www.hubner-allitsch.at*

Hubner & Allitsch
Wirtschaftstreuhänder

CZECH REPUBLIC

Coronavirus and potential reliefs in the Czech Republic

1. RELEVANT EXTRAORDINARY MEASURES

- (i) Government Resolution No. 194 dated 12 March 2020 and subsequent government regulations adopted based on the Crisis Management Act in connection with the current coronavirus pandemic.
- (ii) Extraordinary Measure of the Ministry of Health dated 26 March 2020: Ban on the operation of retail sites for goods and services, save for a definite list of exclusions (for example grocery shops, electronic shops, drugstores, pharmacies, pet shops, newspaper and tobacco shops, optic shops and/or laundry services).

2. SUMMARY OF STATE ISSUED RELIEF:

- (i) Tax relief:
 - a. Deadline for the submission of income tax return (natural as well as legal person) is postponed until 1 July 2020.
 - b. Advance payment for income tax with a due date in June 2020 is cancelled.
 - c. Possible postponement of selected tax obligations for serious reasons stated by law upon approval of the Tax Office.
 - d. UNDER DISCUSSION: Planned tax loss for 2020 may be deducted from tax bases

2018 and 2019 based on an amended income tax return. Relevant overpayment would be refunded to the taxpayer.

- (ii) Labour relief

- a. Contributions for employers - so called "Antivirus program":

- a.i. Contribution in the amount of 100% of salary compensation paid to employees under quarantine.

- a.ii. Contribution in the amount of 80% of salary compensation paid to employees who could not be assigned to work because of extraordinary measures (shop closure).

- a.iii. Contribution in the amount of 80% of salary compensation paid to employees who could not be assigned to work because of the quarantine or necessary care for child of a significant portion of employees (at least 30%).

- a.iv. Contribution in the amount of 50% of salary compensation paid to employees who could not be assigned to work because of lack of materials (ingredients, products or services) necessary for the employer's activity.

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- a.v. Contribution in the amount of 50% of salary compensation paid to employees who could not be assigned to work because of limited demand for the employer's products.
- (iii) Interest-free loan for SME businesses in the amount of CZK 500,000.00 to CZK 15,000,000.00 for operational costs. There are tranches being released and conditions are subject to change. Potential entitlement to be assessed individually.
- (iv) Possible claim for damages for shops closure and liability of the Czech Republic is under discussion and will be clear after the situation ends.
- (v) Lease Agreements: next step to be probably taken by the Government - 6 months' rent relief, however, to be paid afterwards within the period of 24 months.

Jan Buril
Buril & Partners
jan.buril@burilpartners.cz
www.burilpartners.cz



CZECH REPUBLIC

Labour reliefs – “Antivirus program”

Applications for contribution for March 2020 may be filed from 6th April 2020

Reason for not assigning employee to work		Impediment under Labour Code	Salary compensation paid to employee by the employer	Contribution for employer from state	Conditions
A	Quarantine of employee	Section 192	60% of the reduced average salary	80% of the salary compensation paid to employee*	<ul style="list-style-type: none"> Employer abides by the Labour Code Employee is not in the notice period Employer performs business activities and relevant employees are included in the system of sickness and pension insurance
	Closure of shop ordered by the state	Section 208	100% of the average salary	80% of the salary compensation paid to employee*	
B	Closure of shop because of quarantine / care for child of at least 30% employees	Section 208	100% of the average salary	60% of the salary compensation**	<ul style="list-style-type: none"> Employer paid the salary compensation and relevant insurance payments Employer proved the relevant impediment
	Lack of materials (ingredients, products or services) necessary for the employer's activity	Section 207 / a)	80% of the average salary	60% of the salary compensation**	
	Limited demand for the employer's products	Section 209	60% of the average salary	60% of the salary compensation**	

* including the mandatory health, sickness and pension insurance payments (so called “super-gross salary”) / maximum limit of contribution is 39,000 CZK

** including the mandatory health, sickness and pension insurance payments (so called “super-gross salary”) / maximum limit of contribution is 29,000 CZK

CZECH REPUBLIC

Tax reliefs

AUTOMATIC	Deadline for the submission of income tax return (natural as well as legal person) is postponed until 1 July 2020
	Advance payment for income tax with a due date in June 2020 is cancelled.
UPON REQUEST	Possible postponement of selected tax obligations for serious reasons stated by law upon approval of the Tax Office
UNDER DISCUSSION	Planned tax loss for 2020 may be deducted from tax bases 2018 and 2019 based on an amended income tax return. Relevant overpayment would be refunded to the taxpayer

Matěj Potměšil
matej.potmesil@burilpartners.cz
Mgr. Jan Buřil
jan.buril@burilpartners.cz
Buril & Partners
www.burilpartners.cz



ECUADOR

Summary of new measures taken in Ecuador by COVID-19

Due to the impact of COVID-19, different government entities have opted for new measures to mitigate the effects of the crisis, among which are:

- The suspension of face-to-face working day is extended until April 12, 2020.
- As of April 13, a mobilization system divided into three colors will be applied, depending on the scope of the virus in each province.
- Classes are suspended in person until the end of May, but will remain online until further notice.
- The suspension of international, interprovincial and inter-cantonal transport is maintained.
- The Strategic Logistics Corridors Protocol is created for the shipment of essential goods.
- Vehicle restriction is intensified, now each car can only circulate two days a week.
- As of March 25, the curfew is extended; now it starts at 05:00 to 14:00.
- The delivery of documents to the Superintendency of Companies is postponed until May 2020.
- Two ways are established for the presentation of documents to the country's tax agency, these are the Quipux system and official emails.
- It is possible to file until 7 August the Income Tax declaration for individuals and undivided successions, as well as the delivery of the simplified Transactional Annex from January to September.
- The possibility of paying Income Tax in six installments is approved, beginning in April.

As well as paying the Value Added Tax in April, May and June in six installments in six installments.

- The obligation is established for certain companies to retain part of their income that can later be used to pay tax debts. Financial institutions and telephone companies must retain 1.75% of their income; hydrocarbon companies must retain 1.5% of their income.
- The possibility of altering the labor regime of employees is established. The employer can decrease work hours for up to six months; It is also possible to suspend the employee's work if it is not possible to establish a telework regime.
- Once the COVID-19 crisis ends, employees must recover hours not worked, being able to recover up to 12 hours between weeks and 8 on Saturdays.
- The obligation is established is public and private medical entities to provide their services.

Javier Bustos
 ABC Tax
javier.bustos@abcglobal.tax
www.abcglobal.tax



FRANCE

Adjustments to French corporate law

In order to adapt to health issues and to the constraints of confinement, the French Government has made some changes to French corporate law.

Two orders were therefore adopted on March 25, 2020 aiming to (i) adapt the rules relating to the preparation and approval of annual accounts and to the preparation of forecast management documents by extending statutory deadlines and (ii) adapt the rules relating to the convening, prior information, the holding and deliberations of shareholders' meetings and companies' corporate management bodies.

Order n° 2020-318 dated March 25, 2020 adapting the rules relating to the establishment, audit, review, approval and publication of the annual accounts and other documents and information that legal entities (or unincorporated private law entities) are required to file or publish in the context of the covid-19 epidemic

This order extended the deadlines for the establishment, audit, review, approval and publication of annual accounts and other documents and information that legal entities or entities without legal personality are required to file or publish.

- **Changes to deadlines for approval of annual accounts**

Article 1 of the aforementioned order allows the period mentioned in paragraph 5 of Article L. 225-68 of the French Commercial Code to be extended for three months, said article governing the time limit for the directorate ("directoire") to present to

the supervisory board ("conseil de surveillance"), for verification and control purposes, the documents referred to in the second paragraph of Article L. 225-100 of the aforementioned code.

However, this extension does not apply to companies that have appointed statutory auditors, where these latter have issued their report on the annual accounts before March 12th.

This article applies to companies closing their annual accounts between December 31, 2019 and the end of one month after the state of health emergency comes to an end, that is June 25, 2020.

Article 2 deals with companies in liquidation and extends by two months the period granted to the liquidator to prepare the annual accounts and his report. This postponement concerns only those companies whose financial year ends between December 31, 2019 and June 25, 2020.

Article 3 extends by a period of 3 months the statutory deadline (as a reminder, 6 months from the closing date) given to companies to approve their annual accounts or convene their ordinary annual shareholders' meeting, with no requirement to file a request for extension with the President of the competent Commercial Court. Thus, companies that closed their financial year on December 31, 2019 will have until September 30, 2020 to approve their annual accounts.

However, this extension does not apply to legal entities and private legal entities that have appointed statutory auditors who issued a report on the annual accounts before March 12, 2020.

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- **Adjustment of the deadlines for establishing forecast management documents**

Article 4 extends by two months the deadlines imposed on boards of directors, directorates or managing directors of companies with at least 300 employees or whose net turnover is equal to 18 million Euros (Article R. 232-2 of the French Commercial Code), to establish, in application of Article L. 232-2 of the aforementioned code, a statement of liquid and available assets and current liabilities, a forecast income statement, a financing table and a provisional financing plan.

These provisions are applicable to documents relating to the annual accounts or to 6-month periods closed between November 30, 2019 and June 25, 2020.

- **Adjustment of the deadlines imposed on private-law bodies receiving a public subsidy**

Finally, Article 5 extends by three months the deadline imposed on private-law bodies receiving a public subsidy to produce the financial report provided for at line 6, Article 10 of law n° 2000-321 dated April 12, 2000 on the rights of citizens in their relations with the authorities.

Order n° 2020-321 dated March 25, 2020 adapting the rules for the meeting and deliberation of shareholders' meetings and management bodies of legal entities (or unincorporated private law entities) pursuant to the covid-19 epidemic

This order adapts the rules applying to meetings and deliberations of shareholders' meetings and management bodies of legal entities or unincorporated private law entities.

- **Scope**

Article 1 of said order gives a non-imitative list of the legal entities and entities concerned by the order.

Civil and commercial companies, but also meetings of transferable securities- or financial securities-holders fall within the scope of its application.

- **Adaptation of the rules on convening and information**

For listed companies, Article 2 removes the penalty rendering notice of the shareholders' meeting invalid where this notice could not be sent by post for reasons beyond its control. Circumstances beyond its control cover in particular the case in which companies or their service providers have been prevented from accessing their premises or preparing the necessary notices in the context of the covid-19 epidemic.

Article 3 allows companies required to respond to a communication request from a shareholder to do so electronically.

- **Adaptation of the participation and deliberation rules**

Article 4 exceptionally authorizes all companies, whatever their form, to hold their shareholders' meetings without the presence (physical or by conference call or audio-visual) of their shareholders if the meeting was convened on premises concerned by an administrative confinement measure on the date of the convocation or meeting.

FRANCE

The decision to apply this measure lies with the competent corporate body, which can delegate its competence to the company's legal representative.

This measure does not affect other rights available to members of the shareholders' meeting, including the right to vote, to ask written questions and to propose the inclusion of items on the agenda (for "sociétés anonymes" or "sociétés en commandite par actions").

In addition, Article 5 extends and provides more flexibility for the use of videoconferencing and telecommunications.

In effect, this article authorizes these different means for companies for which these modes of participation are not provided for by law, and extends it for companies for which these modes of participation were already provided for; it does so by neutralizing certain requirements, such as the existence of a clause to this effect in the articles of association.

All decisions falling within the competence of shareholders' meetings can be taken through these alternative methods of participation. However, these means must necessarily ensure that the shareholders or partners are identified.

Article 6 also relaxes the use of written consultation of shareholders' meetings for companies in which this method of participation is already provided for by law.

All decisions falling within the competence of the shareholders' meetings are affected by this measure.

As for Article 7, it sets out the formalities for convening shareholders' meetings whose place

and methods of participation will be modified following the application of the provisions of Articles 4, 5 and 6 of the Ordinance.

In the event that a company decides to apply the above-mentioned articles when all or part of the formalities for convening the meeting have been completed prior to the date of this decision, the members of the meeting must be informed at the latest 3 working days before the date of the meeting. The modification of the meeting place or the methods of participation will not require the formalities for notice to be repeated and will not mean that the meeting has been unlawfully convened.

- **Relaxation of the conditions for the meeting of collegial administrative, supervisory and management bodies**

As for shareholders' meetings, Article 8 makes the use of videoconferencing and telecommunications facilities more flexible for supervisory and management bodies, whether or not this use is provided for by law or prohibited by the articles of association.

Again, the technical means put into place by the company must allow the members to be identified.

Further, Article 9 also renders the use of written consultations more flexible for these bodies, whether or not this is provided for by law.

The use of this deliberation mode is authorized for all meetings of these management bodies.

- **Application of the order over time**


The provisions of this order are applicable retroactively to all meetings held from March 12,

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2020 until July 31, 2020, subject to extension of this period to a date fixed by decree and at the latest November 30, 2020.

COVID-19: Deferral of tax requirements, distribution of dividends: last tax news

Following the announcement of exceptional tax and social security measures for businesses and the self-employed the government has recently indicated that these could be called into question if the beneficiary companies distribute dividends or proceed with share buyback in 2020.

Furthermore, the emergency law of March 23, 2020 allows the government to legislate by ordinance: the first 25 ordinances were published on March 26, 2020. Among these, [Ordinance No. 2020-306](#)  provides for an extension of the time limits expired during the period of health emergency and is applicable in particular in tax matters.

Exceptional tax and social aids for large corporations submitted to a commitment of “responsibility”

Companies benefiting from deferrals of payment and exceptional tax or social rebates will have to commit to abstain from distributing dividends or proceeding with share buybacks in 2020.

Which large corporations are concerned?

Companies or groups that employed at least 5,000 employees or have achieved consolidated turnover of more than 1.5 billion euros in France during the last financial year (these thresholds are assessed globally for groups). The commitment

should concern all the French entities of a group, even if only some of them has benefited from the financial helps.

Consequences in case of a distribution or share buyback decided before the announcement


Distributions decided before March 27 by the competent body, and share buybacks carried out before this date are not concerned by this measure.

Please note that intra-group distributions which aim to financially support a French company are possible without jeopardizing the aid request. Companies that have a legal obligation to distribute dividends should not be affected by this measure.

What are the consequences if companies do not respect their commitment?

Companies that do not respect their commitment will have to pay the deferred tax or social security contributions, plus late penalties (5% of top-up payment and 0.2% per month of delay).

Ordinance No. 2020-306: Extension of expired deadlines and adaptation of procedures

The French government has adopted several ordinances, including [Ordinance No. 2020-306](#)  of March 25, 2020 concerning the extension of deadlines expired during the health emergency period (currently set from March 12 to May 24, 2020) and to the adaptation of procedures during this same period, which apply in particular to tax matters.

FRANCE

Extension of deadlines expired during the state of health emergency

Article 2 of the ordinance provides for the extension of time limits that should have expired during the health emergency for “*any act, remedy, legal action, formality, registration, declaration, notification or publication prescribed by law or regulation on pain of nullity, sanction, lapse, foreclosure, prescription, unenforceability, inadmissibility, expiration, automatic withdrawal, application of a special rule, nullity or forfeiture of any right*”, with exceptions listed.

These deadlines will expire at the end of the legally stipulated period, which will start to run from one month after the end of this period, within the limit of two months.

This extension shall apply in particular to the time limits applicable to administrative and judicial proceedings.

For example, if the two-month period for filing an application to the Administrative Court should expire on March 15, 2020, it will be automatically extended until August 24 (taking into account a new two-month period, starting one month after the currently scheduled end of health emergency on 24 May 2020).

Suspension of time limits for tax audit procedures

The ordinance also provides for the suspension, between March 12 and June 24, 2020, of the deadlines provided in the tax procedures book, without a decision to that effect from the Tax Administration being necessary.

Extension of the limitation period in favour of tax authorities

The ordinance provides for an extension of the limitation period in favour of tax authorities, applicable for fiscal years whose prescription would have been acquired as of December 31, 2020. The duration of this extension is equal to that between March 12, 2020 and one month after the end of the health emergency (ie until mid-April 2021, taking into account the date end of health emergency currently scheduled).

Extension of Time limits for tax returns

The tax authorities have announced a two-week delay in the reporting of income tax and property wealth tax. This will start from April 20 and will expire for online declarations from June 4 to 11 (depending on the department of residence) and June 12 for paper declarations.

In addition, companies will be allowed to file their income tax return for the FY ending December 31, 2019, by 31 May 2020.

Laurent NADJAR
Laurent Nadjar & Associés
lnadjar@lna-ace.fr
www.lna-ace.fr

Laurent Nadjar
& Associés

GERMANY

Tax exemptions on extra bonus for Corona-workers

In this particular times of Corona-crisis now heavily affecting daily life and creating exceptional working conditions notably for public services, health services, suppliers, food retailers or transport facilities, German government and authorities have concluded several tax exemptions, allowances and reliefs.

They are open and applicable to all employers wanting to honour important service contributions of their employees, and granting extra money for that.

Therefore, if bonuses are related to Corona, payable as additional salary or non-cash benefits, employees can take advantage up to 1500 EUR from fully exemption, leading to a payroll

free from income tax and social charges. Sole condition is not to include it in the regular payroll but to give it on top.

The programme is planned to be maintained until the end of the year having been started in march 2020.

Alexander Hradecky
Auren Germany
Alexander.Hradecky@muc-auren.de
www.auren.com



Legal measures: Insolvencies, late payment, deferrals and others - For businesses and consumers

On 25.03.2020, the German Bundestag adopted the following legal measures with regard to the effects of the corona pandemic on entrepreneurs and consumers.

Here you will find an overview of the measures:

For entrepreneurs: Measures in insolvency law

Obligation to file for insolvency is suspended

The obligations to file for insolvency for companies and their managing directors in

the event of coronavirus-related insolvency reasons, like bankruptcy, are suspended until 30 September 2020.

However, this does not apply if the inability to pay is due to reasons other than the Corona crisis or is hopeless. But it is assumed for the benefit of all companies that were not insolvent on 31.12.2019 that the current insolvency is a result of the Corona crisis and is not hopeless.

GERMANY

During this suspension period until 30.09.2020, managing directors may maintain business operations and continue to make payments in the normal course of business without having to fear personal liability.

Background: According to legal regulations, managing directors are personally liable for all payments to third parties which are made after the insolvency has occurred. However, caution is still required for payments to partners.

Caution: This regulation only provides more time to eliminate insolvency by obtaining new financial resources. In this crisis phase, managing directors may continue to conclude contracts, e.g. trigger orders, only and for as long as it can be assumed that the company will be successfully restructured and that it will be possible to fulfil these obligations at a later date.

Measures in civil and company law:

Temporary limitation of the termination rights for landlords in the event of late payment by the tenant

Landlords and lessors may not give notice of termination due to non-payment of rent for the months of April, May and June 2020 if the tenant can credibly demonstrate that the non-payment is only due to the Corona crisis.

Background: Landlords can usually terminate without notice if the commercial or private tenant is in default of payment for two months.

Who is affected? All commercial and also all private tenants. However, this only concerns the loss of the April, May and June 2020 rents. It`s

only a deferral. The rent must be paid fully after this period.

Other measures:

For public limited companies, associations and cooperatives, the formalities for holding meetings will be simplified, in particular with regard to online conduct and participation.

Administrators in condominium owners' associations and board members of associations and foundations will remain in office even if the actual appointment period expires in 2020. The above measures are all limited to the year 2020.

Measures for smaller enterprises:

Deferment of payment for smaller companies for services of the basic company pension scheme

Smaller companies and private individuals have the option of suspending payment for a limited period of time until 30 June 2020 in the case of important longer-term contracts with regard to necessary services of the company or private basic supply (e.g. electricity, gas, telecommunications etc.).

However, non-payment is only permissible if it's strictly linked to the Corona crisis or if the entrepreneur's existence is threatened. Again, an exception is made if the service provider proves that the non-payment endangers himself and is therefore unreasonable.

Who is affected? In the case of entrepreneurs, only smaller companies and private individuals. Smaller enterprises are enterprises with up to 9 employees and an annual turnover of up to 2 million Euros.

GERMANY

The right to refuse payment refers to contracts concluded for the provision of services of general interest. Here, too, primarily electricity, gas, telecommunications etc. are meant.

Consumer-only measures: instalment deferral until June for consumer loans

In the case of Corona crisis, private individuals are entitled to defer the instalments for the months of April, May and June 2020 in the case of loan agreements concluded (e.g. for home financing or other private instalment credit agreements), providing that they would otherwise no longer be able to cover their reasonable living costs when paying. If no other agreement on the subsequent

payment is reached with the bank, the loan period is extended by the relevant months of non-payment.

Who is affected? Consumers

*Oliver Haaga
Auren Germany
Oliver.Haaga@rtg-auren.de
www.auren.com*



GERMANY

Human Resources: Federal Cabinet adopts social protection package

Short-time working allowance:

Here a new draft of a law was already in place, which was adopted on 13.03. with retroactive effect from 01.03.2020. If companies order short-time work due to the global sickness caused by the corona virus and this results in loss of earnings, affected employees can receive short-time work compensation. This benefit must be requested by the employer.

A precondition for receiving short-time working compensation is that the normal working hours are temporarily reduced significantly - i.e. at least 10% of the working hours of 10% of the workforce. A number of other conditions must be met. In this case, employees can have approx. 60% of their previous net income - or 67% if they have children - reimbursed tax-free by the Federal Employment Agency. This option should help to avoid unemployment for a lot of employees.

An employer have to apply for this option and must pre-finance the payment. Reimbursement by the Federal Agency will then be made approximately 30 days after the application is submitted.

Reduced offsetting of remuneration from additional work against short-term employment

Since certain industries and professions are indispensable for public life, security and the supply of people in the current crisis, the

government wants to ensure that sufficient labour is available in this systematically relevant areas; particularly referring to the health sector with hospitals and pharmacies, but also to agriculture and food suppliers.

Insofar, to create an incentive to take up temporary activities in this sectors, remuneration from any other employment taken up in the short-time work period is not taken into account to be credited against short time allowances.

Facilitated access to child supplement

In many families, income is currently being reduced by short-time work or unemployment benefits. In order to mitigate the consequences, the child benefit supplement is to be temporarily redesigned in a way that it reflects the current crisis-related living situation for families claiming the benefit. Its calculation is based on the income of the last month before the demand has been made and private asset will temporarily not be considered for the calculation. In the past, the families have to use their privat assets completely, before the get a claim on this supplement.

Those who earn little and do not receive unemployment benefit II will receive a supplement to child benefit under certain conditions. The family fund pays up to 185 euros per child as a child supplement per month. The child supplement is available from a monthly income of 900 euros, for single parents from 600 euros.

GERMANY

Maximum periods of minor employment contracts will be extended

In order to take account of problems in seasonal working due to the Corona crisis, particularly concerning the agricultural sector, the time limits of short-term employment can be extended to a maximum duration of five months or 115 days, starting with the 1st of March until the 31st of December 2020.

Legal exceptions will foresee less restrictive limits of working hours

Temporary regulations in German labour law through the period of Corona-crisis shall be introduced to authorise extended working hours; in order to help maintaining public and systematically relevant services.

Limits of additional income of pensioners resuming a job are extended to achieve greater exemption

To facilitate working or resume employment after retirement current German law still provided too strong restrictions if any income is earned in addition to the pension.

Higher exemption could now support those who want to help in the current situation: in 2020, 44,590 instead of the previous EUR 6,300 can now be earned in addition without the pension being reduced, limited until the 31st of December 2020.

Compensation for loss of earnings due to childcare

The Infection Protection Act shall include possibilities to claim for compensation in cases

of loss of earnings created by closing of schools, nursery homes or daycare centres. The aim is to mitigate income losses of working parents with children aged up to 12, if the parents are unable to pursue their professional activities because of their childcaring facilities being closed.

A precondition is that the persons concerned cannot provide any other reasonable care, e.g. by the other parent or emergency care in the facilities, whereas risk groups such as the child's grandparents do not need to be involved.

Compensation amounting to 67% of net income is to be granted for up to six weeks and is limited to a maximum monthly amount of EUR 2,016.

The employer is responsible for payment, and can submit a refund application to the competent state authority. According to the Ministry, the scheme does not apply to periods when the institution would be closed anyway due to school holidays and is limited until the end of 2020.

Birgit Ennemoser
Auren Germany
Birgit.Ennemoser@str-auren.de
www.auren.com



JAPAN

Emergency tax measures to support economies under coronavirus threats in Japan

Already been implemented:

- A. Due date of filing individual income tax return, gift tax return and consumption tax return of individual business for 2020 year is extended by one month (a half month for consumption tax) to April 16, 2020.
- B. Payment of tax can be postponed for maximum one year without penalty in case certain conditions are met.

Approved by the Cabinet on April 7 but not approved by the Diet yet (Major items only):

- A. Refund of income tax by loss carry back for one year.

Currently it is allowed for small corporations definition of which is paid in capital amount is equal to or less than JPY100m at year end.

This system is to be allowed for corporations whose paid in capital is equal to or less than JPY1,000m at year end for loss incurred in the fiscal year ended during the period from February 1, 2020 to January 31, 2022.

- B. Either of below two tax concession is allowed by choice of tax payer on new investments for digital equipments and software for remote working.
 1. Immediate deduction in the year of investment

2. Income tax credit of 7% (10% for corporations whose paid in capital is equal to or less than JPY30m) of investment amount

Further information from the Minister of Health

https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/newpage_00032.html 

Masahiro Sugiyama
CPA Sugiyama
sugiyama@cpa-sugiyama.jp
www.cpa-sugiyama.jp/en



THE NETHERLANDS

Additional Support Measures for Businesses

The government has announced additional support measures for businesses to offset, as much as possible, the negative effects of the coronavirus crisis. An overview of the key measures is presented below.

Please note:

On Thursday, 2 April it was announced that the rules on applying for a deferment of tax payments have been relaxed further, including by broadening the types of taxes covered. Read more about this in Article 6.

Please note:

We are keen to ensure we provide up-to-date information. As we are writing, however, the Dutch Government is constantly announcing new additions or improvements to (new) schemes. The overview below is based on the information available as at 7.15 p.m. on Thursday, 2 April.

1. Entrepreneurs can apply under NOW payroll compensation scheme from 6 April
2. Applications for € 4,000 support measure opened
3. Relaxation of pension contribution payment requirements
4. Differentiated unemployment insurance contribution
5. Income problems? New rules on temporary support for the self-employed
6. Further relaxation of rules on deferment of tax payments
7. Adjust your provisional assessment!
8. Reduction in rates of late payment and tax interest
9. Banks offer SMEs six-month deferment of repayments
10. Expansion of government-guaranteed scheme for loans to SMEs (Borgstelling MKB Kredieten – BMKB)
11. Expansion of Corporate Finance Guarantee Scheme (Garantie Ondernemersfinanciering)
12. Expansion of Qredits loans
13. Expansion of government-guaranteed scheme for loans to agricultural businesses (Borgstellingskrediet Landbouw)
14. Local authorities and water boards
15. Vignette for cross-border workers in vital sectors
16. No Dutch support for self-employed persons residing abroad
17. Emergency package for entrepreneurs and employees in the Caribbean Netherlands
18. No tax consequences for healthcare workers' pensions
19. Expansion of export credit insurance

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1. Entrepreneurs can apply under NOW payroll compensation scheme from 6 April

Employers who experience a drop in turnover will have a portion of their payroll costs reimbursed via the NOW scheme. They will be able to apply for this compensation from 6 April to 31 May 2020.

Drop in turnover of at least 20% for three months

The main condition for receiving the compensation is that a company's turnover drops by at least 20% for a period of three months.

How the drop in turnover is determined

The drop in turnover is determined by taking 25% of the turnover for 2019 as a reference. This has to be compared with the turnover generated from March to May 2020. However, employers can also take a period starting one or two months later as a basis for determining their drop in turnover. In such cases the wage bill will remain the wage bill for March, April and May 2020.

Please note:

In the case of groups the turnover for the whole group is taken as a basis. Any subsidies received and other contributions from public funds are treated as turnover.

Maximum contribution of 90%

In the event of a 100% drop in turnover the contribution amounts to 90% of the wage bill. If the drop is smaller, the contribution is adjusted proportionately, i.e. it will amount to 45% of the wage bill for a 50% drop in turnover.

What is the wage bill?

The wage bill is determined using the payroll tax return, taking the salaries on which employee insurance contributions were deducted in January 2020 as a basis. A 30% mark-up for charges paid by the employer, such as pension and employer's contributions, is added to this for all companies. The maximum salary per employee is € 9,538 per month.

Application

The application is made for each payroll tax number. The expected drop in turnover for the company as a whole must be indicated in each application.

Who is and who is not eligible?

Anyone for whom a payroll tax return is submitted and who is insured under the Unemployment Insurance Act (WW), Sickness Benefits Act (ZW) or Work and Income (Capacity for Work) Act (WIA) is covered by the scheme. The salary of flexiworkers is also compensated. No distinction is made between different forms of contract. The scheme also covers the payroll costs of employees for whom the employer has no obligation to make continued salary payments, e.g. employees on a zero-hours contract.

Payroll employers and temporary employment agencies are subject to the same conditions as ordinary employers. Employees with a fictitious employment relationship also fall under the scheme, although uninsured and voluntarily insured directors/major shareholders (Dutch: *DGA*) do not.

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Approval by UWV

If the application is approved by the UWV, an advance payment of 80% will be paid in three instalments. The first portion of the advance will be paid out within two to four weeks of the application being made. If necessary, the scheme will be extended beyond May. The subsidy may only be used to cover payroll costs.

Accountant's role

Within 24 weeks of the end of the period for which compensation has been awarded under the NOW the employer must apply for the final amount of the subsidy to be determined. In principle, a declaration from an accountant is required for this purpose, but the threshold below which this will not be necessary is being considered. A final settlement from the UWV will follow within 22 weeks.

No compulsory redundancies!

A condition for receiving the contribution is that no applications to make employees redundant for commercial reasons are submitted to the UWV over the period from 18 March to 31 May 2020. If such applications are made, the contribution is reduced by deducting 150% of the salary of the employee who has been made redundant from the wage bill.

Please note:

This condition does not apply to employees on a flexible contract.


2. Applications for € 4,000 support measure opened

Entrepreneurs in sectors that have been particularly affected by the coronavirus crisis can now apply for a net contribution of € 4,000 towards their costs. This is possible under the Contribution for Entrepreneurs in Sectors Affected by COVID-19 scheme (Tegemoetkoming Ondernemers Getroffen Sectoren COVID-19 (TOGS)), previously known as the Emergency Service Point (Noodloket). Applications can be submitted until 5 p.m. on 26 June 2020. The contribution takes the form of a grant. To prevent abuse of the scheme, applications will be subject to checks.

Specific sectors

The contribution is intended for specific sectors. It covers food and drink outlets, cinemas, hair and beauty salons (including hairdressers, pedicurists and beauticians), travel agents and tour operators, driving school owners, saunas, solaria, swimming pools, fitness centres, sports clubs and sporting events, as well as certain private cultural institutions, such as museums, circuses, theatres and music schools. Entrepreneurs in the non-food sector, such as shopkeepers, can also make use of the scheme from Monday, 30 March 2020. The list of industries and sectors was updated on Monday, 30 March 2020.

Apply digitally

The application must be submitted digitally to the Netherlands Enterprise Agency (RVO) at www.rvo.nl/tegemoetkomingcorona .

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eHerkenning, level 1 or higher, is required to make the application. Initial experiences suggest that an advisor with eHerkenning is allowed to submit the application for a client. In this case the client must have authorised the firm to do so in writing.

Conditions

This contribution is subject to a number of conditions. The main ones are as follows:

- your company is based in the Netherlands;
- your company belongs to one of the sectors referred to above; this must be apparent from the entry in the Commercial Register of the Chamber of Commerce on the reference date of 15 March 2020;
- your company employs no more than 250 people;
- your company is not bankrupt and has not applied for a suspension of payments;
- you expect your turnover to drop by at least € 4,000 from 16 March 2020 to 15 June 2020;
- you expect to have fixed costs of at least € 4,000 from 16 March 2020 to 15 June 2020, also after having taken advantage of other support measures made available by the government;
- you have received no more than € 200,000 in state aid over the current and the two preceding tax years (de minimis Regulation).

Not available to businesses run from home

Another condition is that your business must be based outside your home. The sole exception are food and drink outlets, e.g. a café whose owner, tenant or lessee lives above the business.

The application

To submit an application, you need (in summary):

- eHerkenning (level 1 or higher)
- the Chamber of Commerce (KvK) number of the company (please note: not the branch number/RSIN)
- the SBI code of the company's principal activity
- the company's correspondence and visiting address
- the entrepreneur's contact details: name, telephone number and email address

When will you receive your money?

RVO will endeavour to make a decision within two weeks. The payment will then be made within a few working days. If the RVO is unable to make a decision within two weeks, you will be notified promptly.

3. Relaxation of pension contribution payment requirements

Pension administrators are also trying to alleviate the financial distress that entrepreneurs are experiencing as a result of the coronavirus crisis. They are helping them as much as possible to overcome the difficulties they are facing in relation to the payment of pension contributions. As the problems differ from one sector and one employer to another, tailor-made arrangements will be worked out based on the following possibilities:

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- Pension administrators will make a payment arrangement with employers, where necessary. In this case the individual employer must contact the pension fund, insurer or contributory pension institution (PPI).
- The periods for paying pension contributions will be extended within the bounds of what is possible under the law.
- Pension administrators will pursue a less strict collection policy, including deferring the engagement of debt collection agencies and the imposition of penalties.

Please note:

Entrepreneurs experiencing acute problems with the payment of their pension contributions are advised to consult the website of their pension administrator and, if necessary, to contact their pension fund, insurer, PPI or financial advisor.

4. Differentiated unemployment insurance contribution

Since 1 January employers have paid a low unemployment insurance contribution for permanent contracts and a high unemployment insurance contribution for flexible contracts. The high unemployment insurance contribution is also payable for permanent employees whose overtime has exceeded 30% of their contractual working hours in a calendar year.

This rule could now have unintended consequences in sectors that need employees to work a considerable amount of additional

overtime as a result of the coronavirus crisis, such as healthcare. The government is preparing an amendment to address these consequences.

Employers have also been given until 1 July 2020 to draw up a permanent employment contract, in order to comply with the conditions for paying the low unemployment insurance contribution. This period has been extended from 1 April 2020 to 1 July 2020 as a result of the coronavirus crisis.

5. Income problems? New rules on temporary support for the self-employed

For a period of three months, from 1 March to 31 May 2020, self-employed persons can obtain additional income support via an accelerated procedure to help cover their living costs/working capital. The support is available only to self-employed persons – including directors/major shareholders – who have no or very little income as a result of the coronavirus crisis.

This information can be found in the Temporary Bridging Scheme for Independent Entrepreneurs (Tijdelijke Overbruggingsregeling Zelfstandige Ondernemers (Tozo)).

Living costs

This temporary support scheme to help cover the living costs of independent entrepreneurs does not mention a means or partner test. In other words, any existing assets and/or partner's income will not present an obstacle to receiving the support. The viability of the business will also not be assessed.

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Advance payment

Local authorities (the application is made in the entrepreneur's place of residence) will now start implementing the scheme, which will be based on an advance payment. The support will be provided within four weeks. This also applies to working capital loans of up to € 10,517. The income of the self-employed individual will be supplemented up to a maximum net amount of € 1,500 for persons who are married and a maximum net amount of € 1,050 for single persons. The lower social assistance benefit level will apply to young people between the ages of 18 and 21. Many local authorities have opened a digital service point where all the information is available. From 30 March there will also be physical emergency service points in major cities such as Utrecht, Amsterdam, The Hague and Rotterdam.

No prior assessment

The contribution towards living costs will be awarded once for a three-month period and paid out monthly. The self-employed person must declare that his/her expected income for the next three months will be less than the minimum social income as a consequence of the coronavirus crisis. Income is therefore not assessed in advance.

Please note:

The payment counts as income for the purposes of any allowances you receive. These may therefore be reduced as a result. You will need to pass this information on yourself, as otherwise there is a risk that you will have to pay back any allowances that have been overpaid.

From 1 March

An application for a contribution towards living costs can be submitted until 31 May 2020. You can apply for such a contribution with retroactive effect from 1 March 2020.

All applications submitted within the scheme period, i.e. up to 31 May 2020, can be backdated in this way. The contribution towards living costs will be awarded once for a three-month period and paid out monthly.

Please note:

The income support for living costs does not have to be repaid retrospectively.

Requirements

To receive this temporary support, you must meet the following requirements:

- You are a self-employed person aged between 18 and pensionable age and have been working in this capacity for a reasonable period of time (established self-employed person);
- You live and are legally resident in the Netherlands;
- Please note: it has been announced that the question of how support can be offered to entrepreneurs who have a business in the Netherlands and live abroad, or vice versa, will be urgently examined. In principle, however, such persons are entitled to support in their country of residence;
- You are a Dutch national or have equivalent status;

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- Your business or self-employed activity is carried out in the Netherlands;
- You satisfy the legal requirements for running your own business, e.g. you were entered in the Commercial Register of the Chamber of Commerce before 6.45 p.m. on 17 March 2020;
- You started your business before 1 January 2020 and dedicated at least 1,225 hours (average of 24 hours a week) to your own business or self-employed activity in 2019. If the applicant has been working on a self-employed basis for less than a year, the hour criterion applies to the number of months worked;
- You live in the municipality in which you are applying for additional income support.

Please note:

The scheme also applies to self-employed persons who employ staff and, in principle, to directors/major shareholders of companies who fulfil the conditions. The latter will have to plausibly demonstrate that the company is no longer able to pay any salaries.

Working capital loan

Independent entrepreneurs who experience liquidity problems as a result of the coronavirus crisis can apply for a working capital loan of up to € 10,157 with an interest rate of 2%. This will be made available within four weeks. The maximum term of the loan is three years and no repayments have to be made until January 2021.

To qualify for a loan, an independent entrepreneur must declare and plausibly demonstrate that he/

she is experiencing liquidity problems as a result of the coronavirus crisis.

No cost standard divisor

During implementation of the schemes the so-called 'kostendelersnorm' (cost standard divisor) will be left out of consideration. This standard means that the benefit payment is lower if several adults are living together, as it is assumed that the costs will be shared. This will now not be the case.

Please note:

In many cases the legitimacy of the support will be checked retrospectively. In the event of fraud it will be reclaimed and a penalty imposed. This means that independent entrepreneurs who make a claim under the scheme are obliged, of their own volition, to supply the local authority with all information that could influence their entitlement to or the level of the payment. This may include any changes to the individual's income situation, for example.

6. Further relaxation of rules on deferment of tax payments

Many companies are seeing their turnover and profit decline, while their costs and expenses remain unchanged. If you find yourself in this situation, you can request a deferment of payments from the Tax and Customs Administration. Entrepreneurs can obtain a deferment of payments online for the payment of payroll tax, income tax, corporation tax, VAT, gambling tax, excise duties, consumption tax on non-alcoholic drinks, insurance tax, the

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landlord levy, energy tax and other environmental taxes and comparable taxes in the Caribbean Netherlands. You will be granted a deferment of payments automatically for a three-month period.

Longer deferment possible

If a three-month deferment is insufficient, you can also ask for a longer deferment period. Entrepreneurs with a tax debt of less than € 20,000 can obtain a longer deferment by submitting documents as evidence that their turnover or orders/reservations has/have fallen significantly compared with previous months.

Please note:

In the case of a higher tax debt a declaration is required from a third-party expert, such as an accountant. The specific requirements are yet to be announced.

G-account

Companies that use a G-account can ask the Tax and Customs Administration to unblock the credit balance in this account. This means that amounts set aside for payroll tax or VAT payments can also be released temporarily. If these entrepreneurs have applied for a deferment of payments, they will therefore enjoy the same benefits as entrepreneurs without a G-account.

One deferment application

To obtain a deferment of payments for these taxes, only one deferment application has to be submitted.

The deferment then applies not just to the existing tax debt, but also to additional debts arising over the following three months.

This relaxed deferment policy will apply to all the taxes mentioned above until at least 19 June 2020.

Please note: tax return must still be submitted

Entrepreneurs must submit their tax return on time, as they can only apply for a deferment of payments after they have received an assessment or additional assessment from the Tax and Customs Administration.

Energy tax

Separate arrangements have been made in relation to energy tax. As a result, the deferment also benefits consumers of electricity and natural gas who experience financial problems, e.g. in the floriculture sector.

Default penalties

The tax authorities will also be scrapping or reducing so-called default penalties for the non-payment or late payment of taxes. Such penalties are imposed if you are late in paying your VAT, for example. There will be no need to pay or lodge an objection against these penalties.

Log in using DigiD

As this form of deferment is also intended to apply to entrepreneurs who are subject to income tax, you must apply for the deferment using your DigiD. Your DigiD is not used for any other purpose and is not linked to the deferment. On the online form you also need to indicate your company's details, including your RSIN or BSN.

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Please note:

Legal entities can apply for a deferment via the DigiD code of an employee, their director/major shareholder or their intermediary. Intermediaries can apply for a deferment for their clients using their own DigiD.

7. Adjust your provisional assessment

Entrepreneurs, including self-employed persons, received their provisional income tax assessment in January. In this their profit is estimated on the basis of historical data. If your profit this year turns out to be lower due to the coronavirus crisis or for other reasons, you can adjust your provisional assessment.

Submission

This can be done digitally via Mijn Belastingdienst. You will usually hear back within four - and no more than eight - weeks. This means that you will have to pay less tax from the end of April or the end of May.

Please note:

If you have overpaid or underpaid tax at the end of the year, this will be settled in your final assessment.

Corporation tax

Entrepreneurs who run a company can also adjust their provisional corporation tax assessment for this year. This can be done via the new business portal Mijn Belastingdienst Zakelijk. You will need to log in via eHerkenning.

Provisional income tax assessment for directors/major shareholders

If the coronavirus crisis has a significant impact on the turnover and liquidity of your company, as a director/major shareholder you can temporarily agree on a lower monthly salary in 2020. At the end of the year you determine your customary annual salary for 2020 and enter this in your payroll tax return. As a result of the coronavirus crisis, you can therefore determine your customary salary retrospectively, as you then have a clearer picture of the consequences of the crisis. You are not permitted to reduce any salary already received with retroactive effect. The relevant changes can also be made in your provisional income tax and health insurance assessment.

8. Reduction in rates of late payment and tax interest

The late payment interest that is generally charged after the deadline for tax payments has passed is being lowered temporarily from 4% to 0.01%. This applies to all tax debts. The rate of tax interest is also being temporarily reduced to 0.01%. This reduction will apply to all taxes subject to tax interest. The Tax and Customs Administration charges tax interest if you submit your tax return late, for example.

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9. Banks offer SMEs six-month deferment of repayments

SMEs with a loan of up to € 2.5 million can obtain a six-month deferment of their loan repayments. Such a deferment is subject to the company essentially being in a healthy position. This has been decided on jointly by ABN Amro, ING, Rabobank, de Volksbank and Triodos. The measure that banks are introducing applies to corporate clients in all sectors who have a loan of up to € 2.5 million. Possible ways of relieving the repayment burden are currently being considered for corporate clients with loans above this amount.

Please note:

Specific forms of finance such as commercial finance, club deals and syndicated loans are excluded. Loans being handled by the Recovery department within Special Asset Management also fall outside the deferment scheme.

10. Expansion of government-guaranteed scheme for loans to SMEs (Borgstelling MKB Kredieten – BMKB)

Via the BMKB scheme the Ministry of Economic Affairs and Climate Policy is guaranteeing loans to entrepreneurs to make it easier for them to borrow funds. Entrepreneurs can contact lenders, usually their own bank, to access these loans.

Under the regular scheme the government-guaranteed loan represents 50% of the loan granted by the bank, for a period of one year. The government underwrites 90% of this guaranteed

loan. The maximum amount of the BMKB loan has been increased temporarily from € 1 million to € 1.5 million.

Please note:

As a result of the coronavirus crisis the level of the government-guaranteed loan under the BMKB scheme has been raised from 50% to 75% for companies requiring credit of up to € 266,667.

The expansion of the BMKB scheme will apply until 30 June 2022.

This will allow banks to extend credit more easily and more quickly, reduce the risk to which they are exposed and give companies the option of borrowing more funds at an earlier stage. The scheme will also be applicable to bridging loans and overdraft facilities with a term of up to two years.

Please note:

You do not have to submit a separate application for the BMKB scheme. This is arranged via your bank.

11. Expansion of Corporate Finance Guarantee Scheme (Garantie Ondernemersfinanciering)

Companies that are having problems obtaining bank loans and bank guarantees can take advantage of the Corporate Finance Guarantee Scheme (GO). The government is proposing to increase the guarantee ceiling under the GO from € 400 million to € 1.5 billion. The GO helps both SMEs and large companies by underwriting, at a level of 50%, bank loans and bank guarantees from

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a minimum of € 1.5 million up to a maximum of € 50 million per company. The maximum amount per company is being temporarily increased to € 150 million.

12. Expansion of Qredits loans

Qredits has been offering an SME loan for a number of years now. This is a business loan for start-ups and existing SMEs that can range from a minimum of € 50,000 up to a maximum of € 250,000. It is specifically intended for entrepreneurs who require financing and are unable to obtain this from their bank.

Qredits is introducing a temporary crisis measure for small businesses affected by the coronavirus crisis. These businesses will be granted a deferment of repayments for a six-month period, during which their interest rate will be automatically reduced to 2%.

Please note:

In principle, this crisis measure applies for a period of nine months and is open until the end of May this year. There is a special email address that entrepreneurs can use for assistance:

hulp@qredits.nl 

13. Expansion of government-guaranteed scheme for loans to agricultural businesses (Borgstellingskrediet Landbouw)

The government-guaranteed scheme for loans to agricultural businesses (BL) has been expanded due to the outbreak of the coronavirus. This will

allow agricultural and horticultural businesses that are in a healthy position and are affected by this crisis to have continued access to financing. Expanding the BL scheme will allow healthy companies that are experiencing liquidity problems to benefit from a government-guaranteed bridging loan (BL-C). This additional module became effective on 18 March 2020 and will remain available until 1 April 2021.

14. Local authorities and water boards

Various local authorities are also taking measures to support citizens and businesses experiencing financial difficulties as a result of the coronavirus crisis. These include the local authorities in Almere, Zutphen, Oisterwijk, Goirle, Harderwijk, Gorinchem, Wierden, Schagen and Noordwijk. The support available varies and includes the suspension of tourist tax and the deferment and delayed collection of municipal levy payments.

Water boards

Water boards have also decided to grant a deferment of payments to businesses that have found themselves in financial difficulties due to the coronavirus crisis. Various water boards are also suspending the collection of taxes and are paying invoices more quickly.

Urgency in granting permits and awarding contracts

In addition, water boards are doing everything they can to ensure that permits are still being granted and contracts awarded to companies,


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so that civil and hydraulic engineering work can continue.

15. Vignette for cross-border workers in vital sectors

As of 22 March 2020 cross-border workers in vital sectors and with crucial occupations can use a vignette to cross the border between Belgium and the Netherlands more quickly. The purpose of the vignette is to prevent such cross-border workers from being held up at the border and it can only be used by them.

Since Wednesday, 18 March 2020 Belgium has banned non-essential journeys to other countries, including the Netherlands. Cross-border workers and other persons who need to travel across the border are still able to do so. However, they need to take specific rules into account.

The vignette can be obtained via the site www.crisiscentrum.be/nl .

16. No Dutch support for self-employed persons residing abroad

Self-employed persons who work in the Netherlands but live abroad will be denied access to the income support being offered to self-employed persons as a result of the coronavirus crisis, according to a report in daily newspaper De Gelderlander. On the basis of figures from the Chamber of Commerce, there are around 2.5 million self-employed persons in the Netherlands in 2020. Some of them live outside the Netherlands, mostly in the border region. As a

result, they will not be entitled to income support from the Dutch government in connection with the coronavirus crisis.

Conditions

The income support for self-employed persons is obtained through the local authority in the individual's place of residence and a number of conditions are attached. Self-employed persons residing abroad do not meet the condition of living and being legally resident in the Netherlands.

No support abroad either

By their own account, self-employed persons also cannot obtain any financial support abroad, as they pay tax in the Netherlands and not in the country concerned. To address this situation and bring it to the attention of politicians, a petition that people can sign has been published online.

Support to become available after all?

The government has now (27 March 2020) announced that the question of whether support can be offered to entrepreneurs who have a business in the Netherlands and live abroad, or vice versa, will be urgently examined. According to the government, however, there is always an entitlement to support in the person's country of residence.

Part-time self-employed persons also miss out

From the other conditions it seems that the support is also not intended for part-time self-employed persons. One of these other conditions states that persons must devote at least 1,225 hours a year to their business.

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17. Emergency package for entrepreneurs and employees in the Caribbean Netherlands

As a result of the coronavirus crisis, the government has decided to take exceptional economic measures for employees and businesses on Bonaire, Sint-Eustatius and Saba.

The letter on the emergency package for employees in the Caribbean Netherlands is similar to the one the government sent to the Lower House on 17 March 2020 relating to the European Netherlands. The structure of the letter is the same and the measures are also similar.

18. No tax consequences for healthcare workers' pensions

Retired healthcare workers who took early retirement more than five years before state pension age can now return to work in connection with the outbreak of the coronavirus without any tax consequences for their pension. This has been announced by the Tax and Customs Administration.

19. Expansion of export credit insurance

As part of the measures taken to deal with the coronavirus crisis the government has announced an expansion of export credit insurance. Its aim here is to support exporters in particular with the problems they are experiencing as a result of the crisis.

Export credit insurance

Export credit insurance is a guarantee given by the government to underwrite an export credit transaction. This insurance covers the export of capital goods and services. If you suffer a loss, because a buyer defaults on your invoice, you or your insurer can recover this loss from the government.

Relaxation of conditions

This expansion means, amongst other things, that export credit transactions with a term of less than two years can be covered, which was previously not the case. In addition, domestic cover is being expanded, the country policy is being made more flexible and cover can be obtained for a greater number of countries.

Accelerated procedures

The expansion also means that higher levels of cover will be made available and that procedures will be accelerated. At present, for example, there is still a waiting period, usually three months, before payment is made to cover the loss incurred.

Gerco Recter
Auren Netherlands
GercoRecter@auren.nl
www.auren.com



PANAMA

Tax regulations in Panama due to COVID-19

The first case of the coronavirus pandemic in Panama occurred on March 8, 2020. Since this date, Panamanian Government started with the planning of actions aimed at preventing the spread of the virus, both in terms of health and to reduce the impact on our society and economy.

There are many regulations that have been issued since March 2020, which address health, social-labor, educational, economic, fiscal, among other aspects. The port sector remains active under strict supervisory and control measures for non-affecting traffic through the Panama Canal

Although airports have been closed and flights cancelled to prevent the spread of the virus, the port sector remains active under strict supervisory and control measures for non-affecting traffic through the Panama Canal.

In this same sense, different legal instruments have been issued from the tax perspective to grant extensions for tax compliance obligations. Below is a summary of the most important fiscal measures recently taken by the Government under Executive Decree 252 of 24 March 2020, as well as the Extension of Amnesty Tax granted by Law 99 of 2019:

- A deadline is granted for the filing of income tax returns corresponding to the fiscal period 2019 until May 30, 2020. However, the regular extension of an additional month for filing the Income Tax Return provided in Article

710 paragraph 5 of the Tax Code it will not be applicable.

- The request for the non-application of the CAIR (alternative calculation of income tax) will be submitted electronically through the procedures established by the DGI.
- 120 calendar days, counted from 20 March 2020 (31 July 2020), are granted for the payment of national taxes, direct and indirect, special contributions and any other debts, which are caused or payable during that period, provided they are taxes administered by the DGI . This will not result in interest, surcharges and fines. The following obligations are excluded from this extension:

Income tax withheld from employees;	ITBMS withheld by local agents;
Income tax withheld from non-residents;	Dividend tax;
ITBMS withheld on payments to non-residents;	Property tax held by banks
ITBMS withheld by the government;	

Estimated tax to be paid may be determined for an amount not less than 70% of the tax caused on the 2019 income return, without such estimate being subject to investigation or verification by the DGI.

PANAMA

- The estimated income tax must be paid in two dates: the first by 30 September 2020 and the second by 31 December 2020.
- The exemption from income tax granted to micro, small and medium-sized enterprises is extended for a period of one more year, if they expired during the 2019 or 2020 tax period.
- During the term of the State of National Emergency, the DGI may take steps to ensure compliance with reporting obligations. If the ability of taxpayers to comply with reporting obligations is affected during this period, the DGI may, by resolution, defer the terms of filing of the different tax compliance statements and reports without this involves paying fines.
- During the 120-day period mentioned above, the DGI may issue Certificates of good standing to those taxpayers that present inconsistencies in their current account, provided that they submit a reasoned and substantiated application electronically.
- During this 120-day period, the presentation of Certificates of good reputation from the DGI and Social Security will not be requested for all the formalities that are carried out before the General Directorate of the Treasury and the DGI.
- Taxpayers who maintain processes of administrative tax evasion or criminal tax fraud may not benefit from the measures adopted in Executive Decree 251.
- The following tax forms or declarations that must have been submitted no later than 29

February 2020, without any fine, are extended until 30 June 2020, without any fine:

Donation received report	Retirement, Pension and Other Benefit Fund Report, Form No. 40	Purchase and Imports of Goods Report, Form No. 43
Non-governmental organization (NGO), Form No.27	Insurer report and certification of medical expenses by insured, Form No. 41	Credit card sales report, Form No. 44
Spreadsheet Report, Form No. 03	Interest certification on residential home loans without preferential interest, Form No. 42	Transfer Pricing Report, Form No. 930
Individual income tax return Form No.1		Free Trade Zone Income Tax Return, Form No.18

The exemption from the fine due to late submission of these reports is contingent upon the taxpayer meeting the conditions and commitments of the aid and stimulation package.

José Santamaria
 SMA LATAM
jose.santamaria@smalatam.com
www.smalatam.com



POLAND

Anti crisis shield – ZUS

Exemption from the obligation to pay contributions for March-May 2020.

IMPORTANT: Companies that were in a difficult situation in December 2019 and did not settle their liabilities (including contributions collected by ZUS) cannot apply for an exemption.

Applies to:

- Persons conducting non-agricultural business activity before 1 February 2020 and paying their own social security contributions;
- Contribution payers who were running a business before 1 February 2020 and registered fewer than 10 persons for social security purposes as of 29 February 2020.
- Clergymen

Required conditions for receiving aid:

- You were conducting non-agricultural business activity before 1 February 2020 and paying your own social security contributions; you were a contributions payer before that date and registered fewer than 10 persons for social security purposes as of 29 February 2020; or you are a clergyman.
- If you are paying your own social security contributions only, the revenue from the first month of your business activity, for which the application is submitted, cannot exceed PLN 15,681.00.

- The application has to be submitted to ZUS by 30 June 2020.

Idle time benefits for persons working under civil law contracts (order - “zlecenia”, agency - “agencyjne”, specific work - “o dzieło” contracts)

Important: benefits are paid directly to the bank accounts of the contractors

Applies to:

Companies who employ persons working under civil law contracts (agency contracts, order contracts, other contracts for provision of services)

Required conditions for receiving aid:

- You employ persons on the basis of civil law contracts concluded before 1 February 2020.
- The revenue of such a person, derived from a concluded civil law contract and generated in the month preceding the month when the idle time benefits application was submitted, cannot exceed PLN 15,681.00.
- The person working under the civil law contract is not entitled to social security insurance via any other means.
- The person working under the civil law contract resides in Poland, is a Polish citizen, or has the right of temporary or permanent residence in the territory of the Republic of Poland.

POLAND

- Persons with whom you have entered into civil law contracts cannot perform their contracts in whole or in part due to business downtime (idle time).

Amount of aid you can apply for:

You can receive PLN 2080,00.

However, if the sum of your civil law contract revenues for the month preceding the month when you have submitted the idle time benefits application amounts up to PLN 1,299.99, then you are entitled to benefits amounting to the sum of the remuneration derived from those contracts.

Required documents:

- Application (you should submit one for each contractor). If one of your contractors works under more than one civil law contract - a separate application should be submitted for each contract
- A copy of the civil law contract
- Statement of the contractors that they are not subject to social security insurance on any other grounds, and also regarding their revenues from other contracts.

Idle time benefits for the self-employed**Applies to:**

Persons conducting business activity that were subject to business downtime due to COVID-19.

Required conditions for receiving aid:

You will receive an idle time benefit in the amount of PLN 2080,00, if:

You started your business activity before 1 February 2020 (you did not suspend it) and the revenue generated in the month preceding the month when you have submitted the idle time benefits application:

- was lower by at least 15% than the revenue generated in the previous month,
- did not exceed PLN 15,681.00

You started your business activity before 1 February 2020, but you suspended it after 31 January 2020, and the revenue generated in the month preceding the month when you have submitted the idle time benefits application did not exceed PLN 15,681.00.

You have no other social security insurance entitlement.

You reside in Poland and you are a Polish citizen, or you have the right of temporary or permanent residence in the territory of the Republic of Poland.

You will receive an idle time benefit in the amount of PLN 1300,00, if:

You settle your taxes via flat rate tax (karta podatkowa) and you are exempt from paying VAT.

You have no other social security insurance entitlement.

POLAND

You reside in Poland and you are a Polish citizen, or you have the right of temporary or permanent residence in the territory of the Republic of Poland.

The application has to be submitted to ZUS, at the latest, within 3 months of the month when the previously declared state of epidemiological threat has been lifted.

Deferment of the contributions payment date or payment in installments

IMPORTANT:

Relief applies to contributions as of January 2020, you cannot apply for a relief in connection with contributions for 2019.

Applies to:

All social security or health insurance contribution payers.

Dariusz Obrocki
TIAS
dariusz.obrocki@tias.pl
www.tias.pl/pl



RUSSIA

The Government announced List of priority activities (actions)

There are the main of them in the table below.

N п/п	Name	Deadline
1. Supply of essential goods and support to the population		
1.1.	Establishment of term of payment of sick leaves to quarantined persons, acts of the Government of provision of a possibility of distant issue of sick leaves the Russian Federation	25 March 2020
1.2.	Implementation of measures of active support of employment (organisation of retraining and advanced training, organisation of public works, other measures)	30 April 2020
1.3.	Setting of zero rate of import customs duties for the goods determined by the Government of the Russian Federation, including medicines and medical devices	30 March 2020
1.4.	Permission for distance selling non-prescription medicines and medical devices	27 March 2020
1.5.	Establishment of a 'green channel' for imports of essential goods and food	20 March 2020, monthly afterwards
1.6.	Introduction of a mechanism for subsidizing interest rate on loans of trade organizations granted for formation of stocks of food and essential goods	27 March 2020
1.7.	Temporary (for one month) relief of weight control of transport facilities, transporting food and non-food essential goods in trailers and semi-trailers of a platform type with tented top	25 March 2020
1.8.	Introduction of measures to support pharmaceutical manufacturers, personal protective means and disinfectants, including granting special loans from the FER	25 March 2020
1.9.	Introduction of unified non-tariff regulation measures within the EAEU in the form of export ban for critical medicines, medical equipment and materials, protective and hygiene products	Decision of the Russian Government 25 March 2020, decision of the Council of the EEC 15 April 2020

RUSSIA

2. Support to the industries at risk¹

2.1.	Provision the credit institutions with the possibility of temporary non-deterioration of assessment of the quality of debt service, regardless of the assessment of the financial situation of the borrower from industries at risk, for loans restructured in connection with the spread of new coronavirus disease	March-May 2020
2.2.	Introduction of financial support measures for transport organizations affected by the worsening situation due to the spread of new coronavirus disease, including compensation for loss	5 April 2020
2.3.	Implementation of measures to support cultural, physical education and sports institutions, faced with a decrease in the flow of visitors	15 April 2020
2.4.	Relief of tour operators in the field of international tourism from payment of contributions to the reserve fund of the Association Turpomoshch in 2020	20 March 2020
2.5.	Authorization to the Government of the Russian Federation to temporarily suspend the payment of contributions to personal accountability funds	Introduction of the draft of the law to the State Duma on 15 April 2020, adoption of law on 15 June 2020
2.6.	Establishment of a procedure for compensation of losses of tour operators associated with non-refundable air transportation tariffs	27 March 2020, monthly afterwards
2.8.	Subsidizing interest rates on loans to developers with project financing case of a decrease in sales rate in the primary market	15 April 2020
2.9.	Ensuring the extension of work permits for foreign workers	27 March 2020
2.10.	Granting deferral for tax payments to the industries affected by the acts of the Government of the Russian Federation worsening situation due to the spread of new coronavirus disease (for three months)	30 March 2020
2.11.	Reducing the time for notice to employees to two weeks due to a possible shutdown of the enterprise due to the consequences of the spread of new coronavirus disease	Introduction of the draft of the law to the State Duma on 15 April 2020, adoption of the law on 15 June 2020
2.12	Introduction of support measures, including capitalization support, for leasing companies in connection with a reduction in the solvency of lessees in the field of transport	5 April 2020

¹ The following industries are included in the list of industries which can get support at present: avia transportation, airports activities, road transportation, culture, entertainment, physical culture and sports, tourism, hotels, catering, conferences and exhibitions organizers, personal services (repair, laundering, dry cleaning, services of hairdressing and beauty salons).

RUSSIA

3. Support for small and medium-size enterprises (further – SMEs) ²		
3.1.	Introduction of a moratorium on inspections of SMEs, including tax, except for the issues that pose risks to life and health of citizens	23 March 2020
3.2.	Introduction from March of the current year of a three-month delay for introduction to the State payment of insurance contributions, including employees, for micro-Duma enterprises	Introduction of the draft of the law to the State Duma on 27 March 2020, adoption of law on 15 April 2020
3.3.	Expansion of the program for subsidising access of SMEs to loan funds within the easy-term loan program by liberalising a number of requirements the Russian Federation to the borrower and expansion of the possibility of restructuring previously granted loans	10 April 2020
3.4.	Providing credit institutions with the possibility of temporary non- informational letter of the deterioration of assessment of debt service quality, regardless of the assessment of the financial situation of the SME borrower on loans restructured in connection with the spread of new coronavirus disease	27 March 2020
3.5.	Subsidising (up to V of the agreement rate, but no over the key rate) the credit institutions' part of the interest on loans of SMEs subject to the deferral of interest payment due dates without penalties	10 April 2020
3.6.	Temporary deferral (or a moratorium) on rental payments by SME lessees of state or municipal property	27 марта 2020 г.
3.7.	Increase of capitalisation of regional microfinance organisations in order to provide preferential microloans to SMEs	15 April 2020
3.8.	Increase of capitalisation of regional guarantee organisations in order to expand the possibilities of SMEs to receive preferential loans without a collateral	15 April 2020

² Companies with foreign participation will be able to count on support if their share in the charter capital does not exceed 49% and they meet the requirements of the law to be recognized as SMEs, along with other requirements in terms of revenue volume, which are stipulated by the legislation. SMEs, as well as micro-enterprises, include organizations whose minimum 51% of the charter capital belongs to individuals or organizations, SMEs. The share of organizations not related to SMEs should not exceed 49%, and the share of the state or non-profit organizations should not exceed 25%. Additionally, restrictions on the size of revenue and the number of employees must be observed:

- Revenue for micro-enterprises should not exceed 120 million rubles, and the number of employees — 15 people;
- Revenue for small enterprises should not exceed 800 million rubles, and the number of employees — 100 people;
- Revenue for medium-sized enterprises should not exceed 2 billion rubles, and the number of employees — 250 people.

In addition to it the company may be considered as SME if they are not only meet abovementioned conditions but also if they are registered within the registry of SMEs on the basis of criteria met by results of previous year.

RUSSIA

3.9.	Decrease of requirements for securing contracts during public procurement draft federal law from SMEs	Introduction of the draft of the law to the State Duma on 15 April 2020, adoption of the law on 15 June 2020
3.10.	Introduction of a mechanism for non-application of penalties as well as the draft federal law possibility to extend the terms and adjust prices in 2020 in case of violation of obligations by the contractor (within 223-FZ) due to the consequences of the spread of new coronavirus disease	Introduction of the draft of the law to the State Duma on 15 April 2020, adoption of the law on 15 June 2020

4. System-wide measures

4.3.	Non-application of penalties for certain government contracts in case of violation of obligations by the contractor due to the consequences of the spread of new coronavirus disease	20 March 2020
4.4.	Introduction of a mechanism for non-application of penalties as well as the draft federal law possibility to extend the terms and adjust prices for state and municipal contracts in 2020 in case of violation of obligations by the contractor due to the consequences of the spread of new coronavirus disease	Introduction of the draft of the law to the State Duma on 15 April 2020, adoption of the law on 15 June 2020
4.10.	Authorisation to the Government of the Russian Federation to determine draft federal law the procedures for obtaining a deferral (instalment plan) for the payment of taxes, fees and contributions, including in terms of the procedure, grounds and deadlines for their submission, as well as to extend the deadline for submission of tax returns	Introduction of the draft of the law to the State Duma on 30 March 2020, adoption of law on 30 April 2020

It should be noted that the majority of the announced measures will require amendments to the current legislation.

Ekaterina Lakatosh
 SCHNEIDER GROUP
 LakatoshEA@schneider-group.com
 www.schneider-group.com

SPAIN

Update. Briefing on new extraordinary Tax and Labour measures to weather the economic and social impact of COVID-19.

In addition to Royal Decree 463/2020, March 14, declaring the lockdown in Spain, and Royal Decree Law 8/2020, March 17, including a set of extraordinary measures addressed by the Spanish Government to respond to the economic and social impact of COVID-19, two additional rules have been approved containing a new package of measures: Royal Decree-Law 11/2020, March 31 and Royal Decree-Law 14/2020, April 14.

A) Royal Decree-Law 11/2020. New measures to reduce economic and social impact of COVID-19.

Royal Decree-Law 11/2020, March 31, entered into force on April 1st 2020 determining the scope of the duration of all measures adopted so far, during a period of one month after the final date concerning the lockdown, except for certain measures in which a specific term is established.

The most relevant measures are basically the following:

1. **Measures to support vulnerable employees, consumers, families and groups:** Suspension of evictions for vulnerable homes without alternative housing (six months), measures to cope the difficulties of individuals to pay the rent debt of their principal residence, extraordinary extension of leases and moratorium measures on tenancy debt; wide scope of suspension of mortgage payments to properties related to a professional activity with substantial loss of income and to non-residential properties in rental situation, for which the mortgage debtor has stopped receiving the rental income; and measures allowing individuals with economic vulnerability to suspend temporarily payments arising from loans or credits without mortgage guarantee.
2. **Measures to support self-employed:** Possibility applying for a moratorium on contribution payments on Social Security for companies and self-employed (interest free six-months) under specific circumstances; companies and self employed provided they do not have any other deferral in effect may apply for deferred payment of their social security debts.
3. **Measures related to consumer protection:** Consumer's and user's rights to terminate certain agreements without penalty; specifically, in package tours cancelled due to COVID-19, organizers or retailers may deliver a voucher to the customer, to be used within one year from the end of the validity of the lockdown.
4. **Measures to sustain economic activity:** Measures to support industry (e.g. the term for the provision of guarantees, for loans granted by the SGIPYM has been modified; measures for the reimbursement of expenses

SPAIN

and for the granting of public aids, by the ICEX Spain Export and Investment, in favour of those companies whose international trade promotions and other international events have been cancelled; Specific payment of interest and instalments related to loans granted by the Secretary of State for Tourism is suspended (one year) without the need for a prior request; Suspension of bills (electricity, natural gas and petroleum products) for companies and self employed who meet specific requirements.

5. **Deferred customs debt regime:** Customs debts (from April 1 to May 30) could be deferred for a period of six months (importers with turnover below 6.010.121,04 in 2019) with no default interest during the first three months.
6. **Taxation of autonomous communities and local entities:** The suspension approved by Royal Decree-Law 8/2020 will also apply to procedures governed by the General Tax Law that are carried out and processed by the Tax Administrations of the autonomous communities and Local entities, and those who are governed by the Regulatory Law of **Local Taxation**.
7. **Extension of the deadline to appeal through administrative proceedings:** The computation of the term to file appeals in administrative proceedings, in any procedure which adverse effects or tax consequences may trigger for the interested party, will be computed from the business day following the date of completion of the lockdown. Specifically, the calculation of the term to file reversal appeals

or economic-administrative claims will start from April 30, 2020.

8. **Procedural facilitation:** According to the Additional Provision Nine it is approved and Action Plan to streamline judicial activity in the social and contentious-administrative jurisdictional orders as well as in the field of Commercial Courts, once the lockdown status is finished.
9. **Availability of pension plans:** During the period of six months from the date in which the lockdown was introduced, participants in pension plans may, exceptionally, make effective their consolidated rights as far as certain requirements are met.

B) Royal Decree-Law 14/2020. New Tax measure.

The Spanish government has approved Royal Decree-Law 14/2020, April 14, in order to allow specific tax payers (self employed and companies with turnover not exceeding 600.000 euros in 2019) to defer one month the file of any tax return. This measure implies that the initial date (April, 20) has been extended to May, 20.

Any Corporate and VAT Tax groups are excluded and can not apply that measure.

Daniel Aroca
Auren Spain
daniel.aroca@bcn.auren.es
www.auren.com



UNITED KINGDOM

Update Measures

Unless specifically noted, these are in addition to the measures already set out.

- HMRC have indicated that the Coronavirus Job Retention Scheme portal will be ready for use on Monday 20 April
- CBILS has now been expanded with the Coronavirus Large Business Interruption Loan Scheme (“CLBILS”), to provide larger UK business with a turnover of £45m- £500m with UK government support on loans of up to £25m via commercial banks at commercial rates of interest
- Majority self-employed workers with a trading profit of less than £50,000 are able to apply for a taxable grant to cover 80% of their average monthly profits over the last three years. It is intended that this will cover three months and be paid in a lump sum in June 2020.
- Changes to the rules on off payroll working in the private sector (IR35) will be deferred until 6 April 2021.
- COVID 19 has been classified an “unspecified notifiable disease” by the government, which will allow claims on certain insurance policies.
- Under “Making Tax Digital” HMRC has announced a further deferment of the requirement for companies to have digital links in place for VAT until April 2021.
- Workers who have not taken all of their statutory annual leave entitlement due to COVID-19 will now be able to carry up to 4 weeks of unused holiday over into the next 2 leave years
- Import duties and VAT on vital medical supplies and equipment brought into the UK from non-EU countries has been removed for the duration of the COVID-19 outbreak. Relief is available immediately if authorised.
- The Government will temporarily suspend wrongful trading provisions retrospectively, for 3 months from 1 March 2020. This is to allow directors to continue to run businesses and pay staff even where they are not certain that the business will remain solvent, without personal risk.

Richard Hill
Haines Watts CA
RHill@hwca.com
www.hwca.com



Local Matters, National Strength.

URUGUAY

Labour and fiscal changes

1. LABOUR CHANGES

1.1. PARTIAL UNEMPLOYMENT SUBSIDY - MTSS INCLUDES IN THE FLEXIBILIZATION ALL SECTORS OF ACTIVITY

By means of **Resolution 163/020** of 20/03, the MTSS extended to **all sectors of activity** the flexibility of the partial unemployment subsidy resolved by **Resolution 143/020** of the aforementioned body dated 18/03.

Through these resolutions they are covered by the benefit:

- Those workers in a situation of partial suspension due to a reduction in the number of monthly working days with a minimum of 6 days in the month.
- Those workers with total reduction of hours from their usual schedule by a percentage of 50% or more than the legal or usual in normal times.

The application for the BPS subsidy will be made in the last month. For example, you decide to send a worker from 20/03 to 31/03, the data to BPS will be entered on 01/04.

1.2. ADVANCE OF LICENSE GENERATED IN 2020

Through **Resolution 55/020**, the MTSS authorizes the advance of leave to be generated in the year

2020 as long as it is agreed between the worker and the employer and is motivated by the health emergency situation.

The aforementioned agreement must be in writing and registered with the MTSS.

It is worth mentioning that the paid leave and the corresponding vacation salary must be paid in the form and at the time established by the regulations in force. In any case may the number of days to be enjoyed be less than 10.

1.3. COMMUNICATION TO MTSS STAFF IN TELEWORK MODE

The Article 6 of **Decree 94/20** encourages companies to implement remote work. This situation must be reported to the General Labour Inspectorate.

The employer must provide the necessary implements to carry out the task.

1.4. FREE ZONE: REMOTE WORK AUTHORIZATION

By Resolution of the MEF the dispositions that oblige the user companies of Free Zones to carry out their activity from free territory were made more flexible; allowing the remote work of the personnel. This resolution will be in force until April 10 and must be reported to the Directorate General of Trade and the MEF.

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1.5. SICKNESS SUBSIDY OVER 65 YEARS OF AGE

By Decree **109/020** of 25 March, private sector workers aged 65 or over may be placed in isolation for a maximum period of 30 days and are entitled to receive the common sickness subsidy for the duration of the isolation.

Those who regularly work from their homes are excluded from this provision.

Workers covered by this scheme must be notified by the employer.

1.6. BONUS AND BPS PAYMENT FACILITIES

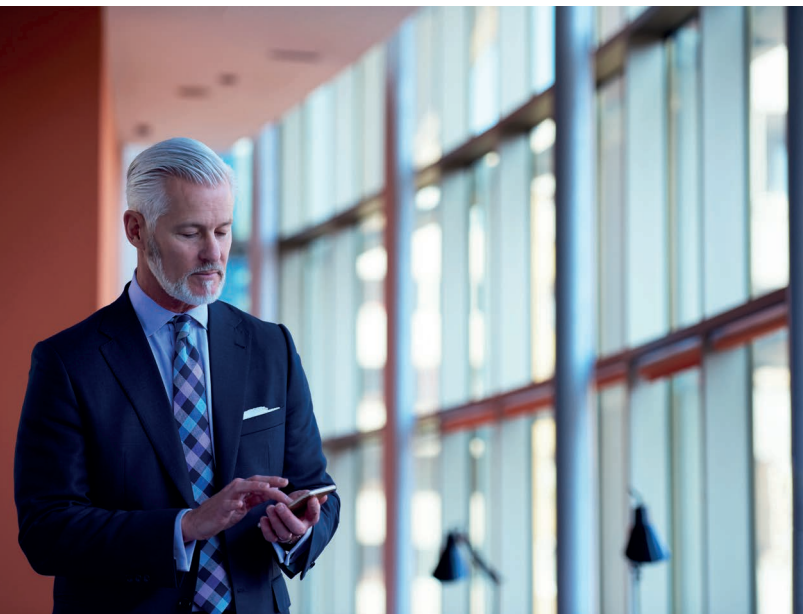
The **Bill of 24/03/2020** establishes exemptions and payment facilities, which will be applied automatically, without the companies carrying out any management, for the payment of the employer's and non-dependent worker's contributions for the activities carried out in the months of March and April, which must be paid in April and May.

Holders Understood:

The holders of companies of Industry and Commerce with up to 10 dependent workers, including in this condition those who are covered by the subsidies provided by BPS and BSE, being also covered the holders of mono-taxes and social mono-taxes Mides and the companies with the following legal natures:

- Single person (holder and spouse)
- De facto society
- Limited liability company
- Partnership
- Limited partnership
- Capital company
- Limited partnership by shares
- Agricultural society of limited responsibility

A **bonus of 40%** of the total personal and employer contributions of non-dependent workers is set.



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The remaining **60% is financed** in six interest-free instalments, with the first instalment to be paid in June 2020.

The bonus and financing of contributions is applied to employer and personal contributions calculated on the fictitious amounts or actual remuneration declared by non-dependent workers.

1.7. PROTOCOL FOR PREVENTION AND ACTION IN RELATION TO COVID-19

By means of **Resolution 54/020 and Resolution 52/020** of the MTSS establish control and prevention measures in the work environment to avoid the spread of COVID-19.

These include publication of information on COVID-19, hygiene measures, not sharing personal items, and having mechanisms for action in the event of the appearance of a worker with symptoms of the disease.

1.8. COVID-19 OCCUPATIONAL DISEASE

The **Bill 24/03/2020** establishes that the disease COVID-19 will be considered an occupational disease, for the health personnel that participates directly or indirectly in the assistance process (doctors and non-doctors) and are exposed to the contagion of SARS-CoV2 causing the disease COVID-19. Such consideration shall be during the time covered by the health emergency declared by the Executive Branch.

2. FISCAL CHANGES

2.1. VAT BENEFIT REDUCTION

Decree 97/020 repealed the additional reduction of 2 percentage points of the VAT rate on the disposal of goods and services whose total amount was less than UI 4,000, including VAT, provided that the consideration was made in a single payment using debit cards, electronic money instruments or similar instruments.

By the same decree, VAT refunds are reduced from 9 to 5 points for purchases by final consumers using credit cards, debit cards, electronic money instruments or similar instruments, for gastronomic services (restaurants, bars, canteens, etc.), services for parties and events, car rental without a driver, mediation service for the rental of property for tourism purposes.

2.2. BENEFITS OF AGRICULTURAL ACTIVITY

Decree 88/020 grants beef and sheep producers who do not pay income tax on economic activities (IRAE) for these productive activities, a refund of the value added tax (VAT) included in their purchases of diesel for the development of these activities.

This regime will be applicable to those acquisitions made from 1 March 2020 and for a period of 1 year. The maximum limit of the benefit referred to in the previous article may not exceed 0.4% of the income originating from the sale of cattle and sheep, corresponding to the last fiscal year closed before July 1, 2019.

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On the other hand, **Decree 89/020** grants milk, rice, flower, fruit and vegetable producers, and beekeepers, who do not pay Income Tax on Economic Activities (IRAE) for the referred productive activities, the refund of the Value Added Tax (VAT) included in their purchases of diesel oil intended for the development of the same.

This regime will be applicable to those acquisitions made from 1 March 2020, for a period of 1 year. The maximum limit of the benefit referred to in the previous article shall be determined by applying the percentages that vary between 1.1% and 4% depending on the product

sold to the income originated in the sales of each of the agricultural products, corresponding to the last fiscal year closed before 1 July 2019.

2.3. EXTENDING DGI EXPIRATIONS

Through **DGI Resolution 550/2020** of 20 March 2020, the DGI **extended the deadlines** established between 23 and 26 March 2020 to **27 March 2020**.

It also establishes that taxpayers covered by **Article 52(E) of Title 4** (small enterprises) may pay their obligations for the months of February and March 2020, in six equal and consecutive



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instalments as from May 2020. This includes the instalments corresponding to payment facilities, due in the months of March and April.

2.4. COVID-19 SOLIDARITY FUND

The **Bill 31/03/2020** creates the “Solidarity Fund COVID-19”, destined to exclusively attend the expenditures coming from the sanitary emergency by COVID-19 (expenditures of the Ministry of Public Health, the National Emergency System, the Social Security Bank and state activities destined to the attention of the population).

The fund will be financed with profits from the Banco de la República Oriental del Uruguay, Corporación Nacional para el Desarrollo, donations, loans from international and multilateral organizations, and by transitory taxes created by the law itself (Impuesto Emergencia Sanitaria COVID-19).

Emergency Healthcare Tax COVID-19

This tax will be levied on the nominal remuneration and benefits, in cash or in kind, derived from personal services, whatever the legal nature of the relationship of dependence, provided to the State, Departmental Governments, Autonomous Bodies and Decentralised Services, corresponding to the months accrued in April and May 2020 (and can be extended for a maximum period of three months).

They are taxed according to the following scale of proportional rates:

Uruguayan Peso Scale	OVER	UP TO	RATE
		120.000	0%
1	120.000	130.000	5%
2	130.000	150.000	10%
3	150.000	180.000	15%
4	180.000		20%

Holiday bonuses and salaries are excluded from this tax.

The tax also covers individuals who have personal service contracts with the State, including contracts for the lease of works or services, which are motivated by temporary ties that do not have the status of public officials. Those who receive subsidies granted by law to those who have occupied public or particularly trusted positions must also pay the tax.

The tax does not apply to health care personnel who participate directly or indirectly in the care process (medical and non-medical) and who, as a result of the tasks they perform, are exposed to SARS-CoV2 infection, which causes COVID19.

The salaries and nominal benefits of the President and Vice President of the Republic, Legislators, Ministers and Under-Secretaries of State, Quartermasters and other political officials and those of particular confidence shall be taxed by this tax at the rate of 20%. For the Mass rate, the subsidies established in **Article 35, Section C, Subsections 3 and 4 of Institutional Act No. 9** are reached.

In any case shall the amount of the liquid remuneration and benefits, once the special contributions to social security, the contribution to the corresponding health system, the Labor Reconversion Fund, the Income Tax of Individuals and the tax that is created, be less than the greater of the following figures:

- \$ 80.000
- The liquid resulting from the higher income of the previous band according to the liquidation of an individual without dependents or other relatives, which is liquidated under the individual regime for the purposes of Personal Income Tax and the corresponding health system.

The tax also covers income corresponding to retirements, pensions and similar benefits of passivity, served by public and private institutions, resident in the Republic, according to the following scale:

Uruguayan Peso Scale	OVER	UP TO	RATE
		120.000	0%
1	120.000	130.000	5%
2	130.000	150.000	10%
3	150.000	180.000	15%
4	180.000		20%

In any case shall the amount of the pensions or similar liquid liabilities, once the contribution to the corresponding health system, the Social Security Assistance Tax and the Tax that is created, be less than the greater of the following amounts:

- \$ 80.000
- The liquid resulting from the higher income of the previous band according to the liquidation of an individual without dependents or other relatives for the purpose of contributions to the corresponding health system.

Alexandra Weisz
Auren Uruguay
alexandra.weisz@mvd.auren.com
www.auren.com





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